OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 2 December 2015

The Council met at Eleven o'clock

MEMBERS PRESENT:

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

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE JAMES TO KUN-SUN

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

THE HONOURABLE ABRAHAM SHEK LAI-HIM, G.B.S., J.P.

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

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

THE HONOURABLE VINCENT FANG KANG, S.B.S., J.P.

PROF THE HONOURABLE JOSEPH LEE KOK-LONG, S.B.S., J.P., Ph.D., R.N.
THE HONOURABLE JEFFREY LAM KIN-FUNG, G.B.S., J.P.

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

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

THE HONOURABLE CYD HO SAU-LAN, J.P.

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

THE HONOURABLE CHAN HAK-KAN, J.P.

THE HONOURABLE CHAN KIN-POR, B.B.S., J.P.

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN, S.B.S., J.P.

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

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

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

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

THE HONOURABLE PAUL TSE WAI-CHUN, J.P.

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE CLAUDIA MO
THE HONOURABLE MICHAEL TIEN PU-K-SUN, B.B.S., J.P.
THE HONOURABLE JAMES TIEN PEI-CHUN, G.B.S., J.P.
THE HONOURABLE NG LEUNG-SING, S.B.S., J.P.
THE HONOURABLE STEVEN HO CHUN-YIN, B.B.S.
THE HONOURABLE FRANKIE YICK CHI-MING, J.P.
THE HONOURABLE WU CHI-WAI, M.H.
THE HONOURABLE YIU SI-WING, B.B.S.
THE HONOURABLE GARY FAN KWOK-WAI
THE HONOURABLE MA FUNG-KWOK, S.B.S., J.P.
THE HONOURABLE CHARLES PETER MOK, J.P.
THE HONOURABLE CHAN CHI-CHUEN
THE HONOURABLE CHAN HAN-PAN, J.P.
THE HONOURABLE CHAN YUEN-HAN, S.B.S., J.P.
THE HONOURABLE LEUNG CHE-CHEUNG, B.B.S., M.H., J.P.
THE HONOURABLE KENNETH LEUNG
DR THE HONOURABLE KWOK KA-KI
THE HONOURABLE DENNIS KWOK
THE HONOURABLE CHRISTOPHER CHEUNG WAH-FUNG, S.B.S., J.P.
DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG
THE HONOURABLE SIN CHUNG-KAI, S.B.S., J.P.
THE HONOURABLE IP KIN-YUEN

DR THE HONOURABLE ELIZABETH QUAT, J.P.

THE HONOURABLE MARTIN LIAO CHEUNG-KONG, S.B.S., J.P.

THE HONOURABLE POON SIU-PING, B.B.S., M.H.

DR THE HONOURABLE CHIANG LAI-WAN, J.P.

IR DR THE HONOURABLE LO WAI-KWOK, S.B.S., M.H., J.P.

THE HONOURABLE CHRISTOPHER CHUNG SHU-KUN, B.B.S., M.H., J.P.

THE HONOURABLE TONY TSE WAI-CHUEN, B.B.S.

MEMBERS ABSENT:

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

THE HONOURABLE WONG KWOK-HING, B.B.S., M.H.

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

DR THE HONOURABLE KENNETH CHAN KA-LOK

THE HONOURABLE ALICE MAK MEI-KUEN, B.B.S., J.P.

THE HONOURABLE KWOK WAI-KEUNG

DR THE HONOURABLE HELENA WONG PIK-WAN

THE HONOURABLE TANG KA-PIU, J.P.

THE HONOURABLE CHUNG KWOK-PAN
PUBLIC OFFICERS ATTENDING:

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

PROF THE HONOURABLE K C CHAN, G.B.S., J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

MS CHRISTINE LOK KUNG-WAI, J.P.
SECRETARY FOR THE ENVIRONMENT

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

THE HONOURABLE NICHOLAS W. YANG, J.P.
SECRETARY FOR INNOVATION AND TECHNOLOGY

THE HONOURABLE LAU KONG-WAH, J.P.
SECRETARY FOR HOME AFFAIRS

MS FLORENCE HUI HIU-FAI, S.B.S., J.P.
UNDER SECRETARY FOR HOME AFFAIRS

MR WESLEY WONG WAI-CHUNG, S.C.
SOLICITOR GENERAL

CLERKS IN ATTENDANCE:

MR KENNETH CHEN WEI-ON, S.B.S., SECRETARY GENERAL

MISS ODELIA LEUNG HING-YEE, DEPUTY SECRETARY GENERAL

MISS FLORA TAI YIN-PING, ASSISTANT SECRETARY GENERAL

MR MATTHEW LOO, ASSISTANT SECRETARY GENERAL
PRESIDENT (in Cantonese): Will the 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:

No. 38 — Customs and Excise Service Welfare Fund
Financial statements for the year ended 31 March 2015 and its summary, together with the Report of the Director of Audit

No. 39 — Fire Services Department Welfare Fund
Report on the Administration of the Fund and Financial statements for the year ended 31 March 2015

No. 40 — Director of Social Welfare Incorporated
Financial statements for the year ended 31 March 2015

No. 41 — Prisoners' Education Trust Fund
Report by the Trustee of the Fund for the period from 1 April 2014 to 31 March 2015

No. 42 — Independent Police Complaints Council
Report 2014/15

Report No. 6/15-16 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments
ADDRESS


MR CHAN KIN-POR (in Cantonese): President, on behalf of the Independent Police Complaints Council (IPCC), I present its sixth Report since its incorporation in 2009. This Report covers the work of the IPCC in the financial year from 1 April 2014 to 31 March 2015.

In the year 2014-2015, the IPCC scrutinized and endorsed the findings of 2,241 complaint cases involving 4,088 allegations, a decrease of 13.5% and 3.8% respectively over the previous year. During this period, the three most common allegations were "Neglect of Duty" (with 2,082 counts), "Misconduct/Improper Manner/Offensive Language" (with 1,376 counts) and "Assault" (with 291 counts). These three types of allegations accounted for 91.7% of all allegations made in 2014-2015.

Of the allegations endorsed in 2014-2015, 1,309 were fully investigated. Of these, 76 were classified as "Substantiated"; 51 "Substantiated Other Than Reported"; 26 "Not Fully Substantiated"; 560 "Unsubstantiated"; 522 "No Fault" and 74 "False". These figures also include 167 allegations of which classification was changed from that earlier conducted by the Police following queries raised by the IPCC. In 2014-2015, the IPCC raised a total of 727 queries or suggestions in respect of the cases endorsed. Among them, 431 queries or suggestions were accepted by the Police.

Under the Observers Scheme, 2,259 observations were conducted in 2014-2015, a decrease of 8.6% over the previous year. During the reporting period, the IPCC also interviewed four persons to seek clarification from them on matters relating to the investigation reports.

As the Occupy incident occurred during the reporting period, over 100 Reportable Complaints were generated. In respect of the Occupy incident, the IPCC held special in-house meetings with several groups who were concerned about the Police's enforcement actions. On the day of the clearance operation,
the IPCC conducted an onsite observation. In the light of the prevailing social environment, the IPCC, being an independent organ monitoring the handling of complaints by the Police, has an even more important role to play. It will continue to scrutinize each complaint case independently and impartially on the basis of facts and evidence.

President, on behalf of the IPCC, I wish to take the opportunity of tabling this Report in this Council to thank this Council and other stakeholders for their support of the IPCC's work.

President, I so submit.

ORAL ANSWERS TO QUESTIONS


Donation of Food Waste by Commercial Organizations

1. MR SIN CHUNG-KAI (in Cantonese): President, the Environment Bureau published "A Food Waste & Yard Waste Plan for Hong Kong 2014-2022" in February last year and planned to implement various options to reduce food waste. One of the options is the donation of surplus food to other people for consumption. It is learnt that at present, quite a number of non-governmental organizations in Hong Kong collect surplus or soon-to-expire food from commercial organizations (e.g. supermarkets, restaurants, hotels, etc.) and then distribute the food which is still suitable for human consumption to the needy. In this connection, will the Government inform this Council:

(1) whether the authorities have estimated the quantity of food suitable for human consumption discarded by various commercial organizations in the past three years; if they have, of the details; if not, the reasons for that; of the means through which the authorities encourage commercial organizations to donate surplus or soon-to-expire food;
(2) given that in recent months, the French Government enacted legislation to prohibit supermarkets from discarding unsold food products, whether the authorities will consider enacting similar legislation; if they will, of the details; if not, the reasons for that; and

(3) whether the authorities will consider enacting legislation with exemption clauses for food donors, just as the Bill Emerson Good Samaritan Food Donation Act passed by the United States Congress in 1996, which will not only make commercial organizations feel at ease to donate food but also encourage more organizations to donate food, thereby reducing food waste; if they will, of the details; if not, the reasons for that?

SECRETARY FOR THE ENVIRONMENT: President, the Government is committed to promoting the culture of food waste reduction, in order to avoid and reduce food waste disposed of at landfills. The Government's "A Food Waste & Yard Waste Plan for Hong Kong 2014-2022" published in February 2014, maps out four strategies to deal with food waste, namely, reduction at source, reuse and donation, recyclable collection, and turning food waste into energy.

Our responses to the question raised by Mr SIN Chung-kai are as follows:

(1) We are concerned about the possible losses occurring along the food chain because they represent a loss in valuable resources. The question refers to one link along the whole food chain of possible losses and highlights the link relating to food distribution in the marketing system at markets, supermarkets and at retail, such as restaurants and hotels.

The Environmental Protection Department (EPD) does not have specific data on the quantities of food suitable for human consumption discarded by companies operating in food distribution in Hong Kong, hard data is not easy to collect because it relates to the operational information of individual companies and food prior to disposal is a resource, not waste. The EPD collects statistics of waste disposed of at landfills, including food waste disposal. We understand that some local non-governmental organizations (NGOs) have estimated surplus food losses in Hong Kong.
We agree that surplus food and food that has not reached its "best before date" are still edible and should not be thrown away. Since July 2014, the Environment and Conservation Fund (ECF) has been funding non-profit organizations in the recovery of surplus food for distribution in the community. The funded activities include collection of surplus and edible food from markets, retail shops and food wholesalers. The collected surplus food is distributed to those in need. This also accords with our "Use less and Waste less" concept. As of October 2015, the ECF has approved a total of 10 such projects with funding support of about $15 million. The target is to collect around 950 tonnes of surplus food in two years, and to donate them to 700,000 headcounts.

(2) According to our understanding, the French law requires supermarkets that exceed a certain size to donate edible unsold food to charities for immediate distribution to people in need.

We will observe how the French initiative proceeds and how the new law may change the operation of supermarkets, since their disposal of unsold food involves complex issues, including commercial considerations, environmental protection and food safety. At this stage, we are not in a position to consider similar legislation in Hong Kong.

Our priority is to encourage supermarkets to reduce food waste disposal and donate edible surplus food to those in need. A number of supermarkets in Hong Kong are donating surplus food to local charities.

(3) At this stage, the Government has no plan to introduce a Good Samaritan law. We observe that such legislation still requires due care on food safety which is a crucial practice. In Hong Kong's context, among other issues, the Centre for Food Safety (CFS) under the Food and Environmental Hygiene Department, issued a set of "Food Safety Guidelines for Food Recovery" (Food Safety Guidelines) in August 2013, where it sets out food safety principles that should be applied to food donated to charities, regardless of the types and sources of food. The Food Safety Guidelines is available...
on the website and have been shared with the trades and the NGOs. We also understand that some NGOs have entered into food donation agreements with their donors to deal with food safety liability issues, taking into account the principles set out in the Food Safety Guidelines.

Also, applicants seeking ECF funding for food donation projects have to attend "Trade Talk and Workshop on Hazard Analysis and Critical Control Point" organized by the CFS. Workshops facilitate applicants' understanding of the Food Safety Guidelines. Our understanding is that this voluntary system has helped both food donors and charities.

MR SIN CHUNG-KAI (in Cantonese): President, simply put, the Government's reply is that statistics are not available, and the legislation contains no exemption clauses to exempt donor organizations from liabilities so as to give them adequate incentives, nor does it require supermarkets or big organizations to donate soon-to-expire or surplus food.

Under these preconditions, I would like to know whether the Government has provided adequate incentives or put in place adequate regulatory measures to make these organizations donate more or waste less food. I have not noticed any incentives provided by the authorities.

SECRETARY FOR THE ENVIRONMENT: President, the food donation NGOs over the past five years or so have greatly increased the quantities of surplus food that has been donated by various food distributors. In fact, my understanding in talking to them is that they are reaching a certain capacity. Our aim going forward is to work with the NGOs as well as the food donors to see what more could be donated.

Also, in my speaking to the NGO sector, just yesterday in fact, they told me that through this exercise over the past few years of food donation, their donors have actually become more conscious about their own business and how they can reduce food waste at source, which we think is very important. So I think the main point I want to make is that, in Hong Kong, with the effort of the
NGOs plus the effort of the Government, there is the growing acceptance in the food distribution sector that not to waste food is a good and important practice in Hong Kong. That has been very effective.

**MR SIN CHUNG-KAI** (in Cantonese): *The Secretary has not answered the part of my supplementary on incentives. She has only told us what the NGOs have done. What incentives will the Government provide in the future?*

**SECRETARY FOR THE ENVIRONMENT**: We have of course the ECF project which has provided $15 million so far to 10 NGOs. The NGOs have also certain specific requests and ideas for us to consider to work with the donors' organizations to see how the process can be further improved. So, I think it is not just about incentives, as perhaps in financial terms or in legislative terms, because I think at this moment in time, we have reached a certain capacity in Hong Kong, and it is important to work with the trade and the NGOs to see how to take the next step.

**MR MARTIN LIAO** (in Cantonese): *President, the authorities often say that they encourage the community to donate surplus food, but have they taken the initiative to study and identify the obstacles encountered by the industrial and commercial sectors in donating food? In recent years, surveys conducted by community organizations found that food companies did not donate surplus food mainly because of their concerns about the legal liabilities arising from the safety of surplus food. This shows that it is not a desirable approach to merely rely on the agreements reached by food donors and voluntary organizations regarding the relevant legal liabilities, and food donors do not feel at ease when donating food. In fact, most donors would only donate low-risk food such as tinned food and biscuits, and some voluntary organizations would not accept cooked food for food safety reasons.*

*Since the Government would not consider enacting a Good Samaritan law, what other actions will it take to solve the problems?*
SECRETARY FOR THE ENVIRONMENT: I understand from having spoken to NGOs over the past few years that they used to be very worried about the issue of potential liability. But over the years, I think we have all learned that even if you have a Good Samaritan law, the law still requires the donors and the donees that when they distribute food to the needy, it is critical to follow food safety practices. So, there should not be any misunderstanding that just because there is a law, there is a presumption that there should be no liability, that there could never be liability. In fact, those laws are backed by the request or the requirements of sound food safety practices.

What we have actually done in Hong Kong is to promote sound food safety practices. That is why we have the Food Safety Guidelines which have become the contractual terms between the NGOs and the food donors. I suppose you could say that if there was such a law, a presumption would be raised, but this does not actually absorb liability altogether. In Hong Kong, what we have managed to do is to raise the consciousness and understanding of good food safety practices on both the sides of the donor and the donee.

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

MR MARTIN LIAO (in Cantonese): In fact, I would like to ask another question to follow the matter up.

PRESIDENT (in Cantonese): The Secretary has already answered your supplementary question. If you would like to ask another question, please wait for another turn.

MR TOMMY CHEUNG (in Cantonese): President, according to my experience with the Environmental Protection Department, it has been very bureaucratic all these years and it only pays lip service without providing any real financial support. It often asks organizations to pay for environmental protection measures so that the Government would reap where it has not sown and show others the good results. Mr SIN Chung-kai asks the Government whether it would enact a Good Samaritan law. Of course, no one in the catering industry would offer food to others in the full knowledge that it is fatally toxic, irrespective
of whether the recipients are poor people or not. We would at least worry about criminal liability. If we do not want to bear such a liability, we would rather throw away the food than donate it. Therefore, I hope the Secretary would consider enacting a Good Samaritan law. We would not deliberately offer contaminated food to others, but bacteria may proliferate in some food after a while and what should we do?

President, it is actually alright for restaurants or supermarkets to donate surplus food, but they have two difficulties. First, it is about criminal liability, as Members have said; and second, transport arrangement. In general, the closing hours for restaurants and supermarkets are 11 pm or 12 midnight, and no driver is available at such late hours. Here, I am not making an excuse to ask the Government to import foreign workers as drivers; I would just like the Government to consider one idea. After saying that the Government only pays lip service without providing any real financial support, I would like to ask the Government: Will it provide tax rebates for the industry so that a business operator would get a tax rebate if it donates a certain amount of food (in terms of tonnes) to some organizations? This is a kind of incentive. If a business operator engages a transportation service provider for the specific purpose of donating food, tax rebate may also be granted. Will the Government consider providing tax rebates?

SECRETARY FOR THE ENVIRONMENT: President, I am very interested in the example that the Honourable Member has just raised. For example, he said that in the evening, after a restaurant is about to close and there are some surplus food, what should we do? Obviously, it is difficult to transport the food straight away to somebody in the middle of the night, probably this is not the time that people would want to eat. Then, he suggested that perhaps there could be some tax reliefs for companies to consider engaging some transportation service.

What I would like to hear from the trade is, for those restaurants that have surplus cooked food — if the food is uncooked, I presume that is not a problem — but if the food is cooked, what shall we do with it? Should the restaurants have to decide whether or not to keep the food? I presume it is difficult for restaurants to create some extra storage, so this is precisely the difficulty with surplus food. We must not make the assumption that just because there are some surplus food that could be consumed, it is ready to give them to people.
The supply chain of getting the food to somebody within a certain time is actually quite critical. I just want people not to get the idea that if we had a law, or if we had some kind of incentive or relief, lots and lots of food would not be disposed of, because I imagine that in running a business, there is still going to be consideration from the food donor whether the food should be kept for commercial reasons, or for other reasons, that they should not be given to people to eat at the time when there is a time gap.

MR TOMMY CHEUNG (in Cantonese): The Secretary has not answered my supplementary question. In fact, I was just asking her whether she would consider providing tax rebates for the industry so that the business enterprises would enjoy tax concessions if they donate food. I was not asking her to explain the problems involved.

PRESIDENT (in Cantonese): Secretary, would you respond to the question on tax rebates?

SECRETARY FOR THE ENVIRONMENT: I am not ready to answer that question, but since the Member raised the particular example, I would like to hear in future if the trade has some specific ideas of how we can collect more donated food. I am more interested in that aspect.

DR FERNANDO CHEUNG (in Cantonese): President, I noticed that the Secretary has in effect been saying that the Government would not enact a Good Samaritan law, not because such a law would contravene the existing Food Safety Guidelines or contradict the current practices of the trade (for example, the supermarkets). The Secretary was only saying that the issue was complex and studies had to be conducted first. Regarding the new overseas legislation that require large supermarkets to donate unsold food of which they have no use, the Secretary also said it was a very complex issue which had to be studied.

Some environmental groups said that supermarkets in Hong Kong wasted 29 tonnes of food every day, but many poor people did not have enough food to eat and were starving. Hence, I have this question for the Secretary. The
authorities said that at present, they would not consider following the example of France in enacting a law that requires supermarkets to donate food, nor would they consider enacting a Good Samaritan law that exempts food donors from criminal liability, so that food donors need not worry about attracting criminal liability if they donate food following food safety measures and out of good intentions. Since the Secretary would not take any of these two actions, how would she achieve the goal of reducing 40% of surplus food in 2022? If the authorities would not provide any incentives to food donors or legislate to protect them, and would not encourage supermarkets or restaurants to donate food, what would the Secretary do to achieve the goal of reducing wasted food?

SECRETARY FOR THE ENVIRONMENT: I think there is an assumption that if we had a law, then there would be a very great amount of surplus edible food that could be given to the needy.

What I am trying to say is that even with such a law, good food practices are still required and the problem of matching time of donation and consumption still exists. The issue is actually quite complex.

What I am saying today is that we are not ready to enact legislation, but we are fully ready to work with the trade and with the NGOs. The NGOs and the trade have actually quite a lot of experience in the Hong Kong context. It was only last night that our political assistant had quite an extensive discussion with a number of NGOs engaging in food donation activities. We try to understand from them what is the next stage that really is necessary. I would rather spend our time working on the promotion and see how we can facilitate this work than give people the impression that if we had a law, that in itself would be sufficient.

DR FERNANDO CHEUNG (in Cantonese): I was asking the Secretary what she would do, but she told us that there were ongoing discussions. Since the Government would not enact such a law and would not even consider it seriously, what would the Secretary do to encourage business enterprises to donate food?

PRESIDENT (in Cantonese): Secretary, do you have anything to add?
SECRETARY FOR THE ENVIRONMENT: President, I think I have answered the question. The law in itself, I do not believe would create huge quantities of surplus food for distribution. What we need to do in Hong Kong is to work out the supply and demand chain to see where we need to focus some attention to increase the quantities. We have not actually heard from either the trade or the NGOs that having this law is the way forward. I think those who are actually in this business are looking at how we can improve the process.

MS CYD HO (in Cantonese): President, I would like to ask the Secretary to reply in Cantonese. In fact, she speaks Cantonese well and needs not worry. Many members of the public are watching the live broadcast of this meeting and if the answers are given in Cantonese, they would understand how the Government deals with food waste better.

President, the Secretary said earlier that enacting a law may not be the best way to deal with food waste. That is actually correct. Many environmental groups have suggested that a law be enacted to prohibit commercial organizations from delivering food waste to the landfills altogether, which would be the most direct solution. They said that if such a law was enacted, commercial organizations would have to think of ways to dispose of food waste. However, considering the composting plant and other existing ancillary facilities that we have in Hong Kong, I do not think the conditions are ripe for enacting such a law.

If we are to enact a law to prohibit commercial organizations from delivering food waste to the landfills, would the Secretary tell us when the Government would complete building the necessary ancillary facilities? What are the bottleneck problems currently encountered by the Government in establishing more composting plants in this direction?

SECRETARY FOR THE ENVIRONMENT: I hope Ms Cyd HO will excuse me to continue to speak in English, at least on this occasion.

President, I think she is absolutely right that Hong Kong is not ready to consider having such legislation as yet, because in the end, we need to make sure that large quantities of food waste have somewhere to go and not the landfill.
So she has quite rightly asked about the progress of our Organic Waste Treatment Facilities. The first food waste treatment plant, as Members will remember, is now being built and we hope that it can be commissioned in 2017. It can only handle 200 tonnes of food waste, which is small when we look at our total daily food waste of about 3,600 tonnes.

However, what we have to do is to work with both the commercial and industrial sector, and eventually the residential sector, to persuade people to separate food waste from other waste, and then to arrange transport to the treatment centre. This is going to actually be quite a new set of arrangements for Hong Kong as a whole.

My colleagues at the EPD are already beginning to work very hard with the commercial and industrial sector in food manufacturing and food production to see how we can line up this supply chain, so that when the food waste treatment plant opens, we could have a large quantity of food waste going to the plant.

We are committed to building a second plant where we already have the land available. We hope to have the opportunity to come to the Legislative Council in the not too distant future to seek funding.

PRESIDENT (in Cantonese): This Council has spent more than 25 minutes on this question. Second question.

Work on Safeguarding and Promoting Local Intangible Cultural Heritage

2. MR YIU SI-WING (in Cantonese): President, the Convention for the Safeguarding of the Intangible Cultural Heritage (the Convention) was extended to Hong Kong in 2004. In the middle of last year, the Government promulgated the first local intangible cultural heritage (ICH) inventory, which covered 480 items. It is stated in the Policy Address this year that, to enhance the protection of ICH, the Government will strengthen such work as identification, documentation, research, preservation, promotion and transmission of the heritage. A representative list of ICH will also be drawn up to accord priority to the protection of those ICH items which have high cultural value and require urgent preservation. It is learnt that the authorities plan to set up a dedicated
office with an annual funding of $10 million for taking forward the work on safeguarding and promoting ICH. However, some community groups have relayed to me that while the Convention has been extended to Hong Kong for over 10 years and quite a number of items have been included into the ICH inventory, the relevant preservation work has yet to be carried out and the promotion of ICH has been progressing slowly. They consider that the Government should provide resources for the relevant community groups to facilitate the collaboration between the Government and the community in safeguarding and promoting ICH. In this connection, will the Government inform this Council:

(1) of the progress of the authorities' initiatives in safeguarding and promoting ICH in the past five years; the ICH items which have high cultural value and require urgent preservation, and the more noticeable results achieved by the authorities in safeguarding such items;

(2) of the manpower resources allocated by the authorities for promoting ICH in the past five years and the expenditure incurred, and among such expenditure, of the amount of expenditure incurred in subsidizing community groups to undertake relevant projects; whether the authorities have plans to expand their collaboration with community groups in the coming five years to proceed with the work to secure the transmission of ICH; if they have such plans, of the details; if not, the reasons for that; and

(3) whether the authorities will consider setting up a dedicated fund for the purpose of enhancing and strengthening the work on the promotion and transmission of ICH; if they will, of the objectives and the details; if not, the reasons for that?

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, attaching great importance to the safeguarding of intangible cultural heritage (ICH), the HKSAR Government has been striving to enhance public understanding of ICH, hence their awareness of safeguarding such cultural resources. My reply to Mr YIU's question is as follows:
(1) As defined under the Convention for the Safeguarding of the Intangible Cultural Heritage (the Convention) by the United Nations Educational, Scientific and Cultural Organization, measures for safeguarding ICH are multifold, including the identification, documentation, research, preservation, protection, promotion, enhancement, transmission and revitalization. All such areas are covered by the SAR Government's safeguarding initiatives of ICH.

As regards the foundation initiatives in the identification, documentation and research, the SAR Government commenced in 2009 its first ICH survey covering around 800 items. Subsequent to the consultation with the Intangible Cultural Heritage Advisory Committee and the public, the first local ICH inventory containing 480 items was formally announced in June 2014. Later in December that year, the Leisure and Cultural Services Department (LCSD) launched a preliminary Hong Kong ICH Database for online public access to the basic information of such inventory items.

As a result of the three applications submitted by the SAR Government to the Ministry of Culture of China, 10 local ICH items of high cultural value were successfully inscribed onto the national list of ICH, thereby confirming their historical and cultural value. The 10 items include Cantonese opera, herbal tea, the Cheung Chau Jiao Festival, the Tai O dragon boat water parade, the Yu Lan Ghost Festival of the Hong Kong Chiu Chow community, the Tai Hang fire dragon dance, the arts of the Guqin, the Quanzhen temples Taoist ritual music, the Hakka unicorn dance in Hang Hau, Sai Kung, and the Wong Tai Sin belief and customs. Cantonese opera has even become a world ICH item in 2009.

All the above 10 national ICH items are under priority protection and promotion of the SAR Government. Both the Hong Kong Museum of History and the Hong Kong Heritage Museum (HKHM) have collected numerous artefacts related to these 10 ICH items. The HKHM, in particular, possesses a wealth of some 30 000 Cantonese opera items, including documentary items of Cantonese opera as well as costumes and stage performance items donated by renowned Cantonese opera artists. Apart from housing a permanent gallery
for Cantonese opera, the HKHM has also organized exhibitions on other ICH items, such as "The Legend of Silk and Wood: A Hong Kong Qin Story" exhibition about the arts of the Guqin, held in collaboration with the Choi Chang Sau Qin Making Society in 2013.

The SAR Government endeavours to promote initiatives on Cantonese opera, including providing venue support for Cantonese opera troupes (such as revitalization of the Yau Ma Tei Theatre as a dedicated venue for Cantonese opera and other forms of Chinese opera, development of a new wing at the Ko Shan Theatre giving priority use for Cantonese opera performances, and construction of the Xiqu Centre in the West Kowloon Cultural District), subsidizing performances by young talents, arranging the staging of new plays as well as organizing Cantonese opera education and promotion activities such as the annual Cantonese Opera Day. The Home Affairs Bureau has also established the Cantonese Opera Development Fund (CODF) to provide dedicated funding for the preservation, research, promotion and development of Cantonese opera.

To set priorities for the implementation of safeguarding measures for ICH, we are conducting in-depth studies and assessments on individual items of the ICH inventory and will subsequently select representative items for drawing up the first representative list of local ICH, which is expected to be completed within 2016.

In fact, with devoted efforts of the SAR Government and relevant organizations and bodies, the community has shown greater interest in and deeper understanding of local ICH, in particular items which are on the world or national ICH list. For example, the Tai Hang fire dragon dance and the Cheung Chau Jiao Festival have attracted numerous visitors from home and abroad in recent years.

(2) Since the implementation of the Convention in 2006, the SAR Government has allocated considerable resources for initiatives on the protection and promotion of ICH. In that same year, the Intangible Cultural Heritage Unit (ICHU) was set up under the HKHM of the LCSD for such work as survey, research, exhibition,
publicity, education and promotion. From 2010-2011 to 2014-2015, the total expenditure incurred by the ICHU for the protection and promotion of ICH was $27.2 million. In May this year, the LCSD, for the purpose of intensifying the safeguarding of ICH, upgraded the ICHU to the Intangible Cultural Heritage Office (ICHO), a dedicated office with the addition of six newly created posts.

Education and promotion activities have continued to be one of the major tasks of the ICHO. In the past five years, the LCSD organized, apart from exhibitions, various promotion activities including public talks, seminars, workshops, bearer demonstrations, book publication, and a number of site visits and guided tours arranged for experts to take participants to ICH venues in different districts. Meanwhile, the ICHO is planning to set up a resource centre at the Sam Tung Uk Museum, Tsuen Wan and to organize ICH exhibitions therein on a regular basis. The resource centre is expected to open in mid-2016.

In broad terms, ICH refers to cultural traditions, knowledge and skills of folk origin, being passed down through generations and inseparable from public daily lives. Transmission of ICH requires joint participation by individuals, groups and our society. To this end, we will, in our way forward, work with community groups and leverage on their strengths for enhanced promotion and transmission of ICH. In fact, many community groups have been proactively participating in ICH-related activities, and the ICHO has been co-organizing promotion activities with community groups from time to time.

(3) The CODF was established by the Home Affairs Bureau in 2005. In the past five years, major events subsidized by the CODF include the Yau Ma Tei Theatre Venue Partnership Scheme and the Hong Kong New Talent Cantonese Opera Troupe Three Year Grant Scheme to provide young talents with numerous performance and training opportunities, thereby facilitating transmission of the arts form. In addition, the Lord Wilson Heritage Trust subsidizes activities and researches on the safeguarding of local heritage every year. Many of such projects are related to the preservation and
promotion of ICH by community groups. Looking forward, we will continue to proactively examine various strategies for enhancing the protection of ICH. In the long run, we cannot count solely on the Government's financial support and human resources for the safeguarding of ICH. We will work hand in hand with various sectors of the community and related bodies to sustain the efforts in safeguarding ICH.

MR YIU SI-WING (in Cantonese): President, as indicated by the Secretary just now, 10 local items have so far been inscribed onto the national list of ICH. However, only Cantonese opera, the Tai Hang fire dragon dance and the Cheung Chau Jiao Festival have attracted the attention of various sectors and are popular among local and overseas tourists, while the Yu Lan Ghost Festival of the Hong Kong Chiu Chow community and the Tai O dragon boat water parade, which have long been inscribed onto the list, are still not well known among various sectors, let alone attract the attention and participation of local and overseas tourists. For this reason, I would like to ask the Secretary: Regarding the two items just mentioned, will the Government, as replied by him just now, work hand in hand with various sectors of the community and related bodies, including the Hong Kong Tourism Board (HKTB), and allocate more resources, so as to not only enhance the understanding of the Hong Kong people about the two items, but also promote the participation of inbound tourists in these two activities?

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, Mr YIU indicated that among the 10 national ICH items, three were cherished by local and even many overseas tourists. His remark exactly proves the effect of our promotion. We will make continuous efforts to do a good job in this regard. As for the other items, we will make continuous efforts to promote them, but to merely rely on government efforts will not be adequate. Mr YIU referred to one item just now, namely the Yu Lan Ghost Festival, which, as we all know, has been a tradition in Hong Kong for many years. During the Yu Lan Ghost Festival, relevant rites are performed in some 60 spots across Hong Kong. This year the Government joined hands with the Chaoren Associations to hold the Yu Lan Ghost Festival, which covered a "grappling with ghosts" event attended by, as I recollect, eight Legislative Council Members. In fact, such co-operation itself is a form of promotion. Given the many items on the inventory, I look
forward to continuously working hand in hand in the future with various social sectors, including the HKTB, so as to do a good job in respect of promotion.

**MR MA FUNG-KWOK** (in Cantonese): President, according to the main reply of the Secretary, the implementation of the relevant policy has incurred some $27 million over the past five years, or some $5 million each year. Such an amount actually represents very limited resources. Since the Government also indicates in its main reply that it will set priorities, I would like to ask the Government: What are the criteria adopted by it when setting priorities? In addition, at present, there is a dedicated fund for Cantonese opera only, will the Government, after the prioritization exercise, consider establishing dedicated funds for the other items as well?

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): President, regarding the supplementary question raised by Mr MA, I would like to say that it has been some 10 years since the formal implementation of the Convention in 2006. We have not only established the ICHU to make preparations for such work in the Government, but have also engaged experts to conduct a survey. The existing inventory covers 480 items, and our coming task is to finish compiling the representative list next year. As such, we are doing our work step by step.

According to Mr MA, the amount of $27 million spent over the past five years is a bit small. In this connection, we very much hope to continue with our promotion efforts in the future, so the ICHO, which is supported by six full-time staff members to undertake this area of work, has been established this year. (Appendix 1) As for funds, Cantonese opera serves as a good example. We hope that following the establishment of more funds in the future for promotion purposes, the effect will naturally be better. In the community nowadays, the Hong Kong Jockey Club and the Lord Wilson Heritage Trust I referred to just now all provide subsidies. In response to further development in the future, we will not rule out the possibility of formulating other promotion strategies.

**PRESIDENT** (in Cantonese): Mr MA, has your supplementary question not been answered?
MR MA FUNG-KWOK (in Cantonese): The Secretary has not given an answer to my question on the criteria for setting priorities.

SECRETARY FOR HOME AFFAIRS (in Cantonese): I have actually referred to the relevant criteria in my main reply just now, that is, we have started our work with a survey as the starting point. As for the representative list next year, we will set priorities through the experts of the Intangible Cultural Heritage Advisory Committee. However, items on the top of the inventory may not enter the representative list, for the reason that there are 480 items on the inventory, but many items other than such 480 items may not be ruled out in the future.

MR LEUNG CHE-CHEUNG (in Cantonese): President, as far as ICH is concerned, there are indeed many such items in the community, but it is difficult for a survey to be comprehensive and more extensive. The Bureau has merely established an office under the LCSD for the purpose of promoting and passing on ICH. It seems that the resources allocated are limited. The ICH items referred to by the Secretary in the third paragraph of his main reply just now include the Hakka unicorn dance. However, unicorn dance is not only performed by the Hakka people, but only the Hakka unicorn dance in Hang Hau, Sai Kung has been inscribed onto the national list. It seems that there are omitted items here.

In order to do a better job, I would like to ask the Secretary: Can the omitted items mentioned just now be included in the inventory through the existing framework and resources? Will the authorities, by making reference to the creation of the Commissioner for Tourism, upgrade the ICHO and create a Commissioner post to facilitate promotion and co-ordination? In fact, as such promotion and co-ordination is closely related to tourism development, will the Government upgrade the ICHO?

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, as for the individual items referred to by Mr LEUNG just now, I have already replied that the inventory may not be able to cover all items. Despite the many conventions, rituals and customs in Hong Kong, we have first identified these 480 items
through the survey conducted by the experts. Regarding Mr LEUNG's concerns about the inadequacy of resources, I would like to thank him very much for his concerns, and I hope that we will have more resources for promotion in the future.

As for Mr LEUNG's question on whether the ICHO can be upgraded, I would like to say that since the office is newly established, Members should allow us some time, so that my colleagues can continuously draw on experience in their work and maintain contact with various social sectors. We will draw on experience before making strategic considerations in the future. As for tourism referred to by Mr LEUNG, the relevant items do attract many tourists. As we can all see, Hong Kong's tourism needs to be improved, and the list of our scenic spots needs to be extended. When I watched the Tai Hang fire dragon dance recently, I noted that many spectators occupied positions even before the start of the event. As such, it is a very good item. I hope that the ICHO can join hands with friends from various social sectors to promote such items.

MISS CHAN YUEN-HAN (in Cantonese): President, according to the Secretary, a sum of $27 million spent over five years is a considerable amount of money. Does he know that there are many omitted items behind this "considerable" amount of money? Mr YIU Si-wing talked about 10 items just now. As a matter of fact, many items with unique Hong Kong characteristics are still waiting to be included in the inventory.

Just now the Secretary talked about the items that have already been acknowledged. Even in the case of such acknowledged items, the problem of passing on the tradition still exists. Regarding the passing on of such items, apart from the persons involved, the biggest problem may be the lack of land. In addition to the Tai Hang fire dragon dance referred to by the Secretary just now, many makers of various traditional paper products in the New Territories also face similar difficulties. Furthermore, in the case of dragon and lion dance, there are such problems as lack of performing venues, difficulties in the making of performing tools.

Several years ago, at the opening ceremony of Miss Alice MAK's office, attended by the Financial Secretary, the best dragon and lion dance masters in
Hong Kong invited by us to perform at the ceremony conveyed their difficulties to the Financial Secretary …

PRESIDENT (in Cantonese): Miss CHAN, please state your supplementary question expeditiously.

MISS CHAN YUEN-HAN (in Cantonese): I will state my supplementary question as soon as possible. Those dragon and lion dance masters stated their difficulties, but to no avail. I would like to tell the Secretary that while he may consider some $20 million a considerable amount, many people feel helpless at the present situation …

PRESIDENT (in Cantonese): Miss CHAN, please state your supplementary question.

MISS CHAN YUEN-HAN (in Cantonese): … I would like to ask the Secretary: Can the Home Affairs Bureau co-ordinate all government departments to solve these problems? Can our complaints reach the Home Affairs Bureau? President, I hope that the Secretary can give us a clear reply.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, Miss CHAN does not need to feel helpless. In fact, our work is only at the starting stage. As I indicated just now, it is only a matter in the recent decade. For this reason, we must face some difficulties, challenges or the inadequacy of resources, but we have the motivation to push ahead with our work. In the future, if Miss CHAN encounters any difficulties in any respect or if she has any advice, I will be very much willing to discuss with her after the meeting.

PRESIDENT (in Cantonese): We have spent more than 22 minutes on this question. Third question.
Monies Received Under One-off Relief Measures by Recipients of Comprehensive Social Security Assistance Being Counted as Their Assets

3. MR CHEUNG KWOK-CHE (in Cantonese): President, the Government has implemented one-off relief measures for several times in recent years, disbursing one-off extra payments to recipients of Comprehensive Social Security Assistance (CSSA). It has been reported that an elderly singleton saved the monies received under the aforesaid relief measures (relief monies) for possible future needs, thus causing his assets to exceed the asset limit under the CSSA Scheme. Upon discovering this situation, staff of the Social Welfare Department (SWD) suspended his CSSA payments and even considered requiring him to return the overpaid CSSA payments during the period when his assets exceeded the asset limit. In reply to media enquiries, SWD indicated that the relief monies granted to CSSA recipients would be exempted from being counted as their assets for one year, but the same would be regarded as part of their assets thereafter. In this connection, will the Government inform this Council:

(1) whether it has compiled statistics on the number of cases since 2011 in which CSSA recipients' assets exceeded the asset limits under the CSSA Scheme as a result of their saving the relief monies; if it has, of the number; among these cases, of the number of cases in which CSSA payments were stopped, and the percentage of the number in the total number of cases in the same period in which CSSA payments were stopped;

(2) whether it will consider making special arrangements for the elderly person mentioned in the aforesaid report as well as other elderly persons whose CSSA payments were stopped for the same reason, to resume disbursement of CSSA payments to them; if it will not, of the reasons for that; and

(3) given that the grant of the relief monies by the Government is meant to alleviate the hardship of CSSA recipients, but this has resulted in the thrifter recipients being penalized by stoppage of CSSA payments, whether the Government will consider extending the exemption period for counting relief monies as assets of CSSA recipients, or even granting a permanent exemption; if it will, of the
details; if not, the reasons for that; whether the Government has plans to raise the relevant asset limits to avoid the occurrence of similar situations?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): The Comprehensive Social Security Assistance (CSSA) Scheme provides a safety net to meet the basic needs of households which cannot support themselves financially owing to old age, disability, unemployment and low income, and so on. As at end October 2015, there were 246 092 CSSA cases, which involved 367 108 recipients. The caseload has dropped for 55 consecutive months. Amongst around 240 000 cases, there were around 150 000 old age cases, accounting for about 60% of the total. The CSSA Scheme caters for the special needs of elderly persons aged 60 or above with a more relaxed level of asset limit, higher standard rates, special grants and supplements. From 1 February 2015 onwards, the asset limit for singleton elderly CSSA recipients and applicants is $43,500.

As for elderly persons aged 65 or above who are in need of financial support but not eligible for the CSSA, they may apply for the Old Age Living Allowance (OALA) to supplement their living expenses. From 1 February 2015 onwards, the monthly payment rate of the allowance is $2,390. The asset limits for single persons and married couples are $210,000 and $318,000 respectively.

According to the CSSA Scheme and OALA requirements, owner-occupied residential properties of elderly persons are not counted towards the asset limits. The limits are adjusted annually according to the established mechanism. For example, the asset limits under the CSSA Scheme were increased by 4.7% on 1 February 2015 according to the mechanism.

In the Budgets of recent years, having considered the relevant economic environment, Government's fiscal position, burdens on the citizens, and so on, the Financial Secretary increased public expenditure in a prudent manner according to the principle of committing resources where justified and needed, and provided one-off extra payments to social security recipients with the approval of the Finance Committee of the Legislative Council. According to the existing arrangement, when calculating the assets of recipients and applicants under the
CSSA and OALA, one-off payments provided by Government (including one-off
extra social security payments and payment under "Scheme $6,000", and so on)
are excluded for 12 months from the date of receipt of the payment by the
applicants and recipients. Thereafter, the unspent amount will be treated as
assets.

My reply to Mr CHEUNG Kwok-che's question is set out below:

(1) The Social Welfare Department (SWD) does not keep record on the
number of cases in which CSSA payments were stopped.

(2) Generally speaking, if the payments for CSSA recipients are stopped
owing to their total asset value exceeding the corresponding limits
under the CSSA Scheme, the SWD will follow up on the financial
status of the recipients to ascertain whether they have other welfare
needs, and render support as appropriate. For example, eligible
elderly persons may be provided with the OALA. If the elderly
persons concerned fulfil the asset limit and other eligibility criteria
for the CSSA Scheme again in future, they may re-apply for the
CSSA.

(3) To support the citizens in need and ensure the sustainability of the
social security system, a means test is required for the CSSA
Scheme. The total asset value of an applicant and his/her family
members cannot exceed the prescribed limit. The existing
arrangement already provides a grace period of 12 months for
one-off payments provided by Government (including one-off extra
social security payments and payment under "Scheme $6,000", and
so on). Thereafter, the unspent amount will be treated as assets.
This arrangement on one hand provides a certain level of flexibility
for CSSA recipients and applicants and, on the other hand, ensures
the effective use of public resources.

The SWD will continue to make timely adjustments to the asset
limits for the CSSA Scheme and OALA according to the established
mechanism.
MR CHEUNG KWOK-CHE (in Cantonese): I believe that besides the above-mentioned elderly person whose story was reported by the media, there are other elderly people who are in the same plight, which is caused by the lack of publicity and public education by the Government. Under the present means test, the asset limit for singleton elderly CSSA recipients is $43,500 but the asset limit for OALA is $210,000. Why is there such a big difference between the two even though the amounts of the two allowances do not differ that much? Elderly CSSA recipients may receive higher living and rental allowances but they are subject to the asset limit of $43,500. It is obvious that an asset limit has been put in place for many years and annual adjustment is made according to the cost of living index, whereas the OALA asset limit was set under the prevailing social environment at that time. As such, is the $43,500 so low that it is out of touch with reality in society? I hope that the Secretary will explain to us why the limit of $43,500 cannot be raised to a level, say, about 30% or 40% of $210,000, that is, $60,000, $70,000 or $80,000.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I thank Mr CHEUNG for his supplementary question. The asset limit for singleton OALA recipients is $210,000. When we set this limit, we had had a thorough scrutiny and the Legislative Council had also discussed it. The OALA was set up to provide another layer of protection between the CSSA and the "fruit grant" and the eligibility for it is rather lenient. Its aim is to provide certain degree of protection for the elderly people who are ineligible for the CSSA or do not wish to receive it but their daily needs are not sufficiently met by the "fruit grant". Hence, we tend to be more lenient in dealing with OALA applications.

However, the aim of the CSSA is totally different. The CSSA is the last safety net to protect the people's basic livelihood rather than to subsidize their living. Hence, the two cannot be lumped together. Besides, because the CSSA is funded by public coffers, the CSSA Scheme is regulated by a very strict regime. In respect of a singleton CSSA recipient, if he is ill and has to be hospitalized, the payment he receives may amount to over $10,000. Members must understand that we are duty bound to spend public funds prudently.

We are following up the case of the above-mentioned elderly man. When we suspended his CSSA payments, we immediately provide the OALA payments for him and the difference between the two amounts is just over $1,000, as the OALA payment is $2,390. From this you can see that we care about the elderly
man very much and we are watching his conditions closely. As soon as his asset is back to the eligibility level, we will resume his CSSA payment. I hope that Members will understand.

MR CHEUNG KWOK-CHE (in Cantonese): President, I am not very satisfied with the Secretary's answer. He has said that the $210,000 limit is lenient but I feel that the $43,500 limit is too harsh. I wish to ask if the Secretary will review it.

PRESIDENT (in Cantonese): Mr CHEUNG, the Secretary has already answered your question. But, Secretary, Mr CHEUNG has suggested the Bureau to conduct further reviews.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I have made it very clear just now that the CSSA Scheme was established on a basis different to that of the OALA Scheme. The two are separate policies and should not be lumped together. There is no connection between them and they should not be compared against each other. The asset limit for elderly CSSA recipients is adjusted under an established mechanism according to a price index. For example, the CSSA asset limit in 2012 was $38,000 and in 2015 it has been raised to $43,500. We will continue to adjust it according to the relevant index. As regards whether we will review the limit in the future, we do not rule out the possibility. But as for now, we will follow the established mechanism.

MR LEUNG YIU-CHUNG (in Cantonese): President, I agree with Mr CHEUNG Kwok-che that after the one-off relief measures were implemented, everyone thought that the monies were meant for relieving the hardships of the recipients but the Government did not publicize that the money had to be spent within a year; if not, the recipients would be penalized. This is unreasonable and inappropriate.

Anyhow, President, in answering Mr CHEUNG Kwok-che, the Secretary said that the OALA asset limit was $210,000 while the CSSA limit was $43,500. The former is rather lenient but the latter is adjusted according to an established mechanism and will be raised continuously. In view of the fact that everything is very expensive nowadays, most elderly people prefer to put aside some money
for a rainy day.  Will the Secretary re-examine whether it is appropriate to adjust the CSSA asset limit according to the inflation rate?  Everyone knows that the present inflation rate may not reflect the real situation.  Since the OALA asset limit is as high as $210,000, although it is said that this is the second layer of the safety net, the first layer is just too narrow, will the authorities widen it?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I made it very clear when I answered Mr CHEUNG's question that the OALA and the CSSA could not be lumped together.  No doubt, the asset limit for the OALA is lenient.  That is because it was established according to the prevailing social environment at that time.  This point was already discussed by the Government and the Legislative Council thoroughly.  The CSSA is the last safety net, which is aimed at meeting the basic needs of people's daily lives.  Besides, since the CSSA is granted on a family basis, if there are elderly members in a family, the income of the whole family must be taken into account and that poses some very complicated problems.  I have also said that an established mechanism is in place to adjust the relevant index on a regular basis.  It is an objective mechanism.  As regards whether we will review the limits in the future, of course we will not rule out any possibility but at the moment I feel that our approach is appropriate.

DR CHIANG LAI-WAN (in Cantonese): President, the Secretary has always encouraged the people of Hong Kong to have a few pillars as their retirement protection.  At present, grass-roots families also take out insurance.  Recently, I have received a case in which a person could not work owing to work injury.  He wanted to apply for CSSA but it was found that the interests accrued by his insurance policy had exceeded the CSSA asset limit.  As there are many such cases, will the Secretary consider relaxing the CSSA eligibility criteria when dealing with similar emergency cases or other special cases?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): When vetting the eligibility of CSSA applicants, we take into account the cash value of their insurance policies because the cash value can be rather high and one can receive a handsome sum of money when he surrenders his insurance policy.  Hence, when we calculate an applicant's assets, we will take into account the cash value of his insurance policies.  This is the SWD's established practice.
MR FREDERICK FUNG (in Cantonese): President, being in this post for many years, the Secretary should know very well the traditional culture or thoughts of Chinese people, especially the elderly. When they have spare money, they will put it aside as their "funeral savings" or for a rainy day. Normally, they do not want to spend it. Treating monies unspent for 12 months as assets actually goes against the normal thoughts of the elderly. Moreover, the Secretary just said that the above-mentioned elderly man was given the OALA by the SWD even though he was no longer eligible for CSSA. Does the Secretary know that CSSA recipients can get free healthcare services, rental allowance or other conveniences, whereas OALA recipients cannot? The two are not complementary to each other. Therefore, some recipients would rather not receive the $6,000. To put it bluntly, would this be doing disservice to them?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): I thank Mr FUNG for his supplementary question. I have already said that there is a 12-month grace period during which the relief monies will not be treated as assets. As regards this particular case, although the recipient's CSSA payment was stopped, he was then provided with the OALA immediately. Although the allowance he receives is less than before, he still has his savings. Our colleagues are watching his situation closely and do keep in touch with him. As soon as the value of his assets complies with the limit, we will resume his CSSA payments immediately. Everyone must understand that we are the gate keeper of the policies and we must fulfil our duty properly. As regards whether the 12-month grace period of the one-off payments can be extended in the future, we are ready to study the feasibility of making such an extension, so that recipients may have more time to spend the money and spend it in the right place. It is worth our consideration. We are willing to discuss it with our colleagues and make an effort in achieving this goal.

DR FERNANDO CHEUNG (in Cantonese): President, to an elderly person, $43,500 is not nearly enough to meet the "funeral expenses". I totally agree to Mr CHEUNG Kwok-che's request that the Secretary should seriously review the CSSA asset limit. From the report in the newspapers, we learned that the elderly man in the case concerned was an elderly singleton suffering from diabetes. After receiving several one-off extra payments, his assets exceeded the limit by $10,000-odd. He was thus disqualified from receiving CSSA but was given the OALA instead, and he was also requested to return the $10,000-odd CSSA payment.
Will the Government exercise discretion in handling this case? President, it was this elderly man who took the initiative to report his assets exceeding the limit. He was honest and had no intention to cheat the Government. It was only due to his assets exceeding the limit by $10,000-odd that he was disqualified from receiving CSSA payments, and consequently he also lost the healthcare subsidy that came with the CSSA. Not only that, he was also required to return the $10,000-odd CSSA payment. Is it too harsh? Will the authorities exercise discretion in handling this elderly man’s case? He has been living frugally for years and saved up a little money as his "funeral savings" but now the authorities say his assets have exceeded the limit and ask him to pay back …

PRESIDENT (in Cantonese): Please allow the Secretary to answer.

DR FERNANDO CHEUNG (in Cantonese): Secretary, can the authorities exercise discretion in handling this case?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): I thank Dr CHEUNG for his supplementary question. We are all very concerned about this elderly man. First, in respect of the CSSA payment that he was overpaid, the authorities only took back $7,800, not $10,000-odd. Second, medical social workers are following up his case. If this man needs to attend to medical appointment, the medical social workers may recommend that his medical fees be waived. Should there be genuine needs, even non-CSSA recipients' medical fees can be waived. This has struck a balance among the law, the reason and the compassionate grounds. We all know that the man in this case was honest and we have also handled his case as leniently as possible. As soon as his CSSA payment was stopped, he was given the OALA and was also followed up by medical social workers. We have suggested the Hospital Authority to waive his medical fees should he need to consult the doctor. We have a sound supporting system and we also watch closely the changes of his assets. As soon as the value of his assets complies with the limit, we will resume his CSSA payments.

I hope that everyone will understand the dual roles of the SWD: on the one hand, it has to handle the case on compassionate ground, while on the other, it has to act as the gate keeper of government policies. I hope that there will not be too many of such cases. I agree that we should step up the publicity when, for
example, we provide an extra month's CSSA standard rate payment, so that elderly people are well informed of the length of the grace period and may handle such payments properly.

MISS CHAN YUEN-HAN (in Cantonese): President, the Secretary just said that there would not be too many of such cases but I must tell him that there are many such cases. It is only that he has not investigated. After receiving these monies, many elderly people will save every penny of them. The Secretary can take a look at Upper Wong Tai Sin Estate. Usually, when elderly people apply for certain allowances, we can see from their eyes that they cherish these monies very much. We may not find the amounts very big but to these people, they are small fortunes. Hence, Secretary, they are very grateful to the Government for giving them these one-off extra payments. Will the Government appreciate what these elderly people think and the objective circumstances, and regard these special payments … To put it plainly, will the authorities not treat these monies as assets and allow the elderly people to keep them for good? Although they are given a 12-month grace period, most elderly people cannot keep count of the days clearly and they only deposit the monies in the bank. They are happy to see their "funeral savings" increase. Therefore, I hope that the Secretary will consider this case from a compassionate point of view and not treat these extra payments as assets. Thank you, President. I hope that the Secretary can answer my question.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): As a matter of fact, many Members today hold the same view. I understand the circumstances surrounding the incident and very much sympathize with the elderly man. I would be pleased to discuss with my colleagues whether the grace period can be extended, at least to allow these people more time to spend the monies. On the other hand, we also need to study how such circumstances can be better handled in the future. I promise to follow up on the case.

MR LEUNG CHE-CHEUNG (in Cantonese): President, I agree that an asset limit should be set for CSSA applicants. However, the crux of the problem is if the limit is out of touch with reality, rendering it impossible for the recipients to meet the various expenses in society, this kind of cases will arise. Besides this elderly man, many others are in the same plight and we have received similar
complaints. I would like to ask the Secretary: Will he review this asset limit to see if it can meet the needs of the general public, especially the CSSA singleton recipients? I feel that the SWD should handle these cases in a more compassionate manner. It should not immediately ask the recipients to pay back the so-called overpaid CSSA payments but rather discuss with them how to deal with these so-called over-payments. I wonder how the Secretary would respond.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Mr LEUNG, we have handled this particular case with the greatest flexibility possible and taken care of the situation of this elderly man. In some individual cases, we allow the CSSA recipients to repay the overpaid CSSA payments by instalment over a period of, say, 20 months or even five years, or pay a nominal repayment of $100 each month. We also allow them to extend the repayment period. However, I agree with you and I also sympathize with the recipient in the case. I feel that there is a need to review the grace period. For many elderly people who have not accumulated too much extra payments, they would normally spend them all during the grace period, thus avoiding the emergence of such cases. However, the elderly man in this case is honest and we must commend him for that.

PRESIDENT (in Cantonese): Fourth question.

Value-for-money Audits of Government and Related Organizations

4. **MR PAUL TSE** (in Cantonese): President, the value-for-money audits conducted by the Audit Commission have uncovered a number of incidents involving serious maladministration and massive misuse of public funds which have provoked public outcry. For instance, the former Commissioner of the Independent Commission Against Corruption had shortcomings in handling official entertainment during his tenure, there was undue delay in implementing the new Air Traffic Control System of the Civil Aviation Department (CAD), and the new CAD headquarters was not built in accordance with the approved schedule of accommodation, etc. Some members of the public consider that there was alleged dereliction of duty on the part of the officials concerned. Given the constraints on its manpower and time, and in line with past practices, the Public Accounts Committee (PAC) of this Council will conduct public
hearings only on selected topics in the Director of Audit's reports upon receipt, and then will submit reports to this Council thereafter. Under most circumstances, the government departments and organizations concerned will accept the recommendations made by the Audit Commission and PAC and undertake to make improvements. There are views that the Government should allocate additional resources to the Audit Commission and PAC for identifying more maladministration problems with a view to ensuring the proper use of public funds. In this connection, will the Government inform this Council:

(1) whether it has plans to expand the establishment of the Audit Commission so as to allow it to carry out more value-for-money audits; if it does, of the details; if not, the reasons for that;

(2) whether it will allocate additional resources to The Legislative Council Commission so that PAC can conduct more public hearings and take evidence in greater depth, in order to enhance the monitoring of the proper use of public funds by the Government and related organizations; if it will, of the details; if not, the reasons for that; and

(3) whether the Audit Commission has drawn up indicators for the effectiveness of its value-for-money audits with a view to further improving its work performance; if the Audit Commission has, of the details; if not, the reasons for that?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, the work of the Audit Commission (the Commission) covers two major programmes, namely regularity audit on government departments and public organizations and value for money audit. The Commission provides the Legislative Council with independent information, advice and assurance, and helps enhance the performance and accountability of government departments and public organizations. My reply to the three-part main question is as follows:

(1) In selecting subjects for value for money audit, the Commission will take into consideration various factors such as timeliness, the public money and risk associated, materiality, possible impact and public interest. A value for money audit is conducted when the situation
warrants an in-depth study, and availability of resources is only one of the considerations. The Commission will continuously review its workload and work procedures, and redeploy its manpower and resources as appropriate. It will bid for additional resources through the established resource allocation mechanism when necessary.

Over the past four financial years, we have provided the Commission with additional resources as requested by the Commission for the creation of a total of 10 new posts. Other than the two posts created to provide general support, five posts were created to strengthen staffing support for conducting more in-depth risk and compliance audits on government departments to ensure compliance with relevant laws and regulations governing the management of public money and that public money is spent for the purposes approved by the Legislative Council. Another three posts were created to conduct and follow up on value for money audits.

(2) The Legislative Council Commission (LCC) operates with managerial and financial autonomy. Through a separate head of expenditure in the Government's annual Estimates, the LCC is provided with one-line vote funding to support the work of Legislative Council and its committees, including the Public Accounts Committee (PAC). When additional resources are required, the LCC will put forward bids through the Government's established resource allocation mechanism. Between 2011-2012 and 2015-2016, the expenditure estimates of the LCC have increased from $490 million to $750 million, with an average annual growth rate of about 13%, which exceeds the average annual growth rate of 7% in government recurrent expenditure over the same period.

(3) The Commission is required to set out the key performance measures in respect of its major programmes in the Controlling Officer's Report of the annual Estimates for submission to the Legislative Council. The Director of Audit also attends the Special Meetings of the Finance Committee held to examine the Estimates of Expenditure every year and responds to questions raised by Legislative Council Members. There are two targets and three indicators under the programme of value for money audit.
targets include the number of Director of Audit's Reports submitted to the Legislative Council and the number of value for money audit reports issued to audited bodies, while the indicators comprise the number of man-hours spent, the financial provision for value for money audit work as a percentage of total government expenditure, and the actual number of value-for-money audit recommendations accepted for implementation.

MR PAUL TSE (in Cantonese): President, the publication of the Director of Audit's Reports (Audit Reports) has always attracted intense media attention and widespread public concern. It clearly shows that, after the Timothy TONG incident brought the Independent Commission Against Corruption (ICAC) into disrepute, the only thing that we can say now is: "Hong Kong: Our advantage is on the Audit Commission ".

The previous oral question is about CSSA payments, and it appears that the Government has been haggling over a small amount of money while throwing a huge amount of public money down the drain year after year. In view of this, I have to borrow a catchphrase by "madam Liza": "I was so scared that my heart skipped a beat."

President, there has been an increase in the Commission's manpower over the past four years, but only three out of the 10 new posts were created to conduct audit work. The rest were created to take preventive actions. And yet, the Audit Reports are indeed an eye-opener for us. I would like to ask the Government: Will it be more resolute and take a smarter approach by devoting more of its savings to the Commission so as to minimize wastage of public funds?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, not only does the Commission enjoy independence, it also has a high degree of freedom in selecting subjects for value for money audit. As I have mentioned in the main reply, the Commission will consider various factors when selecting the subjects for value for money audit. In case there is a need for additional resources, the Commission may bid for funding in accordance with the established mechanism.
MR JAMES TIEN (in Cantonese): President, I strongly agree with the supplementary question raised by Mr Paul TSE. After the publication of the Audit Reports, the mass media and Members of the Legislative Council often liken the Commission to the ICAC as both are tasked to monitor various government departments. And, the work of the PAC is entirely based on the Audit Reports.

My supplementary question is very simple: Will the Government consider providing more funds for the Commission to conduct more investigations by increasing manpower? This is nonetheless in contrast with the executive-led principle because the last thing the Government would want to see is to find itself under investigation. The more funding the Commission receives, the more government departments it will investigate, thereby causing jitters to all. But judging from the angle of members of the public and the Legislative Council, only this can ensure various government departments to "get the job done". Therefore, given the outstanding performance and high public credibility of the Commission, will the Government consider providing more funds for the Commission to conduct more investigations?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): In fact, I have already answered this question. Here, I wish to reiterate that the Government highly recognizes the Commission's independence as well as its provision of professional and quality services and work, and we share Members' views on this point.

Given that the Commission can decide on its work in a free and independent manner, it may therefore bid for additional funding if a lack of resources would render it impossible to complete the necessary tasks. As a matter of fact, previous data reflected that the Commission did bid for such funds and the Government had also considered such bids in resource allocation.

MR JAMES TIEN (in Cantonese): Will the Secretary take the initiative to provide additional funds for the Commission?

PRESIDENT (in Cantonese): Secretary, will you take the initiative to provide additional funds?
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I think given its independence and autonomy, the Commission will certainly bid for fund when such a need arises.

MR ALAN LEONG (in Cantonese): President, the reports prepared by the Director of Audit and the public hearings conducted by the PAC are indeed the foremost manifestation of accountability of the executive to the legislature.

In fact, the supplementary questions raised by the two Members earlier on come down to a matter of active and passive, but the Secretary's response showed that the Bureau is so passive that provision of funds would only be considered upon request by the Director of Audit. We nonetheless would like to know, given the high credibility of the Audit Reports, which is also the foremost manifestation of the executive's accountability to the legislature, will the Secretary take the initiative to double the funding for the Commission so that its manpower can be doubled to conduct more value for money audits? This is what we want to know, President, can you give the Secretary another chance to respond?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I understand the Member's question, but according to my understanding, the Director of Audit has to consider various factors when deciding on the subjects for value for money audit. The Director of Audit has reflected to me that in planning to carry out value for money audits and determining the number of subjects selected for such audits, the Commission will strive to strike a balance between the scope and the depth of the subjects. Generally speaking, while the amount of resources is definitely a factor of consideration, the Director of Audit must also take into account the subject's materiality, the public money and risk associated, audit's viability and possible public interest. Therefore, should the Commission decide to conduct an in-depth study on a certain subject, it must be based on the above-mentioned factors of consideration. Therefore, with regard to resources, I believe the Director of Audit will certainly submit its bid when such a need arises.

MR KENNETH LEUNG (in Cantonese): President, as a member of the PAC, I think the Commission has done a very good job. And yet, I want to highlight one thing, and that is, every year subsequent to the publication of the Audit Report, many of those heavily criticized government departments usually submissively
accepted the report's recommendations and agreed to take follow-up actions. However, President, it is necessary for the Commission to follow up on the previous value for money audits.

Therefore, I consider it imperative for the Commission to secure more resources for taking follow-up actions, rather than conducting value for money audits for new subjects every year, given that the PAC has requested the Commission to follow up on the outstanding recommendations that certain departments have pledged to implement. In this connection, I would like to ask the Secretary: Will the Secretary undertake that if the Director of Audit bids for additional manpower in the future, he will consult the Chairman of the PAC?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I want to give a brief account of the follow-up issue raised by the Member earlier. In fact, the Commission did take follow up actions, and in a pretty proactive manner. As Members may be aware, the Administration will monitor the implementation of the improvement measures by the audited organizations and a Government Minute responding to the comments and recommendations of the PAC's report would be laid within three months of the laying of that report. The Minute would set out the actions and improvement measures the Government has taken, or is planning to take. If necessary, it will also explain why it does not intend to take action. And, in September of each year, the Administration will submit an Annual Progress Report to the PAC to report on matters outstanding in the Government Minute.

For subjects contained in the Audit Reports but not selected for investigation by the PAC, the audited organizations concerned are required to submit, via the relevant Policy Bureaux and departments, progress reports to the Director of Audit on a half-yearly basis. If the Director of Audit considers that certain issues contained in the previous reports have not been properly dealt with, he may conduct follow-up audit reviews in the future reports.

I wish to point out that, follow-up actions are ongoing and the Government has been working closely with the Director of Audit and the PAC to follow up on all the reports. Therefore, my response to the Member's supplementary question is, in any event, so long as the Director of Audit puts forward any bid for resources, I will definitely follow up on it.
MR ALBERT HO (in Cantonese): As highlighted in part (1) of the main reply, over the past four financial years, the Government has, upon request, provided the Commission with additional resources for the creation of a total of 10 new posts. My supplementary question is very simple: During the past four years, has the Commission only requested for the creation of 10 new posts, or among the many requests put forward by the Commission, the Government has only provided resources for the creation of 10 new posts? While it is a tradition that the Government will, in principle, fully accede to the requests put forward by the Commission, I hope the Director of Audit will listen carefully to the following related question. Given that the Government will normally accede to the Commission's requests for additional resources and this practice will remain unchanged in the future, I hope that the Director of Audit will take stock of the outstanding matters. If certain matters have remained outstanding for a long time and additional resources would be required to follow up on them, the Director of Audit should then submit funding applications. In that case, will the Government accede to the request of the Commission as before to enable it to give full play to the function that has earned high praises from members of the public?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, as an established practice, the Government will carefully consider the justifications for provisions when examining applications for additional resources, and we will continue to do so.

MR ALBERT HO (in Cantonese): President, the Secretary has not replied specifically to my supplementary question. My question is: Will the Government, according to past practices, fully accede to the requests for additional resources put forward by the Commission? Or, will the Government, after consideration, accede partly instead of fully to such requests? My supplementary question is very simple.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): When assessing funding applications, the Government will certainly consider, in a holistic manner, the justifications for such requests and the overall funding priorities, which is indeed the principle adopted by all government departments.
PRESIDENT (in Cantonese): Will the Secretary provide the information requested by the Member? Were previous requests for additional resources all fully met?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I do not have the relevant information at the moment.

MR ALBERT HO (in Cantonese): May I ask for a written reply?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): The Administration examines funding applications according to established procedures.

MR PAUL TSE (in Cantonese): As known to all, which is also common sense, the responsible senior government officials will not grant the funding under application in full, a certain amount is always deducted from the applied sum when approving applications for government funding. May the Secretary analyse or explain the objective criteria or yardsticks for determining the amount of funding?

There is, however, another more important question. As we all know, when the Government considered it necessary to support the tourism industry, it would allocate huge amount of funds to promote tourism policy or launch promotion on its own initiative. The fact that the Commission has achieved outstanding performance with only limited resources has not only exposed the weakness of the Government, but has probably posed hidden problems as well. Will the Government severely reduce the fund approved when examining applications for additional resources in the future? The question is: Is there any difference, in terms of approval and principle, between funding applications submitted by various departments and the allocation of considerable funds by the Government on its own initiative through policy implementation? Is it more appropriate for the Government to allocate funds on its own initiative through policy implementation than to sit and wait for the Commission to submit its funding application, which will end up with a small amount after deductions by the Administration?
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, the Commission's work is highly recognized by the Government, and as we can see, its independent operation has enabled some government departments to improve their administrative work and enhance their accountability. It is therefore the wish of the Government and Members to see such a good tradition continue, and we will, as usual, proactively examine the funding applications submitted by the Commission.

MR PAUL TSE (in Cantonese): Is there any difference between the approving conditions? Is there a difference between the policy for approving funding applications submitted by various departments and that for approving allocations of funds made by the Government on its own initiative?

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

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, even if additional funding is required to launch tourism projects, the department concerned has to submit funding applications.

PRESIDENT (in Cantonese): Fifth oral question.

Protection for Victims in Sexual Offence Cases

5. DR ELIZABETH QUAT (in Cantonese): President, some concern groups for women's interests have pointed out that the investigation process and trial proceedings of sexual offence cases have caused embarrassment and humiliation to quite a number of the victims concerned, thus making them feel being "assaulted a second time". For instance, the attitude and behaviour of police officers often make the victims feel disrespected, and the victims are tormented by repeated demands to retell the course of their traumas. Moreover, when the victims give evidence during court proceedings, they are often questioned on their sexual experience and they are not provided with any privacy protection measures, which makes them extremely distressed. Besides, the existing
legislation on sexual offences overlooks the possibility of the victim being a male. In this connection, will the Government inform this Council:

(1) whether the authorities will enhance the training for police officers on the skills of and knowledge in handling sexual offence cases, and consider referring sexual offence cases involving adult victims to a dedicated investigation team, with reference to the handling of the cases of sexual abuse of children;

(2) given that section 154 of the Crimes Ordinance provides that except with the leave of the judge, no evidence and no question in cross-examination shall be adduced or asked at the trial, by or on behalf of any defendant at the trial, about any sexual experience of a complainant with a person other than that defendant, whether the authorities will draw up detailed guidelines to state clearly the circumstances under which the judge may grant such leave; whether the authorities will extend the definition of "witness in fear" in the Criminal Procedure Ordinance to cover all victims in sexual offence cases so that live television link is provided for them on a mandatory basis in giving evidence; whether the authorities will consider amending the relevant legislation to stipulate that in order to protect the privacy of victims in sexual offence cases, the court must shield such victims behind screens when they give evidence and provide special passageways for them to enter and leave the court; and

(3) given that the consultation paper on Rape and Other Non-consensual Sexual Offences published by the Law Reform Commission in 2012 recommended that any reform of the substantive law on sexual offences should be guided by a set of guiding principles, including gender neutrality and avoidance of distinctions based on sexual orientation, whether the authorities have plans to carry out reforms on the laws on sexual offences based on those guiding principles; if they do, of the details; if not, the reasons for that?

(Mr LEUNG Kwok-hung stood up)
PRESIDENT (in Cantonese): Mr LEUNG, what is your point?

MR LEUNG KWOK-HUNG (in Cantonese): President, may I ask through you who is the public officer attending today's meeting?

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, under the arrangement relating to the attendance of meetings of the Legislative Council by public officers designated by the Government, if the Secretary for Justice cannot attend a meeting of the Legislative Council, a Law Officer will attend the meeting in his place. The Solicitor General is present today to answer this question.

MR LEUNG KWOK-HUNG (in Cantonese): I got it. A point of order. I think a quorum is not present now. I hope the Secretary for Justice can attend the meeting. Please summon him to the Chamber!

PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

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

PRESIDENT (in Cantonese): Solicitor General, please reply.

SOLICITOR GENERAL (in Cantonese): President, the reply of the Department of Justice (DoJ) to the three-part question raised by Dr Elizabeth QUAT is as follows:

(1) According to information provided by the Security Bureau, the Police attach great importance to professionalism in handling sexual offence cases, and the provision of relevant training to front-line officers. To enhance their skills and professional sensitivity in handling sexual violence cases, the Police have introduced various measures, including requiring recruit police constables and
probationary inspectors to take an additional training session on professional sensitivity in handling victims in sexual violence cases since March this year.

The Police also review from time to time the handling procedures and the use of resources for handling sexual violence cases. Cases are assigned to suitable criminal investigation teams for investigation, having regard to their complexity and seriousness, to ensure effective investigation and delivery of services that meet the needs of victims. At this stage, the Police have not considered setting up designated teams to handle the investigation of sexual violence cases.

In terms of procedural arrangements, the Police will make every possible effort to provide reasonable protection to the privacy of complainants in sexual offences and to reduce their embarrassment and stress. Upon receipt of a report, the Police will arrange for a same sex police officer with relevant training to interview the sexual violence victim, and will try their best to avoid further traumatic experience arising from the investigation process. Moreover, the investigating officers will introduce the victims to crisis intervention services provided by non-governmental organizations and may make case referrals as appropriate.

(2) According to section 154(1) of the Crimes Ordinance (Cap. 200), if at a trial before the Court of First Instance any person is for the time being charged with an offence of rape or indecent assault to which he pleads not guilty, then, except with the leave of the judge, no evidence and no question in cross-examination shall be adduced or asked at the trial, by or on behalf of any defendant (that is, the defence) at the trial, about any sexual experience of a complainant with a person other than that defendant. Section 154(2) continues to specify that the trial judge shall give leave only on an application made by the defence, and only if he is satisfied that it would be unfair to that defendant's trial to refuse the evidence to be adduced or the question to be asked. Since such decisions are judicial decisions based on the actual evidence and defence in individual cases, the Judiciary considers it inappropriate to formulate detailed instructions lest they will restrict judicial discretion or give rise to unfairness.
The provision of screens or special passageways for victims of sexual violence in criminal proceedings is currently governed by common law and is a matter left to a judge's discretion. As for the arrangement for victims to give evidence by live television link, it is governed by section 79B of the Criminal Procedure Ordinance (Cap. 221). The court will carefully consider such an application by the prosecution, and the views of the defendant, with due regard to the facts of the case and the needs of the complainant, before deciding whether to adopt any special measure(s). Based on their need, the victims concerned can apply to the judge for the adoption of the above-mentioned special measures.

As the department responsible for criminal prosecution in Hong Kong, the DoJ has a duty to safeguard the fairness and equity of the criminal justice system. Our prosecutors respect the rights of crime victims and witnesses at all times. On the one hand, we protect the fundamental right of defendants to a fair trial, and at the same time, we treat victims and witnesses with compassion and understanding, encouraging and facilitating them to testify in court. To this end, the current Prosecution Code specifically includes a chapter on the handling of victims of crime and vulnerable witnesses, reminding prosecutors that they should have regard to The Victims of Crime Charter and the Prosecutions Division's The Statement on the Treatment of Victims and the Witnesses, and attend to and address the special needs of the persons concerned. The Prosecution Code also sets out in detail the possible protection that may be considered to be provided to victims and witnesses. The Prosecutions Division will also make suitable application to the court for a victim or witness who has a need for special arrangements for testifying in court.

Dr QUAT requested providing in the law that the arrangement for the use of shield, live television link in giving evidence and the provision of special passageways should be provided to victims of sexual crime automatically. Under section 79B of the Criminal Procedure Ordinance, where a witness in fear is to give evidence in proceedings in respect of any offence, the court may, on application or on its own motion, permit the person to give evidence by way of a live television link, subject to such conditions as the court considers appropriate in the circumstances.
The proposals put up by Dr QUAT (in particular those that would debar the defendant and his counsel from seeing the witness's response, and so on), would involve the fundamental right of a defendant to a fair trial, and also concern the public interest in open justice. They may also deprive the judge of his discretion, and the complainants of their choice, in respect of the adoption of special measures, and hence should be handled with care. Any legislative measures that we take to protect complainants in sexual offence cases must be reasonable and proportionate to the case in question.

According to our understanding, the Judiciary has recently issued drafts of amended or new Practice Directions of relevance to stakeholders for consultation. After the implementation of the proposed change, the consideration of the need for screens as shields will become a standing procedure in every sexual offence case. According to the Judiciary's plan, it will consider promulgating the Practice Directions in early 2016, after having considered the comments of the stakeholders.

(3) The Review of Sexual Offences Sub-committee of the Law Reform Commission (LRC) has commenced a large-scale comprehensive review of the sexual offences in Hong Kong and related consultation which consists of four stages, with a view to ultimately preparing and issuing one global report. The first stage consultation has been undertaken. However, to discuss whether the Government has any plan to carry out reforms on law on sexual offences based on a set of guiding principles (including gender neutrality and the avoidance of distinctions based on sexual orientation) would be premature prior to the completion of the four-stage consultation and the final report.

DR ELIZABETH QUAT (in Cantonese): President, I do not know if the Solicitor General has ever visited the court in recent years to inspect the situation when sexual offence cases are on trial. Whenever sexual offence cases go on trial, a long queue would be waiting outside the court since the early morning, and the public gallery would invariably be packed with people. The victims must walk pass the crowd before entering the court room, and they are subject to frivolous comments about their appearance constantly right from the start.
Some victims were traumatized by the whole process from entering the court room to the giving of testimony in the witness stand for they felt they did not have any privacy and were being harmed constantly. The reason is that the existing system and procedures have not catered for the feelings of the victims, and no arrangement is even made to shield the victims behind screen from people in the public gallery and the staff.

As a matter of fact, it is never our demand that a screen be put between the witness and the counsel such that the defendant and his counsel could not see the victim. Basically our proposal is to shield the victims behind screen from people in the public gallery and the staff. Could the victims' right be protected if they have to give testimony in fear? Would it deprive the basic right of the victims or witnesses to a fair trial?

In response to my suggestion, the Judiciary improved the Practice Directions in January this year, but only to the extent of granting the discretionary power to the judge. Under the circumstances, can nothing further be done by the DoJ? Is it not possible to review or amend the relevant legislation, so as to give better protection to the victims in sexual offence cases?

SOLICITOR GENERAL (in Cantonese): President, one of Dr QUAT's proposals is that the court must, on a mandatory basis, shield the victims in such cases behind screens when they give evidence.

As I have just pointed out in the main reply, the provision of screens is currently a matter left to a judge's discretion and decision with regard to the facts of the case, as well as the submissions of the prosecution and the defendant, in order to cater for the needs of individual cases.

When handling these cases, the prosecution (including the prosecutor in in-house and briefing-out cases) and the law-enforcement agency (in such cases, the Police) will liaise with the victims and make suitable application to the court. Internal arrangements have also been made in the DoJ to instruct all prosecutors to pay special attention to these cases. If considered appropriate, an early application should be made to the judge, rather than doing so in the course of trial or on the first day of trial.
Actually for most cases heard by the High Court, the District Court or Magistrates' Courts, such an application made by the prosecution will generally be accepted so that screens can be provided to shield the witness from the public gallery.

With the latest Practice Directions, the objective is exactly that the prosecution, the defence and the court can handle the relevant application and make suitable arrangements as soon as possible before the formal trial, that is, at the pre-trial stage, so that the prosecution witness will learn about the situation in court as early as possible.

Regarding the arrangement to provide special passageways, the Police will also liaise with the court. If considered necessary, an application will be made at the pre-trial stage as soon as possible, so that early arrangements can be made. According to general experience and as far as I know from the Prosecutions Division, no substantial problem is involved in this matter, and the detailed arrangements can all be worked out eventually.

In this regard, the DoJ, the Security Bureau and the Police will maintain dialogue and contacts with Members in the context of the Panel on Administration of Justice and Legal Services. Moreover, colleagues in the Police and the Prosecutions Division will hold meetings with non-governmental organizations to ascertain whether any improvement is necessary. Hence, we will keep the matter in view. After the publication of the Practice Directions, we will continue with the review by consolidating the experience gained from actual operation.

DR ELIZABETH QUAT (in Cantonese): President, the Solicitor General has not answered my question as to whether the DoJ will review the legislation. If the matters he just mentioned have all been handled properly, the victims as well as the relevant organizations would not be lodging complaints repeatedly. Hence we demand that the legislation be reviewed, and the Solicitor General has not told us whether such a review will be undertaken.

PRESIDENT (in Cantonese): Solicitor General, do you have anything to add?
SOLICITOR GENERAL (in Cantonese): Regarding the review of legislation, as I said a moment ago, we will keep considering the matter, taking into account the actual situation after the implementation of the latest Practice Directions.

MS EMILY LAU (in Cantonese): The Solicitor General said that he has all along heard the complaints from the relevant organizations, but in fact they have been complaining to the Legislative Council on this matter for almost 20 years, both in the context of the Panel and other committees. Yet the authorities have always turned a deaf ear to their complaints.

President, the crux is how to minimize the embarrassment and stress of victims in sexual offence cases throughout the entire process, including the investigation stage, or in the Solicitor General's words in the main reply, "to avoid further traumatic experience". Surely, it would help if the victims can be spared from repeated questioning. Hence, we suggest that one-stop services be provided in all major hospitals under the Hospital Authority (HA), so that the investigation of all relevant parties can take place on the same occasion.

President, what is the Solicitor General's reply? He told us that relevant training had been provided to recruit police constables and probationary inspectors, but since when? Since March this year. The authorities only provide additional training to recruit police constables and probationary inspectors on professional sensitivity in handling sexual offence cases since March this year. What is the actual content of such training? What kind of training was provided previously? Why is it that one-stop services cannot be provided in all HA hospitals so as to reduce the impact of secondary victimization on the victims arising from the investigation process?

SOLICITOR GENERAL (in Cantonese): President, as far as the proposed one-stop service model is concerned, the Secretary for Security has provided a written response to the Panel on Administration of Justice and Legal Services on 11 July 2013, with the relevant extract as follows: "To avoid adding trauma by repeating their ordeal to different professionals on different occasions, sexual offences victims can choose to receive medical treatment, forensic examination, be interviewed and give a statement to investigators, and receive counselling and
other support services (for example, arrange accommodation and financial support) within the same public hospital on the same occasion under the 'One-Stop Service Model.' Back then, the authorities have already briefed the Legislative Council on the relevant situation.

MS EMILY LAU (in Cantonese): President, it is clear that he does not know how to answer my question, and he is not the right person to give an answer.

He drew our attention to the Administration's paper in July 2013. But it was only a few weeks ago that we stated in the Subcommittee on Strategy and Measures to Tackle Domestic Violence and Sexual Violence chaired by Dr Fernando CHEUNG that one-stop services were not provided in most hospitals. That is why arrangements are being made to convene a meeting to discuss the one-stop services specifically.

Although the one-stop service model was endorsed by the authorities as early as in 2013, it has yet to be implemented to date. This is actually the means to reduce the impact of secondary victimization. If the one-stop service model has already been implemented, I would not have asked the question, or it would be unnecessary for the Subcommittee to discuss the matter and invite the attendance of deputations to give views, am I right? Why does the Government designate a public officer who is ignorant about these matters to answer our questions today? He may just answer my question about the contents of training provided to recruit police constables since March this year.

SOLICITOR GENERAL (in Cantonese): I have nothing further to add.

MS EMILY LAU (in Cantonese): President, how can he give such a reply? President, please handle the matter.

PRESIDENT (in Cantonese): Solicitor General, can you confirm that the one-stop service model has already been put into operation?
SOLICITOR GENERAL (in Cantonese): I will revert to the Legislative Council after obtaining further information from the Security Bureau and the Police. (Appendix I)

MR CHAN CHI-CHUEN (in Cantonese): President, the catchphrase in the political reform vote is "Waiting for Uncle Fat", while the catchphrase in the review and reform of sexual offences is "Waiting for LRC". Let me give an example. In 2005, the statutory requirement that it was unlawful for homosexual man under 21 years of age to commit buggery had been ruled unconstitutional by the court, and the relevant legislation should be amended accordingly. But the amendment, which only involves changing a number, must also "wait for LRC". Eventually the DoJ can wait no more. Out of good intention, it introduced the relevant amendments by way of the Statute Law (Miscellaneous Provisions) Bill 2014 last year.

In part (3) of the question, Dr Elizabeth QUAT asked whether the authorities have plans to carry out reforms on the laws on sexual offences based on a set of guiding principles, including gender neutrality and avoidance of distinctions based on sexual orientation. The Solicitor General's reply is that it would be premature to do so, which is most ridiculous. Regarding the four-stage consultation of the LRC, will the Solicitor General please tell us the time when the first stage of consultation started? When is the fourth stage of consultation expected to be completed? And when will the final report be published? They have already spent 10 years on the reform, and I am still clueless as to whether it can finally be accomplished. Perhaps the whole review would straddle the terms of office of four Chief Executives. However, is it true that nothing can be done by the authorities in the interim?

SOLICITOR GENERAL (in Cantonese): President, the amendments introduced by the Statute Law (Miscellaneous Provisions) Bill 2014 were made in accordance with the decisions of the court. The objective is to implement the court's judgment in the matter. But other amendments would involve broader issues, and overall consideration must be given to all related sexual offences.

The first consultation undertaken by the Review of Sexual Offences Sub-committee under the LRC is about rape and other non-consensual sexual offences. The consultation document has been issued. But the point is that the
four stages of consultation are connected, inter-dependent and inseparable. The second consultation undertaken by the Sub-committee is about children and incapacitated persons. So far, several dozens of meetings have been held …

MR CHAN CHI-CHUEN (in Cantonese): President, my supplementary question is very clear, that is, when did the first consultation start? When is the fourth stage of consultation expected to be completed? And when will the final report be published? Can nothing be done by the authorities in the interim? Will the Solicitor General please answer these questions directly and stop talking about the content of each stage of consultation.

PRESIDENT (in Cantonese): Can the Solicitor General provide the timetable as requested by the Member?

SOLICITOR GENERAL (in Cantonese): The first stage of consultation should be in 2006 … Actually, the date of the first stage of consultation should be 2012 … should have started in 2006. (Appendix 2) As I said a moment ago, the second stage of consultation is about children and the incapacitated persons. We aim to publish a second stage consultation paper as soon as possible, and to publish an overall report eventually. In this regard, as the LRC does not have any timetable so far, I cannot tell Members exactly when the final report will be published after the four stages of consultation papers have been released.

PRESIDENT (in Cantonese): This Council has spent 25 minutes on this question.

MR CHAN CHI-CHUEN (in Cantonese): He has not answered my supplementary question. The first stage of consultation started as early as in 2006, but he is now saying that it is premature to consider our requests. Moreover, he has no idea when the fourth stage of consultation will be completed. Also he has not answered my question about the work that can be done by the authorities in the interim.
Is he still waiting for the LRC? If the LRC can only complete the fourth stage of work in 2046, does it mean that we should discuss the matter again in 2046?

PRESIDENT (in Cantonese): Mr CHAN, this question must come to a close. If you have other views, please follow up on other occasions. Last oral question.

Development of High-tier Data Centres and High-end Manufacturing Industries

6. MR CHARLES PETER MOK (in Cantonese): President, I welcome Mr Nicholas YANG, the Secretary for Innovation and Technology, who attended a Legislative Council meeting for the first time to answer Members' questions.

Some members of the information technology industry have relayed to me that with the rapid development of technologies such as cloud computing, e-commerce, artificial intelligence, data analysis and Internet of Things, the development of high-tier data centres and high-end manufacturing industries will bring about a new driver of growth for Hong Kong's economy. It is learnt that due to the unique site requirements of such industries and the shortage of land in Hong Kong, such industries have difficulties in identifying suitable sites in Hong Kong. As a result, some international and local enterprises have relocated their businesses to other Asian cities, such as Singapore. These people have pointed out that this trend is not conducive to the competition for large enterprises and production facilities to settle in Hong Kong, and stifles the continuous development of innovation, information and communication technology industries in Hong Kong. In this connection, will the Government inform this Council:

(1) whether it has assessed, in the coming five years, the total floor area that can be provided by the industrial estates managed by the Hong Kong Science and Technology Parks Corporation (HKSTPC) for the development of high-tier data centres, and the total floor area that such data centres may need; whether it has formulated measures to attract multinational enterprises to locate their high-tier data centres in Hong Kong so as to promote the development of digital economy in Hong Kong; if it has, of the details; if not, the reasons for that;
of the measures currently taken by HKSTPC to increase the land for accommodating the production facilities of high-end manufacturing industries; whether the Government has plans to allocate additional land to HKSTPC for the development of the Hong Kong Science Park Phase 4 and reserve part of the land for such use, so as to promote the development of high value-added industries in Hong Kong, encourage investment in innovation, information and communication technology industries, and create jobs; if it has such plans, of the details; and

of the authorities' measures to promote "re-industrialization" in Hong Kong, including how to attract and support high-end manufacturing industries to locate their production facilities in Hong Kong, as well as the objectives, implementation schedule and details of such measures?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): President and Honourable Members, this is the first time I attended a Legislative Council meeting … I beg your pardon if I am not expressing myself clearly.

To promote sustained and diversified social and economic development, the Government of the Hong Kong Special Administrative Region is determined to drive the development of local innovation and technology (I&T) industries. The provision of sufficient land, advanced production facilities and quality support services is one of the important policies.

Hong Kong possesses numerous advantages, including strategic location in Asia Pacific region, proximity to the huge Mainland market, intellectual property protection regime of international standards, sound legal system and independent judiciary, and comprehensive information technology infrastructure, and so on. These advantages make Hong Kong well-positioned to develop high value-added and high-tech I&T industries.

Data centre is a key infrastructure in a knowledge-based economy. It supports the operation of various business sectors in Hong Kong. In view of its significance, the Government is committed to promoting the development of high-tier data centres in Hong Kong by providing suitable land and other support
services, with a view to attracting multinational data centre operators to set up operations in Hong Kong, thereby boosting Hong Kong's overall competitiveness. Given our various advantages, Hong Kong is the prime location for setting up data centres in Asia Pacific region and a number of multinational corporations have set up their data centres in Hong Kong.

My reply to the three-part question raised by Mr Charles Peter MOK is as follows:

(1) With the vibrant development of high-frequency securities trading, cloud computing services and e-commerce, as well as the emergence of financial technologies and various mobile application services, the market demand for safe and reliable data centre services has surged. According to the latest market information, the current gross floor area (GFA) of local data centres, including facilities developed by private companies, has exceeded 460 000 sq m, representing an increase of nearly 50% from some 300 000 sq m in 2012.

Currently, 12 sites with a total of about 19 hectares of land in the Tai Po and Tseung Kwan O Industrial Estates (IEs) are designated for the development of high-tier data centres, providing a floor area of over 300 000 sq m. Upon completion of several data centres in Tseung Kwan O, Kwai Chung and Tusen Wan (including IEs and those provided by the private sector) in the coming two years, the GFA for data centre development in Hong Kong will increase to 660 000 sq m to meet the market demand in the next few years. Moreover, we have reserved 3 hectares of land in Tseung Kwan O for data centre development by the private sector. The first site of about 1 hectare was sold in October 2013, and the second site of a similar size is expected to be put up for bidding next year. These two sites will provide a total GFA of about 100 000 sq m.

Apart from providing land for building data centres, the Government has also introduced two incentive measures to encourage the industry to convert industrial buildings into data centres and to develop data centres on industrial lots. The Office of the Government Chief Information Officer (OGCIO) also provides support and inter-departmental co-ordination services to enterprises that are interested in setting up data centres in Hong Kong. Besides, the
OGCIO, together with Invest Hong Kong, have been launching campaigns in the Mainland and overseas to promote Hong Kong as the prime location for setting up data centres in Asia Pacific region.

(2) Under the revised IE Programme, the Hong Kong Science and Technology Parks Corporation (HKSTPC) will in future actively recruit I&T industries which are vital to the sustained growth of our economy. The facilities provided will be suitable for housing different production activities in the entire value chain. Regarding business model, the HKSTPC will in future mainly build and manage multi-storey industrial buildings designated for science and I&T industries for leasing to multi-users, in order to ensure that the sites of the IEs available for development can realize their full development potential.

To better utilize the land resources in the IEs, the HKSTPC has negotiated with some factory operators and obtained their agreement to surrender some of the unused plot ratio involving a permissible GFA of approximately 70,000 sq m. In addition, the HKSTPC also launched a pilot scheme in May this year to encourage factory operators to surrender premises which had not been fully utilized. So far, the applications for surrender received involve a GFA of about 50,000 sq m.

The HKSTPC also plans to develop one to two pilot projects on vacant sites or sites surrendered by existing users in the next few years. The new industries being considered are technology industries which Hong Kong enjoys development advantages, such as information technology, robotics technologies, and high-end manufacturing industries relating to medical service and ageing population, and so on.

Upon completion of Phase 3 of the Science Park in 2016, its GFA will be increased by 105,000 sq m to 330,000 sq m, which should be able to meet the short-term demand for office space by research and development (R&D) activities. The HKSTPC is also examining the feasibility of suitably increasing the development density of the Science Park so as to provide additional floor area for meeting the medium-term demand of the development of technology industries in Hong Kong.
Due to the re-structuring of our economy in the past, some factory operators in Hong Kong had moved their production lines to the Pearl River Delta in the Mainland. With rising labour and other costs in the Mainland in recent years, coupling with the unique advantages of Hong Kong, including well-established systems and world-class infrastructure, some factory operators, especially those engaging in high-end manufacturing, are well-positioned to consider performing high value-added production processes that require less amount of land and labour in Hong Kong. We hope to perform a facilitator role in actively promoting and fostering development in this regard. The aforementioned revised IE Programme is one of the measures in promoting re-industrialization in Hong Kong.

Innovative application and technological development are the driving forces for industrial upgrading and restructuring. The Innovation and Technology Bureau will seize the opportunities brought about by re-industrialization and the development of Internet of Things to promote smart manufacturing. We will continue to work with relevant stakeholders on how to leverage Hong Kong’s unique foundation and advantages to complement the development of new industries, with a view to putting forth measures to attract and support the development of high-end manufacturing industries in Hong Kong.

MR CHARLES PETER MOK (in Cantonese): President, I am glad to hear the Secretary mention in his main reply the provision of land for building data centres, but I hope the Secretary would understand that the reason why I raised this question is that some companies operating in Hong Kong and some other companies which are not operating in Hong Kong contacted me recently. They told me that insufficient land was provided in the IEs managed by the HKSTPC, so they cannot build data centres there. Hong Kong compares unfavourably with Singapore which has plans of 15 years or more for continuous land supply. In fact, my main question asks the authorities whether it has assessed, in the coming five years, the total floor area that data centres may need but the authorities have not answered my question.
However, we learnt from the news reports yesterday that "Facebook" intends to build a data centre covering an area of 6 hectares in Changhua in Taiwan, and it would possibly invest billions of dollars. Has the Hong Kong Government followed up on the situation to see whether they are interested in or have the opportunities of investing in Hong Kong?

President, my supplementary question is that some members of the industry reflected to me that the development of data centres should be focused on those industries that are conducive to the development of ICT services in Hong Kong, such as financial technology industries, to promote developments in areas other than data centres. I share this point of view. My supplementary question is: When the Innovation and Technology Bureau introduces such data centre business, how does it provide support to these companies so as to promote the creation of high-end jobs in Hong Kong, such as R&D jobs? At present, because of a lack of such jobs, many young people are unwilling to join the industry. How can we provide incentives to companies (especially foreign companies) so that they may create high-end jobs in Hong Kong?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): I thank Mr MOK for his supplementary question. My main reply has partly answered the question and I am now going to give some additional remarks.

Firstly, I believe that Hong Kong is now the largest data centre in Asia; of course, other places will catch up and snatch our business but I believe Mr MOK understands very well that the development of I&T industry involves two things: the formulation of standards and the provision of platforms, especially digital platforms. To have added value, we must enhance the provision of the so-called digital platforms. In this regard, we will work with the industry to examine how to use the latest digital platforms and new standards.

When the Government sets standards, such as the standards for Internet of Things, they should be in tune with national standards which would then be promoted as global standards, so that the local industry may run ahead of the rest of the world. The Mainland market is huge and it is one of the major objectives for foreign investors to invest in Hong Kong.
Secondly, we have to work together with the industry to promote the
development of digital platforms. We not only want to build a data centre. All
the more, we want to create a complete industrial chain comprising this data
centre and other industries. Recently, the Government has contacted a number
of world-class enterprises and units with special innovative achievements, for
example, MIT, Cara and Lanstar. We have invited them to come to Hong Kong
and we also hope that with their focus on Hong Kong, they would help enhance
the I&T levels in Hong Kong, as well as attract young people to join the I&T
industries.

MR LEUNG KWOK-HUNG (in Cantonese): President, in accordance with the
Basic Law, I request a quorum call.

PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon
Members back to the Chamber.

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

PRESIDENT (in Cantonese): Dr Elizabeth QUAT, please state your
supplementary question.

DR ELIZABETH QUAT (in Cantonese): President, shortage of land has
always been a problem faced by the technology industry. Now that the
Innovation and Technology Bureau has been established, I would like to ask the
Secretary: What are your plans in striving for the supply of land for the
technology industry?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): I
would like to talk about IEs; we all know that the authorities would carry out the
development of the Hong Kong Science Park (HKSP) Phase 4 as Mr MOK has
also mentioned. Firstly, in respect of data centres, we are currently discussing
with the Planning Department regarding how a cavern can be used to establish a data centre. Secondly, we are also studying with the Planning Department the development of the fourth IE in Heung Yuen Wai, Ta Kwu Ling. Although this project is still in the early planning stage, we have plans to develop these projects.

Since Mr Charles Peter MOK's question is mainly targeted at data centres, I would like to emphasize that, in the past decade or so, we were committed to establishing Asia's largest data centre in Hong Kong, but we found that many multinational companies have recently changed their strategies. Some multinational companies no longer identify sites for building data centres but hire the services and facilities provided in Hong Kong. These companies include some very famous multinational enterprises, but they have not publicized the relevant information.

As far as we know, those multinational companies which currently have their own data centres in Hong Kong include IBM, HSBC, NTT Communications, Pacnet Global, and so on. I have mentioned in my main reply that sufficient land should be available in the short run to meet the market demand for data centres. But in the long run, we must identify land for building data centres. I have just mentioned the development of a cavern and the authorities would also consider the construction of the fourth IE for this purpose.

In addition, we would also examine if the area covered by the HKSP can be increased by slightly relaxing the existing plot ratio. We hope that the area covered by the existing HKSP Phase 3 could be increased without affecting the surrounding environment. In this connection, we would shortly submit proposals to the Legislative Council for reference or discussion.

MR LEUNG KWOK-HUNG (in Cantonese): How are you, Secretary? I once asked you what your plans were, but you said that you were not the bureau director and you could not give us any information. Today, you are attending this meeting to discuss land issues in your capacity as the Secretary. I identified a site, which is a 60-hectare site next to the Disneyland which has been left unused for 10 years. The Disneyland has priority to use the site if the Disneyland has plans for expansion. However, the site has not been used by the Disneyland after all these years. Has the Secretary considered using this 60-hectare site? This site is immediately available. If the Secretary has not
considered using this site, why has he not considered using it? The construction of the Disneyland started when TUNG Chee-hwa was in office, in order to promote the development of the tourism industry. This is now a thing of the past and this site can certainly be used for other purposes. Has the Secretary considered using this site?

PRESIDENT (in Cantonese): Mr LEUNG, you have stated your supplementary question, please sit down. Secretary, please reply.

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): Mr LEUNG, thank you for your supplementary question. I currently do not have sufficient information in hand to answer your supplementary question. Please allow us to provide information after the meeting. I am sorry. (Appendix II)

MR LEUNG KWOK-HUNG (in Cantonese): President, I should become a bureau director because I have considered this for a long time but the Secretary has not thought about that. Do you think it is strange?

PRESIDENT (in Cantonese): The Secretary said that he would submit the information after the meeting.

MR LEUNG KWOK-HUNG (in Cantonese): Do you think that I should become a bureau director?

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please sit down.

MR NG LEUNG-SING (in Cantonese): I would like to raise a supplementary question about IEs which are mentioned in part (2) of the main reply. I would like to ask the Secretary: When the multi-storey industrial buildings designated for science and I&T industries are leased to users in the future, will these
buildings be provided with facilities that are not provided in general industrial buildings? What kind of industrial facilities will be provided?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): I thank Mr NG for his supplementary question. One of the objectives of using multi-storey industrial buildings is to increase efficiency and promote "re-industrialization", hoping to promote the new industries that do not need to use a lot of land resources and manpower.

The dedicated multi-storey industrial buildings being constructed are specifically designed to meet the special requirements of specific industrial production processes such as high ceilings, large total floor load capacity, wide space between floor columns, special ventilation systems, controlled drainage and better building infrastructure, and so on. These multi-storey industrial buildings are constructed for new generation science and I&T industries.

At present, industrial buildings are generally designed for traditional industrial production purposes and they are not suitable for high-technology industries.

MS EMILY LAU (in Cantonese): President, the Secretary stated in his main reply that, at present, the SAR Government wants to promote the development of I&T industries, and promote sustained and diversified social and economic development. I certainly welcome the Secretary's attendance at Legislative Council meetings, and the Secretary would also be welcomed to attend the Finance Committee meetings to be held on Fridays to answer questions on matters under his purview. To promote the related development, is it necessary to listen to the views of the community? President, the Secretary became the Advisor to the Advisory Committee appointed by the Chief Executive on 1 April. According to the views I received, the Committee is not very representative; its members include a school principal, some members of the industry, Dr Elizabeth QUAT, Mrs Regina IP, and so on, while Mr Charles Peter MOK is not a member of the Committee. The Secretary has now officially taken office, would he reorganize the Committee, demonstrating that he would listen with an open mind to the views of various parties so that the Committee would become more representative?
SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): I thank Ms LAU for her supplementary question. I would like to emphasize that I would extensively listen to various views put forth by the industry, instead of listening only to the views of the Committee that the Member has just mentioned. I have spent a lot of time having discussions with almost 100 different enterprises from different industries, including more than 30 small and medium enterprises. If we are having discussions for the well-being of Hong Kong, I am happy to do so. I have also had discussions with individual Legislative Council Members. I do not want to make comments on the composition of a certain committee. I am acquainted with Mr Charles Peter MOK, we frequently meet each other on various occasions, and I often directly communicate with him. Mr MOK can give me a call or send me messages at any time.

MS EMILY LAU (in Cantonese): President, my supplementary question is whether the Committee is not representative enough. Will the Secretary reorganize the Committee so that it will become genuinely representative?

PRESIDENT (in Cantonese): Secretary, will you give a response as to whether the Committee will be reorganized?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): As we all know, the predecessor of this Committee is another committee. Although I have taken over the Committee, I cannot immediately carry out drastic reorganization. Under appropriate circumstances, I may slowly make improvements to the Committee. The Committee has been functioning for nearly eight months and more than 10 meetings have been held. If the meetings were attended by many members, each meeting might last for a long time. I would consider the suggestions made by the Member just now.

PRESIDENT (in Cantonese): We have spent almost 25 minutes on this question. Oral questions end here.
WRITTEN ANSWERS TO QUESTIONS

Multiple Applications for Subscriptions for Initial Public Offering Shares

7. MR CHAN KIN-POR (in Chinese): President, under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (Listing Rules), where listed securities are offered to the public for subscription or purchase, issuers, their directors, sponsors and underwriters (commonly referred to as "the parties involved in the issue") must take reasonable steps to ensure that multiple or suspected multiple applications are identified and rejected. On the other hand, investors may choose to subscribe for initial public offering (IPO) shares in their own names or electronically through the accounts maintained by intermediaries (such as brokers or banks) in the Central Clearing and Settlement System. However, at present, intermediaries are not required to furnish their clients' personal data when subscribing for IPO shares on their behalf, thus making it difficult for the parties involved in the issue to identify multiple applications for subscriptions for IPO shares. In this connection, will the Government inform this Council:

(1) whether it knows the total number of complaints about multiple applications for subscriptions for IPO shares received by the Stock Exchange of Hong Kong Limited (SEHK) in the past five years, the follow-up actions and the outcome, including the number of multiple applications rejected;

(2) whether it knows if SEHK has plans to amend the Listing Rules to stipulate that intermediaries should furnish, for facilitating identification of multiple applications, the full personal data of their clients when applying for subscription for IPO shares on their behalf; if SEHK has such plans, of the details; if SEHK has no such plans, of the authorities' measures to ensure that intermediaries will adopt a consistent practice in furnishing their clients' personal data, and that the parties involved in the issue can easily identify multiple applications; and

(3) given that some members from the finance industry have pointed out that it is not against the law for investors to make multiple applications for subscriptions for IPO shares and they therefore will
not incur legal liability, whether the Government knows if SEHK will consider putting such investors on a central blacklist to prohibit them from applying for subscriptions for IPO shares in future; if SEHK will consider, of the details; if SEHK will not consider, SEHK's measures to step up efforts to combat the making of multiple applications for subscriptions for IPO shares, so as to ensure the fair operation of the securities market?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, our response to the three parts of the question is as follows:

(1) In the past five years, the Stock Exchange of Hong Kong Limited (SEHK) recorded one complaint on suspected multiple applications regarding the use of several brokerage accounts maintained with various securities companies to apply for shares of an issuer.

In general, when complaints regarding multiple applications are received or multiple applications are suspected, the SEHK will require the sponsor to address the issue and submit the measures it had put in place to detect multiple applications, for example, measures in compliance with the "Best Practice Note on Treatment of Multiple/Suspected Multiple Applications" published by the Federation of Share Registrars and to provide confirmation that the share registrar it engages has the appropriate systems and controls to produce a list of possible multiple applications for it to review.

The number of multiple applications or suspected multiple applications which have been identified and rejected by an issuer can be found in the issuers' announcements of allotment results.

(2) and (3)

Currently, an applicant using a white or yellow physical application form needs to provide his personal information (including name, Hong Kong identity card number/passport number/business registration number, address and telephone number). However, if the applicant is a nominee (for example, broker or custodian bank) applying for new shares on behalf of its clients, the applicant is only
required to provide the account number or identification code of the
beneficial owner (that is, Hong Kong identity card number/passport
number/business registration number of the beneficial owner is not
required). This is also the case for an applicant using the yellow
form EIPO (that is, the yellow application form submitted by
intermediaries electronically through the Central Clearing and
Settlement System on behalf of their clients).

The Securities and Futures Commission (SFC) and the SEHK will
discuss the appropriate measures to be put in place to further reduce
the possibility of multiple applications. The SFC and the SEHK
will discuss with the industry to seek their input during the process.

Coin Collection Programme

8. **MR JEFFREY LAM** (in Chinese): President, in October last year, the
Hong Kong Monetary Authority (HKMA) launched the Coin Collection
Programme which uses a mobile approach to collect coins (Collection
Programme). The Collection Programme provides, in addition to the existing
banking system, one more channel for members of the public to exchange their
coins for banknotes or for adding value to Octopus cards. Under the Collection
Programme, two Coin Carts station in all 18 districts in Hong Kong on a
rotational basis to collect coins kept by members of the public. It has been
reported that the Collection Programme is well received by members of the
public. However, quite a number of members of the public (in particular elderly
persons) have relayed to me that since they do not know the service arrangements
of the Coin Carts, they are unable to use this service. In this connection, will
the Government inform this Council:

(1) whether it will step up its efforts in publicizing the details of the
Collection Programme, including the locations at which the Coin
Carts station and their service hours, so as to enable more members
of the public to use this service; if it will, of the details; if not, the
reasons for that;

(2) of the approaches adopted by HKMA for handling the coins
collected;
(3) whether it has plans to enhance the coin collection service to meet the demand of members of the public and small business operators; if it does, of the details; if not, the reasons for that; and

(4) given that the two-year Collection Programme will end in September next year, what factors HKMA will consider in deciding whether it will provide the service on a long-term basis?

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

(1) The Hong Kong Monetary Authority (HKMA) publishes the coin carts’ travelling schedule and their location at its website and through press releases in relation to the Collection Programme. The HKMA has also asked management offices of housing estates to be visited by the coin carts to inform nearby residents of the service arrangement.

To enhance the public awareness of the Collection Programme, HKMA disseminates news and information of the Programme from time to time (for example, the information about the number of coins collected, the processing of flag day proceeds under the Programme, and the award given by the International Association of Currency Affairs to the Programme).

The HKMA will continue to work with the media to strengthen the promotion of the Programme.

(2) Under the present arrangement, coins collected under the Programme are re-circulated in the market through the coin cart operator to the needed merchants.

(3) and (4)

The HKMA launched the Collection Programme as a pilot scheme for a period of two years until September 2016. The Government is pleased to note that the Programme is well received by the public.
The HKMA will review the Programme before the end of the pilot scheme, taking into consideration relevant factors (such as the usage of the coin carts, public responses, the cost effectiveness of the Programme) in mapping out the way forward. When the review is completed, the HKMA will announce the detail as and when appropriate.

**Monitoring Service Performance of MTR Corporation Limited**

9. **MR WONG YUK-MAN** (in Chinese): President, it has been reported that a number of incidents of the railway services of the MTR Corporation Limited (MTRCL) have occurred recently. For instance, in September this year, a train on the Tung Chung Line skipped stations, and incidents in which escalators suddenly broke up while in operation occurred at the MTR Quarry Bay Station and Wong Tai Sin Station. Besides, staff members of MTRCL are alleged of having adopted double standards in enforcing the regulation on the size of passenger luggage, i.e. parallel traders with bulky luggage are allowed to board MTR trains while students carrying musical instruments are forbidden to enter the paid areas or issued with warning letters. Some members of the public have queried whether the Government, as the major shareholder of MTRCL, has properly monitored the service performance of MTRCL. In this connection, will the Government inform this Council:

1. given that under the existing "Service Performance Arrangement", MTRCL is required to notify the Transport Department of and submit reports on any railway service disruption which has lasted, or is expected to last, for eight minutes or more, and pay a fine for any service disruption of 31 minutes or more, but such arrangements are not precautionary measures, of the standing measures taken by the Government to ensure that the incidence of service disruption has been minimized;

2. given that the authorities indicated in June this year that after obtaining funding for the creation of new posts in the Electrical and Mechanical Services Department, the Department would enhance the monitoring of MTRCL's train service to cover the proactive
inspection of its railway system, the examination of MTRCL's work procedures and safety management system as well as the enhancement of the transparency of MTRCL's operation in addition to the purposeful investigations regularly conducted after the occurrence of railway incidents and their follow-up, of the relevant manpower arrangements and work plans; and

(3) given that among the incumbent members of the Board of Directors of MTRCL, four of them are government officials, whether the Government will consider instructing those officials to make public the views they expressed at the Board meetings after each meeting, so that the public would have a better understanding of the role of the government officials in such meetings?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the safety and reliability of railway service is largely dependent on whether the operator establishes stringent safety management and asset management for the railway system; carries out regular and appropriate inspection, maintenance and timely renewal for various components of the system; and takes prompt follow-up action in response to railway incidents.

The Government has also put in place a well-established regulatory regime for ensuring the safety and reliability of MTR service. Legally, the Mass Transit Railway Ordinance (Cap. 556) (the Ordinance) stipulates that the MTR Corporation Limited (MTRCL) shall maintain a proper and efficient service at all times during the franchise period in accordance with the Ordinance and the Operating Agreement (OA) entered into between the Government and the Corporation. The OA sets performance targets in respect of the MTR's train frequencies and station facilities, including train service delivery, journeys on time, escalator reliability and lift reliability. The Railway Monitoring Division of the Transport Department monitors the service performance of the railway network by, among others, examining the MTRCL's monthly operating returns on the above performance indicators; and handling complaints received from the public to ensure that the MTRCL provides a proper and efficient service in accordance with the OA.
The Electrical and Mechanical Services Department (EMSD) is the statutory regulator on railway safety. In accordance with the Ordinance and the Mass Transit Railway Regulations (Cap. 556 sub. leg. A) (the Regulations), the EMSD personnel may, for the purposes of ensuring railway safety and investigating railway incidents, enter the MTRCL's railway premises to conduct inspections and request the Corporation to submit information or documents relating to its railway system.

Mr WONG Yuk-man mentioned the incident on 18 September 2015 during which a Tung Chung Line train passed the MTR Kowloon Station and Olympic Station without stopping. The EMSD personnel arrived at the scene on that day to investigate into the incident and requested a detailed account of the incident from the MTRCL staff. Upon investigation, the EMSD found that the incident was due to human error in setting train routes at the MTR Operations Control Centre. Although the incident caused inconvenience to passengers, it did not affect railway safety. To avoid recurrence, the MTRCL has implemented improvement measures to ensure that the manual control procedures are reviewed by another staff.

As regards the escalator incidents occurred in MTR Quarry Bay Station and Wong Tai Sin Station on 17 September and 20 September respectively, the EMSD has completed investigations and confirmed that both incidents were caused by foreign objects rather than equipment failure of the escalators. All escalators in MTR stations are subject to regulation under the Lifts and Escalators Ordinance (Cap. 618) and its subsidiary regulations. In 2014, the EMSD conducted a total of 241 inspections of the escalators in MTR stations and found no irregularities.

Mr WONG's question also covers the standards MTR staff adopt in handling oversized luggage. As advised by the MTRCL, the existing limit on luggage size is formulated having regard to factors including railway safety, the design of stations and trains running on various railway lines as well as passenger flow, and applies to all passengers. Although the enforcement with regard to the limit on luggage size is non-discretionary, the Corporation noted that some passengers might need to carry relatively larger musical instruments when travelling on the MTR. In this regard, the MTRCL launched the "Trial Registration Scheme for Carriage of Oversized Musical Instruments" in November 2015 upon public consultation and risk assessment. Passengers with prior registration may carry musical instruments with measurements not
exceeding the new size limit under the trial scheme while travelling on the MTR (except during a period in morning peak hours), on condition that they are fully aware of the safety rules and matters which should be observed when carrying large musical instruments.

My reply to the various parts of Mr WONG's question is as follows:

(1) The reliability and safety of MTR service have been maintained at an internationally recognized high standard, as can be demonstrated by the MTR's excellent rankings in the benchmark comparison of the Community of Metros over the years. Since the rail merger in December 2007, there has been a continuous increase in MTR train frequency from an average daily total of around 7,300 trips in 2008 to an average daily total of over 8,100 trips at present. During the same period, the total route length of the MTR network has also increased from 211 km to 220 km. Despite the increase in train frequency and the expansion of the railway network, the total number of railway service disruptions has remained stable in the past few years. In 2014, there was 160 service disruption incidents of eight minutes or above caused by equipment failure or human factors, which is the same as that in 2008. The number of such incidents in 2015, as of October, is 118, which is lower as compared to the 130 incidents in 2014 on a year-on-year basis. This demonstrates that railway service performance has remained stable over the years. The incident figures from 2008 to October 2015 are at Annex. Nevertheless, the Government understands that members of the public have very high expectations of MTR service. Therefore, the Government has been requesting that the MTRCL carry out stringent railway inspection, maintenance and renewal to maintain a high standard of service quality.

In 2014, the EMSD personnel conducted a total of 168 inspections of the railway system and facilities, with a view to ensuring that the MTRCL had carried out maintenance work properly to minimize the risk of incidents which lead to service disruptions. Under the Regulations, the MTRCL shall also report to the EMSD any safety-related incidents that have taken place in any part of the railway premises. Based on the nature and severity of these incidents, the EMSD may request the MTRCL to submit reports, and
may also conduct investigations where necessary. On identification of any room for improvement, the EMSD will request that the MTRCL take follow-up action to minimize the risk of recurrence of similar incidents.

(2) In view of continuous increase in train frequency and expansion of the railway network, the Government sees the need to strengthen the manpower of the EMSD to maintain effective safety monitoring. In this regard, the Government decided to allocate additional funding starting from the 2015-2016 financial year for the creation of nine permanent posts of professional and technical grades in the Railways Branch of the EMSD, two of which are directorate posts, viz. one Chief Electrical and Mechanical Engineer and one Chief Electronics Engineer. Currently, seven non-directorate posts have been created. As for the creation of two directorate posts, the proposal was supported by the Subcommittee on Matters Relating to Railways of the Panel on Transport and the Establishment Subcommittee of the Finance Committee (FC) of the Legislative Council in March and June 2015 respectively, and was approved by the FC on 27 November.

With the additional manpower, the EMSD will, apart from handling the additional workload generated by the increase in train frequency and expansion of the railway network, step up daily regulatory work at various levels, including: (i) conducting regular safety inspections specifically focusing on the MTRCL's maintenance work for the safety critical components of the railway system; (ii) looking into similar components of the railway system when incidents occur to avoid recurrence; and (iii) increasing the frequency and depth of various inspections so as to extend its inspection work to the system level, for instance, by proactively looking into the workflow of the MTRCL on its maintenance of various critical electrical and mechanical safety systems, as well as the establishment of the MTRCL's personnel, in order to enhance railway safety performance. Specifically, the number of inspections conducted by the EMSD will increase progressively from 168 in 2014 to 280 in 2020.
Besides, the EMSD will also introduce new elements to its existing regulatory regime by reviewing and refining the safety regulatory regime over the MTRCL from a macro and strategic perspective, including auditing the whole set of safety management and asset management work of the MTRCL, for example, asset inspection, maintenance and renewal, for a more comprehensive and in-depth monitoring of the quality of the MTRCL's safety management and asset management. These new measures, together with the existing regulatory mechanism, will enhance the effectiveness of the monitoring work on railway safety and the internal management of the MTRCL.

(3) Currently, the MTRCL Board comprises 20 members, among whom 19 are non-executive directors, including four Government Directors. Pursuant to the Articles of Association of the MTRCL and the Protocol adopted by the MTRCL Board, the Board focuses on handling matters affecting the Corporation's overall strategic policies, corporate governance, finances and shareholders while the day-to-day running of the Corporation is delegated to the management.

The Government has been proactively carrying out its duty as the Corporation's majority shareholder by reflecting the common concerns of the community on MTR operations to the Board from time to time. A case in point is fare concessions. All along, the Government Directors have been requesting the MTRCL to provide different kinds of fare concessions to cater for the different needs of passengers, having regard to the financial viability of the MTRCL as a listed company. Moreover, as urged by the Government Directors, the MTRCL has reviewed its corporate structure and operation, and carried out reforms. In August 2014, two new committees under the MTRCL Board, namely the Capital Works Committee and the Risk Committee, were set up. These two committees will facilitate more in-depth and focused supervision of the progress of the MTRCL's works projects and its overall risk management, including railway operation and service performance. Furthermore, on the recommendation of the Government Directors to the Nominations Committee of the MTRCL Board and as approved
by the MTRCL Board, a total of five independent non-executive directors were appointed by the MTRCL in October 2014 and August 2015. The Chief Executive also appointed the Permanent Secretary for Development (Works) as a non-executive director of the MTRCL Board in October 2014 pursuant to the Ordinance.

The specific issues that the MTRCL Board deliberates and the detailed discussions that it carries out at its meetings, save for those information that is required to be disclosed under the regulation of the Securities and Futures Ordinance (Cap. 571), are generally considered confidential information of the MTRCL. All directors of the MTRCL (including Government Directors) have an obligation to preserve secrecy, and cannot disclose any specific issues that the MTRCL Board deliberates and any detailed discussions carried out at its meetings.

Annex

Service disruption incidents of eight minutes or above occurred in the MTR network due to equipment failure or human factors from 2008 to October 2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>160</td>
</tr>
<tr>
<td>2009</td>
<td>150</td>
</tr>
<tr>
<td>2010</td>
<td>175</td>
</tr>
<tr>
<td>2011</td>
<td>190</td>
</tr>
<tr>
<td>2012</td>
<td>146</td>
</tr>
<tr>
<td>2013</td>
<td>143</td>
</tr>
<tr>
<td>2014</td>
<td>160</td>
</tr>
<tr>
<td>2015 (as of October)</td>
<td>118</td>
</tr>
</tbody>
</table>

Establishment of Travel Industry Authority

10. **MR JAMES TIEN** (in Chinese): President, given that the reputation of Hong Kong's tourism industry had been seriously tarnished due to a spate of incidents concerning mainland inbound tours in the past few years, such as
tourist guides hurling abuses at tourists and forcing tourists to shop, and that the effectiveness and impartiality of the existing industry self-regulatory regime administered mainly by the Travel Industry Council of Hong Kong (TIC) had been called into question, the Government launched a public consultation exercise on the review of the operation and regulatory framework of Hong Kong's tourism sector in April 2011. In December of the same year, the Government announced that a Travel Industry Authority (TIA) would be set up as the overall regulatory body of the tourism sector and expected that the relevant bill could be introduced into this Council within 2014 so that TIA could come into operation in 2015 at the earliest (the regulatory proposals). Nevertheless, the Government has not yet introduced the bill into this Council and no date has been set for the establishment of TIA. In this connection, will the Government inform this Council:

(1) given that in reply to a question raised last month by a Member of this Council, the Secretary for Commerce and Economic Development said that in the past two years, the Government had continued its discussion with the tourism trade on the detailed arrangements in relation to the aforesaid legislative proposals and on TIC's future role, and it had to make appropriate amendments to the original regulatory proposals having regard to the trade's views, of such views put forward by the trade to the Government, and the Government's plans for amending the regulatory proposals and the justifications thereof;

(2) given that the Government put forward the regulatory proposals in 2011 after conducting a ten-week public consultation exercise, and that it had subsequently consulted Members of this Council on the proposals, why the Government has planned to amend the regulatory proposals without making any announcement nor consultation with Members of this Council;

(3) whether it knows the situations since the implementation of the 10 measures introduced by TIC in February 2011 for improving the operation of mainland inbound tours, including the number of inspections conducted each month, as well as the respective numbers of travel agents, tourist guides and shops penalized; if such information is not available, of the reasons for that;
(4) how the Government has monitored the implementation of the six measures recently introduced for strengthening the regulation of mainland inbound tours, and whether it will regularly review the effectiveness of such measures; given that incidents relating to unscrupulous practices of the tourism trade still occur one after another despite new regulatory measures have been introduced incessantly by TIC in recent years, whether the Government will expedite the implementation of the regulatory proposals; and

(5) in light of the current work progress, of the Government's expected dates of (i) completing the drafting work of the aforesaid bill, (ii) submitting the bill to this Council for scrutiny, and (iii) TIA's establishment and coming into full operation for carrying out its duties; if no specific timetable is available, of the reasons for that?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, the Government all along attaches great importance to the healthy and sustainable development of the tourism industry. In 2011, the Government launched a public consultation exercise on the review of the regulatory framework of the tourism sector, and announced at end of the same year that an independent statutory body, to be called the Travel Industry Authority (TIA), would be set up as the overall regulatory body of the tourism sector so as to enhance the independence, credibility and transparency of the regulatory framework. Under the new regulatory framework, the TIA would collectively take up the current regulatory and licensing functions of the Travel Industry Council of Hong Kong (TIC) and the Travel Agents Registry. The targets of regulation will include travel agents, tour escorts and tourist guides.

Our replies to the questions raised by Mr James TIEN are as follows:

(1) and (2)

Following the announcement in end 2011 on the implementation of a new regulatory framework of the tourism sector, the Government has been in active discussion with the trade on the detailed proposals, including TIC's involvement under the new regime. Subsequently,
the Government proposed in 2013 to entrust to the TIC certain non-regulatory public functions, including conciliating disputes that do not involve disciplinary matters, accrediting training courses and administering licensing examinations for tourist guides and tour escorts, handling emergencies involving inbound or outbound tours, and managing a fund to be established in support of development of the travel industry. Having discussed thoroughly with the Government and the trade on the proposal concerned, the TIC convened an extraordinary general meeting in March 2014 for its members to express their views on the roles and functions of the TIC under the new regulatory framework. The voting result was that the special resolution supporting the TIC to perform non-regulatory public functions under the new regulatory regime was not passed as it could not secure the votes of not less than three quarters of the attending members. The above voting result was published at TIC’s website and was reported by the media in March 2014. Since the relevant proposal concerned the future roles and functions of the TIC, we respected the trade's views and needed to make corresponding amendments to the parts about entrusting to the TIC non-regulatory public functions during the law drafting process in the light of the voting result. As the legislation concerned is still at the drafting and revision stage, we will consult the Panel on Economic Development of the Legislative Council on the bill including the amendments concerned after completion of the drafting work.

(3) The Government and the TIC all along attach great importance to the regulation of Mainland inbound tour groups. Since the implementation of the 10 measures in February 2011, the TIC has been conducting an average of 12 inspections per month, which cover around 100 Mainland inbound tour groups and 30 registered shops.

In addition, the number of cases in which travel agents and tourist guides were penalized for their violation of the 10 measures is as follows:
The number of cases in which registered shops were given demerit points since the implementation of the 10 measures is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 (January to October)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel Agents</td>
<td>26 cases</td>
<td>39 cases</td>
<td>36 cases</td>
<td>107 cases</td>
<td>65 cases</td>
</tr>
<tr>
<td>Tourist Guides</td>
<td>2 cases</td>
<td>10 cases</td>
<td>5 cases</td>
<td>36 cases</td>
<td>10 cases</td>
</tr>
</tbody>
</table>

(4) Following the announcement in early November 2015 of the introduction of various measures to strengthen the regulation of Mainland inbound tour groups, the Government has been in close communication with the TIC, and has written to the TIC to request for the implementation of the new measures concerned as soon as possible. We note that the relevant task force of the TIC has convened a meeting to study and work out the implementation details of the measures. The Government will continue to work closely with the TIC and the relevant law-enforcement agencies on the implementation of the measures concerned, and to review the relevant measures in a timely manner with a view to curbing the problems arising from zero/negative tour fares and coerced shopping.

(5) We are pressing ahead with the drafting work of the new legislation for the establishment of the TIA and implementation of the new regulatory framework. The new legislation will replace the existing Travel Agents Ordinance (Cap. 218) (TAO), and will include a number of new elements, such as licensing of tourist guides and tour escorts, establishment of the disciplinary committee and appeal board, and so on, which require much complex drafting work.
Hence, the time required for drafting the new legislation is longer than originally estimated. The Government will continue to drive for early completion of the drafting work of the legislation and introduction of the bill into the Legislative Council thereafter.

In addition, following the scrutiny and passage of the legislation by the Legislative Council, we will proceed with various preparatory work for the establishment of the TIA and implementation of the new regulatory framework with full speed, such as seeking relevant funding from the Finance Committee of the Legislative Council, appointment of TIA members, staff recruitment for TIA's executive office and handling other related administrative arrangements, as well as ironing out the details of the regulatory directives and licensing arrangements under the new regime with a view to enabling the early establishment and operation of the TIA.

Support for Athletes with Disabilities

11. **DR CHIANG LAI-WAN** (in Chinese): President, it has been reported that earlier a team, comprising an amputee runner and two able-bodied persons from Hong Kong, took part in an extreme desert marathon in Chile, which is one of the four extreme desert races, and won the championship in the team division of the race. The amputee runner concerned is the first-ever amputee athlete to have completed the race. Regarding the support for athletes with disabilities (AWDs), will the Government inform this Council:

   (1) given that apart from undergoing sports training, quite a number of AWDs have to work and receive rehabilitation treatments, of the policies formulated by the authorities to support and train such athletes;

   (2) whether the authorities have put in place policies to encourage AWDs to participate in international sports events held locally or overseas, including whether commendations are given to AWDs who have outstanding performance; if they have, of the details; if not, the reasons for that; and
(3) whether the authorities have reviewed if the sports training and employment support currently provided to AWDs are sufficient; if they have reviewed, of the details; if not, the reasons for that?

SECRETARY FOR HOME AFFAIRS (in Chinese): President, the Government has been taking various measures to support the development of athletes with disabilities (AWDs). The Home Affairs Bureau and the Leisure and Cultural Services Department (LCSD) provide a range of supporting services through related national sport associations (NSAs) and the Hong Kong Sports Institute (HKSI) to meet their needs.

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

(1) At present, the Government provides appropriate support to AWDs through various channels, including:

(i) **Subsidizing AWDs to prepare for and participate in major sporting events**

(a) Financial support is provided under the Arts and Sport Development Fund (ASDF) by the Home Affairs Bureau to AWDs in preparation for and participation in major games and to relevant NSAs in organizing international events in Hong Kong. The Fund granted $5.58 million and $9.29 million to subsidize AWDs to prepare for and participate in the London Paralympic Games and the Incheon Asian Para Games in 2012 and 2014 respectively. Up till present, the Fund has already allocated $5.69 million to assist AWDs to prepare for the 2016 Rio de Janeiro Paralympic Games.

(b) To support athletes' preparation for and participation in the London Paralympic Games and the Incheon Asian Para Games, the Hong Kong Paralympic Committee & Sports Association for the Physically Disabled (HKPC&SAPD) implemented the "Striving for Excellence Programme", from 2011 to 2014, in addition
to providing additional trainings. The programme enhanced the planning for the participating athletes' preparation for the games, and provided better support to athletes who retired after the games. In this regard, the Home Affairs Bureau has allocated grants of $4.61 million from the ASDF to support the programme. For the period from 2015 to 2018, an amount of $5.49 million has been earmarked to support HKPC&SAPD's "Sustaining Optimal Performance Programme" to provide additional support for planning for preparation and support for participation in the 2016 Paralympic Games and the 2018 Asian Para Games.

(ii) Subvention for relevant NSAs

(a) Through its Sports Subvention Scheme, the LCSD provides subvention to the HKPC&SAPD, the Hong Kong Sports Association for Persons with Intellectual Disability (HKSAPID) and the Hong Kong Sports Association for the Deaf (HKSAD) every year for hiring coaches, arranging local and overseas training, organizing competitions and participation in the feeder system. The LCSD also meets with organizations for persons with disability (PWDs) (including HKSAD, the Society for the Welfare of the Autistic Persons, the Hong Kong Physically Handicapped and Able Bodied Association, the Hong Kong Blind Union, the New Life Psychiatric Rehabilitation Association and the Community Rehabilitation Network under the Hong Kong Society for Rehabilitation) every year to discuss organization of sports and recreational activities at the community level to meet the needs and interests of people with disabilities.

(b) The HKSI also provides direct financial support to the HKPC&SAPD and the HKSAPID for hiring coaches, arranging local and overseas training as well as procuring gears.
(iii) **Training venues and facilities**

(a) Upon completion of its redevelopment project, the HKSI features new sport facilities and more space for providing better training environment and equipment, as well as support in sports science and sports medicine, to elite athletes including AWDs.

(b) The LCSD also accords priority to relevant NSAs for booking designated venues for training of representative teams. At present, the three sports organizations for PWDs mentioned above are provided with the LCSD venues as "national squad training centre" respectively.

(iv) **Financial subsidy and subsistence grant**

(a) The HKSI provides training and direct financial subsidy to elite AWDs according to their individual competition achievements. The amount of individual annual subsidy ranges from $21,860 to $72,800 in 2015-2016.

(b) Under its Hong Kong Paralympians Fund, the Social Welfare Department provides grants to relevant sports associations for hiring coaches and enhancing technical support for target sports programmes with the aim of assisting AWDs. The Fund also provides subsistence allowance to AWDs to participate in training and purchase individual supplies, and provides an employment facilitating grant to assist retired AWDs in their job attachment or vocational training.

(v) **Career and Education**

(a) Launched by the HKPC&SAPD for AWDs, the Athlete Career Programme, in conjunction with human resource companies, provides career consultation, referral services and related workshops. The HKPC&SAPD also creates in-house internship positions to enable disabled interns to upgrade their work skills while meeting training and competition needs.
(b) Under its Hong Kong Athletes Career and Education Programme Support, the Sports Federation and Olympic Committee of Hong Kong, China provides consultation services to AWDs, giving them advice on the pathway for career development and further education.

(c) Athletes who receive training at the HKSI may apply for grants under the Hong Kong Athletes Fund to cover their tuition fees on education and academic pursuits as well as subsistence allowance.

(2) In training elite athletes, including AWDs, the HKSI renders support, including assistance in sports science and sports medicine, for their participation in local and overseas major events. Apart from direct financial subsidy for their preparation for and participation in major international events, medalists of individual major sports events (for example, Paralympic and Asian Para Games) will receive cash incentive awards. Details are as follows:

<table>
<thead>
<tr>
<th>Medals</th>
<th>Paralympic Games ($)</th>
<th>Asian Para Games ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual Events</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>300,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Silver</td>
<td>150,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Bronze</td>
<td>75,000</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Team Events</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>420,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Silver</td>
<td>210,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Bronze</td>
<td>105,000</td>
<td>20,000</td>
</tr>
</tbody>
</table>

Through the Athlete Incentive Awards Scheme, the HKSI disbursed incentive awards of $1.86 million and $1.58 million respectively in 2012 and 2014 to athletes with outstanding achievements in the London Paralympic Games and the Incheon Asian Para Games.

(3) As indicated in part (1) above, the Home Affairs Bureau has been maintaining close contact with various stakeholders in the sports sector for providing AWDs with appropriate support that meets their
needs. A consultancy study undertaken by the Home Affairs Bureau is in progress, which aims to obtain a better understanding of development of sports for PWDs in Hong Kong, and to make recommendations on how to promote sports for PWDs and support AWDs. A preliminary report of the study is expected to be completed within the next few months. The Home Affairs Bureau will then further consult stakeholders and consider their views in details.

Unauthorized Laying of Optical Fibre Telecommunication Systems

12. MR GARY FAN (in Chinese): President, at present, fixed telecommunication network service providers must have obtained a Block Licence issued by the Lands Department (LandsD) before they may lay their telecommunication systems and associated facilities on unleased Government land (including roads). Also, pursuant to the Land (Miscellaneous Provisions) Ordinance (Cap. 28), they must make an application to the Highways Department (HyD) and secure an excavation permit (XP) before carrying out any excavation works on roads. It has been reported that in 2013 and more than a decade before that year, HyD issued more than 300 XPs to TraxComm (a fixed telecommunication network service provider wholly owned by the MTR Corporation Limited) to carry out excavation works on roads in various districts for laying optical fibre telecommunication systems although TraxComm had not obtained a Block Licence. The company has been earning an annual revenue amounting to hundreds of millions of dollars from the rental of its optical fibre networks. In this connection, will the Government inform this Council:

(1) why HyD, in vetting and approving the applications for the aforesaid some 300 XPs, had not asked TraxComm to produce a Block Licence issued by LandsD;

(2) whether HyD and LandsD have put in place a communication mechanism in respect of the vetting and approval of XP applications to ensure that XPs will be issued only when relevant requirements are satisfied; if they have, why the aforesaid case occurred; and
(3) how the authorities will handle the aforesaid case, including whether they will take over the optical fibre telecommunication systems concerned or request the company to remove such systems, and whether they will institute prosecutions against the company?

SECRETARY FOR DEVELOPMENT (in Chinese): President, excavation works on public roads in Hong Kong are carried out as and when required for the installation and maintenance of utility services by utility undertakings (UUs). Installation of underground utility services underneath public roads by various UUs is regulated by the Government under relevant legislation.

In accordance with Part II of the Land (Miscellaneous Provisions) Ordinance (LMPO) (Cap. 28), the Lands Department (LandsD) regulates the occupation of unleased Government land (including the space underneath public roads) for installation of underground utility services. An UU with an operation licence (such as a telecommunications network operator) may apply to the LandsD for a Block Licence after securing policy support from the relevant bureau. The LandsD will then issue a Block Licence to the UU on the basis of the relevant policy directions and departmental advice. Subject to the requirements of the Block Licence, the UU may install the relevant facilities on unleased Government land in various districts of Hong Kong.

In accordance with Part III of the LMPO (Cap. 28), the Highways Department (HyD) has established the excavation permit (XP) mechanism for proper planning and co-ordination of excavation works on public roads. Permit conditions are imposed on the organization or person holding the permit to require them to discharge their obligation of supervising and carrying out the excavation works properly in order to minimize the adverse impact of excavation works on road users.

My reply to the three parts of Mr FAN's question is as follows:

(1) In processing the XP applications from TraxComm Limited, the HyD had considered the objectives and scope of the proposed excavation works, temporary traffic diversion arrangements, and so on, in order to ensure that the works were carried out in a safe and orderly manner and to minimize the disturbance to road users. In
the past, as Part III of the LMPO (Cap. 28) has not stipulated that the Block Licence is a prerequisite for issuing an XP to an UU, the HyD did not check for Block Licence before approving an XP application. In fact, it is the obligation of an UU to ensure that its network installation is compliant with the licence requirements and other statutory conditions, in addition to obtaining the XP from the HyD.

The HyD immediately sent a reminder to TraxComm Limited in 2013 after learning that TraxComm Limited had not obtained a Block Licence issued by the LandsD under Part II of LMPO (Cap. 28) before applying for XPs since 2005.

(2) The HyD and the LandsD have already stepped up exchanging the relevant information on this matter. In future, after issuing a Block Licence, the LandsD will send a copy of the licence to the HyD and other relevant departments. On its part, the HyD will check for the Block Licence issued under the Part II of the LMPO (Cap. 28) when processing an XP application from an UU for carrying out excavation works related to installation of underground utility service on public roads.

(3) TraxComm Limited had submitted a Block Licence application for the facilities of its internal fixed telecommunications network services to the LandsD in accordance with Part II of the LMPO (Cap. 28). The scope of the application covered both the existing and proposed telecommunication facilities to be installed on unleased Government land (including public roads). As TraxComm Limited is a local fixed carrier licensee, the LandsD followed the established procedures and approved its application after obtaining the policy directions from the relevant bureau and consulting the relevant departments.

With respect to prosecuting TraxComm Limited, the government departments concerned will seek legal advice and take the necessary follow-up actions in accordance with the relevant legislation and licensing conditions.
Monitoring Residential Care and Day Services for Persons with Intellectual Disabilities

13. **MS EMILY LAU** (in Chinese): President, it has been reported that two incidents occurred early this year in a day activity centre providing training in daily living skills and simple work skills to persons with intellectual disabilities (PWIDs), in which three centre staff members had treated two female trainees with intellectual disabilities rudely. After investigation, the Police arrested the three staff members for allegedly having committed the offence of wounding others. In connection with the monitoring of residential care and day services for PWIDs (collectively referred to as PWID services), will the Executive Authorities inform this Council:

(1) whether they know if non-governmental organizations (NGOs) arrange basic training for newly-recruited and existing staff members providing PWID services to enable them to understand the needs of PWIDs and acquire the skills for getting along and communicating with such persons; if so, of the details; if not, the reasons for that;

(2) whether, in the past three years, the authorities reviewed the demand for PWID services and, in the light of the outcome of the review, allocated additional resources and manpower for service improvement;

(3) of the standards based on which the authorities monitor the quality of PWID services operated by NGOs; and

(4) whether they have, in the light of the aforesaid incidents, requested NGOs to further remind their frontline staff who provide PWID services that they must strictly adhere to professional ethics; how the authorities avoid the recurrence of incidents of the same type?

**SECRETARY FOR LABOUR AND WELFARE** (in Chinese): President, my reply to the questions raised by Ms Emily LAU is as follows:

(1) Under the Service Performance Monitoring System (SPMS) of the Social Welfare Department (SWD), non-governmental organizations (NGOs) operating subvented services shall put in place an induction
policy and procedures for new staff, a training policy, a plan for staff training and development, provide ongoing supervision and conduct regular performance reviews or appraisal for identifying areas requiring improvement and needs for ongoing training and development in accordance with the Service Quality Standard (SQS) under the SPMS. Apart from flexible deployment of the allocated subvention under the Lump Sum Grant Subvention System, NGOs may seek funding from the $1 billion Social Welfare Development Fund to provide training for staff. In addition, the SWD organizes training courses at regular intervals for the staff of NGOs or service units to understand the needs of persons with disabilities. In 2014-2015, the SWD organized a total of 19 relevant courses with about 2,200 participants.

(2) The SWD listens to the views of stakeholders from time to time to review service needs. Various initiatives have been implemented in recent years including provision of occupational therapy or physiotherapy, healthcare as well as visiting medical practitioner services, and so on, for the service users who are ageing or in deteriorating health conditions in relevant rehabilitation units, and incorporation of social and developmental elements into the original rehabilitation programmes.

In the three financial years from 2013-2014 to 2015-2016, the SWD allocated an additional provision of nearly $109 million to increase the manpower for residential, nursing and care as well as allied health services for persons with disabilities in day training service units, and increase the provision for Visiting Medical Practitioner Scheme to further strengthen the care and support for service users.

(3) The SWD monitors the services provided by subvented NGOs through the SPMS. Under the SPMS, NGOs should properly manage their service units to ensure that their subvented services are in conformity with the requirements of the Funding and Service Agreement (FSA) jointly drawn up with the SWD. These requirements include the Essential Service Requirements, Output/Outcome Standards and the SQSs. The service units of subvented NGOs should comply with the relevant SQSs, including taking all reasonable steps to ensure that a safe environment is
provided for service users and that these service users are free from any form of abuse. Regarding the monitoring of service performance, apart from requiring NGOs to submit statistical and self-assessment reports, the SWD will conduct review visits or surprise visits to assess and monitor their service performance. The SWD will require those NGOs that fail to meet the FSA requirements to submit an improvement action plan, and monitor their progress to ensure that they have reached the required service level.

Besides, the Residential Care Homes (Persons with Disabilities) Ordinance (the RCHD Ordinance) came into full operation on 10 June 2013. The RCHD Ordinance regulates the service level and operation of residential care homes for persons with disabilities (RCHDs). The Residential Care Homes (Persons with Disabilities) Regulation under the RCHD Ordinance stipulates the statutory requirements for the operation, management and supervision of the RCHDs. By virtue of the powers conferred by the RCHD Ordinance, the Director of Social Welfare issued the Code of Practice for Residential Care Homes (Persons with Disabilities), setting out the principles, procedures, guidelines and standards for the operation, management and other control of the RCHDs. The Licensing Office of Residential Care Homes for Persons with Disabilities (LORCHD) of the SWD will conduct regular surprise inspections of all RCHDs to monitor their performance and operation.

(4) LORCHD of the SWD issued a letter to the NGO in question, requiring it to make improvement and remind its staff to strictly observe the FSA and the Code of Practice for Residential Care Homes (Persons with Disabilities) in taking care of persons with disabilities, with particular attention to the emotional and physical conditions of such persons. LORCHD will continue to conduct regular surprise inspections of all RCHDs to monitor their operation in accordance with the statutory requirements. During inspection, front-line staff will be reminded of the importance of upholding professional ethics for protecting the well-being of service users.
Regulation of Tertiary Institutions and Standards of Their Programmes

14. **DR LAM TAI-FAI** (in Chinese): President, earlier on, some press reports alleged that the Associate Vice-President and Comptroller of Lingnan University (LU) had plagiarized concerning his doctoral thesis and he subsequently resigned from the position. Later on, there were also press reports that Lifelong College, the Principal of which was a member of LU's Council, had allegedly assisted its students in making forged documents to fast-track those students' being awarded bachelor's and higher degrees by overseas institutions (non-local degrees); and some staff members of LU, the Hong Kong Shue Yan University, the City University of Hong Kong (CityU), the School of Continuing and Professional Education under CityU, the Hong Kong Community College of the Hong Kong Polytechnic University and the School of Continuing and Professional Studies of The Chinese University of Hong Kong, as well as quite a number of celebrities from the political and commercial sectors, had enrolled in the non-local programmes (NLPs) jointly offered by the overseas universities concerned and Lifelong College. The Hong Kong Management Association (HKMA) and the Spare Time Study Centre of the Hong Kong Federation of Trade Unions (HKFTU) have also co-organized such programmes. On the other hand, the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) has indicated that all of the 13 NLPs currently provided by Lifelong College have been allowed to register with the Non-local Courses Registry (NCR) of the Education Bureau (EDB), but the College has not yet applied to HKCAAVQ for accreditation of these programmes. EDB has indicated that it has requested Lifelong College to provide information such as the student registers of its programmes, records of transfers/exemptions of credits, attendance records of classes/tutorial classes, and if any suspected violations of regulations are identified, the Bureau will investigate and handle the cases, as well as refer them to law enforcement agencies for follow-up where necessary. Regarding the regulation of tertiary institutions and the standards of their programmes, will the Government inform this Council:

(1) how the authorities may, under the existing legislation, hold local education institutions (e.g. those institutions which have assisted their students in making forged documents to fast-track those students' being awarded non-local degrees) which have contravened regulations responsible and penalize them;
(2) whether it knows how the institutions funded by the University Grants Committee (UGC) (UGC-funded institutions) penalize those teaching staff members who have tendered false information on their academic qualifications or have obtained their academic qualifications through improper means;

(3) given that LU is one of the UGC-funded institutions, how the authorities will follow up the aforesaid incidents and hold it responsible;

(4) whether the authorities will step up the monitoring of LU; if they will, of the details; if not, the reasons for that;

(5) whether it has assessed if the aforesaid incidents will impact on the image, ranking and student intake of LU, as well as the funding provided to it by UGC; if it has assessed and the outcome is in the affirmative, of the details; if the assessment outcome is in the negative, the reasons for that;

(6) whether the authorities and the various UGC-funded institutions thoroughly checked the background of the members of the supreme governing bodies (generally known as "the Council") of these institutions (including the Council member of LU involved in the aforesaid incident) in the past five years; if they did, of the details; if not, the reasons for that;

(7) whether it knows if the various UGC-funded institutions require their Council members (including the Council member of LU involved in the aforesaid incident) to declare interests when handling matters relating to the appointment of teaching staff; if they do, of the details; if not, the reasons for that;

(8) whether it will review if there is any inadequacy or loophole in the existing system for the appointment/election of the Council members of the various UGC-funded institutions; if it will, of the details; if not, the reasons for that;
(9) whether it has looked into the reasons why the 13 NLPs of Lifelong College have been allowed to register with NCR, but the College has not applied to HKCAAVQ for accreditation of such programmes; if it has, of the details; if not, the reasons for that;

(10) of the total number of programmes offered by Lifelong College which have been allowed to register with NCR since the establishment of the College;

(11) whether it knows the total number of programmes for which Lifelong College has applied to HKCAAVQ for accreditation since the establishment of the College; among such programmes, of the respective numbers of those which have been accredited and acquired a recognized status equal to that of accredited local programmes, as well as those which have failed to be accredited;

(12) whether EDB will proactively deploy staff to conduct a comprehensive investigation in the office of Lifelong College, so as to expedite the completion of the investigation; if EDB will, when EDB will do so;

(13) whether it has compiled statistics on the current number of education or commercial institutions in Hong Kong that are similar to Lifelong College and offer NLPs; if it has, of the details (including the background of the operating institutions and the responsible persons) of such programmes; if not, the reasons for that;

(14) whether it has examined how the standards of Lifelong College’s NLPs co-organized by HKMA and HKFTU compare to those of accredited local programmes; if it has, of the details; if not, the reasons for that;

(15) whether it has compiled statistics on the current number of NLPs in the territory which are allowed to register with NCR but have not been accredited by HKCAAVQ; if it has, of the details; if not, the reasons for that;
(16) whether the authorities have regularly examined if the standards of the local programmes and NLPs offered by private universities, education or commercial institutions are comparable to those of accredited local programmes; if they have, of the details; if not, the reasons for that;

(17) regarding the teaching staff members of UGC-funded institutions who have been awarded non-local degrees after completing NLPs, whether it has followed up if these people have obtained their academic qualifications through improper means; if it has, of the details; if not, the reasons for that;

(18) whether it knows if HKCAAVQ will review the existing accreditation criteria for NLPs in the light of the aforesaid incidents; if HKCAAVQ will, of the details; if not, the reasons for that;

(19) whether it will review the existing registration procedures for NLPs; if it will, of the details; if not, the reasons for that;

(20) whether it will review the Non-Local Higher and Professional Education (Regulation) Ordinance (Cap. 493), with a view to imposing more stringent regulation on NLPs and the relevant institutions; if it will, of the details; if not, the reasons for that;

(21) whether it has compiled statistics on the current number of civil servants and employees of subvented organizations who have been awarded non-local degrees after completing the NLPs offered by Lifelong College; if it has, of the details; if not, the reasons for that;

(22) whether it has assessed if the aforesaid incidents have led to a loss of confidence by the public in the capability and the standard of EDB and relevant organizations in monitoring NLPs; if it has, of the details; if not, the reasons for that; and

(23) whether it has assessed if the aforesaid incidents will undermine the confidence of mainland and overseas students in furthering their studies in Hong Kong and dampen their incentive to do so; if it has, of the details; if not, the reasons for that?
SECRETARY FOR EDUCATION (in Chinese): President,

(1) Under the existing Non-local Higher and Professional Education (Regulation) Ordinance (the Ordinance), there is a mechanism for handling cases involving course operators who contravene the requirements of the Ordinance. For example, according to section 33(1) of the Ordinance, any person who in purported compliance with the provisions of the Ordinance or a requirement under the Ordinance makes any statement or representation of facts which is false in a material particular and which -

(a) he knows to be false in such particular; or

(b) he has no reasonable ground to believe to be true in such particular,

commits an offence and is liable on conviction to a fine at level 4 (currently HK$25,000) and to imprisonment for two years.

Suspected cases of any contravention of the requirements of the Ordinance, if found, will be handled by the Education Bureau in accordance with the established procedures. If necessary, such cases will be referred to the law-enforcement agencies for follow-up action.

(2) to (5) and (17)

All institutions funded by the University Grants Committee (UGC) are independent and autonomous bodies established pursuant to their own ordinances. They all enjoy autonomy in handling staff matters. To our understanding, all UGC-funded institutions have put in place mechanisms for assessing the academic qualifications of job applicants to ensure that they meet the entry requirements for appointment. As for serving staff members, there are also independent mechanisms and procedures in all UGC-funded institutions for handling cases involving plagiarism and other misconduct. Where a case is found substantiated, the institution will determine the appropriate disciplinary action in the light of the severity of the case.
The Government makes appointments according to an established mechanism, including making reference to information drawn from the Central Personality Index maintained by the Home Affairs Bureau to identify suitable candidates. The database contains the membership records of non-official members serving on advisory and statutory bodies as well as the personal data of interested individuals. Besides, there are provisions under the ordinances of respective institutions that a certain number of Council members of individual institutions shall be nominated by designated organizations before being appointed by the Government or the Chancellor. These designated nominating bodies have the responsibility to nominate suitable persons for appointment by the Government or the Chancellor.

The Council serves as the supreme governing body of a UGC-funded institution. All Council members are expected to perform their duties under the law and act in the best long-term interests of the institution. As far as we understand, the Councils of UGC-funded institutions have put in place their own systems for declaration of interests as well as related mechanisms and procedures to handle cases with actual or potential conflict of interests.

Since the Ordinance came into effect, 15 non-local courses offered by the Lifelong College have been successfully registered, with 13 of which still in operation and the registration of the remaining two cancelled in 2013 upon request by the Lifelong College.

According to the information available, the Lifelong College has never applied to the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) for accreditation of the courses it offers. Under the existing Ordinance, operators who intend to have their non-local courses registered are not required to obtain recognition from relevant local academic or professional organizations for the academic or professional
qualifications of the courses concerned, or to apply to the HKCAAVQ for programme accreditation. Seeking programme accreditation is entirely voluntary, and it is up to individual operators to decide whether to do so or not.

(12) To follow up on the incident, the Education Bureau has asked the Lifelong College for information pursuant to the Ordinance. Actions taken include issuing a letter to the Lifelong College and sending inspection officers to the College for inspection. The Education Bureau is studying the relevant materials. Suspected contraventions of the requirements of the Ordinance, if found, will be handled by the Education Bureau in accordance with the established procedures. If necessary, such cases will be referred to the law-enforcement agencies for follow-up action.

(13) to (16)

As at the end of October 2015, there are 108 operators of registered courses, including 69 registered companies, 15 registered schools, nine non-local institutions, six locally-accredited self-financing post-secondary institutions, four professional bodies, two statutory organizations and three operators under other categories. Details of the registered courses and operators are available on the Education Bureau's website.

The Government has, under the Accreditation of Academic and Vocational Qualifications Ordinance (AAVQ Ordinance), established the Qualifications Register (QR), which sets out both local and non-local qualifications recognized under the Qualifications Framework (QF). All qualifications listed on the QR are quality-assured and recognized under the QF.

Registration/exemption from registration of a non-local course under the Ordinance does not mean that the course can be placed on the QR automatically or is conferred comparability to a local degree programme. As mentioned above, under the existing Ordinance, operators who intend to have their non-local courses registered are not required to obtain recognition from relevant local academic or professional organizations for the academic or professional
qualifications of the courses concerned, or to apply to the HKCAAVQ for programme accreditation. It is up to individual employers to decide whether such qualifications should be accepted for employment purpose.

Operators of non-local courses can seek accreditation by the HKCAAVQ pursuant to the AAVQ Ordinance. A non-local course accredited by the HKCAAVQ shall have a recognized status equivalent to locally-accredited programmes and can be placed on the QR. As at the end of October 2015, of the 1 198 registered and exempted non-local courses, 143 have been accredited by the HKCAAVQ and placed on the QR.

(18) to (20)

The Ordinance has provided for a clear monitoring mechanism, under which the HKCAAVQ provides professional advice to ensure that the standard of a course offered locally is maintained at a level comparable to the one leading to the same award conducted by the institution in its home country. Besides, the operator is required to submit an annual return to ensure that compliance of the course with the requirements of the Ordinance is maintained. Furthermore, the Ordinance provides that the Education Bureau may request information from course operators and appoint inspection officers to conduct inspection.

Regarding monitoring, in addition to verifying the information supplied by course operators, the Education Bureau keeps in view overseas reports concerning non-local institutions, and will take investigation and follow-up action upon receipt of public complaints about such courses.

Bearing in mind the public's concern about the quality and operation of non-local courses, we will review the existing mode of monitoring to see if there is room for improvement. We will also maintain communication with the HKCAAVQ to explore whether the existing processes for approval of registration of non-local courses and submission of annual returns can be enhanced.
(21) The Government has not collected statistical information regarding the non-local qualifications (including the non-local institutions awarding those qualifications) held by individual civil servants or staff of subvented organizations.

(22) and (23)

The Education Bureau is aware of public concerns and believes that this is an isolated case. The well-established reputation of Hong Kong in the academic sector will not be affected by individual incidents. In fact, the number of non-local students pursuing studies in UGC-funded institutions in Hong Kong has been on the increase over the past years. In the 2014-2015 academic year, about 15 000 non-local students were admitted to UGC-funded institutions, nearly doubling the figure for the 2007-2008 academic year. We believe that the above incident will not undermine the confidence of non-local students in furthering their studies in Hong Kong or dampen their incentive to do so.

Earn and Learn Pilot Scheme

15. **MR KWOK WAI-KEUNG** (in Chinese): President, regarding the Earn and Learn Pilot Scheme (Pilot Scheme), will the Government inform this Council:

(1) whether it knows the respective numbers of student-workers enrolled in and withdrew from the following programmes under the Pilot Scheme in the school years of 2014-2015 and 2015-2016 (up to 30 November this year) (set out in the table below), and the general reasons for student-workers' dropping out;

(i) Diploma of Vocational Education (DVE) programme for electrical and mechanical services trades as well as the construction industry,

(ii) Higher Diploma programme for electrical and mechanical services trades as well as the construction industry,

(iii) Higher Diploma programme for the retail industry,

(iv) "Foundation Diploma (Level 3) — Retail" programme,
(v) Higher Diploma in Testing and Certification programme,

(vi) DVE programme for the automobile industry,

(vii) DVE programme for electrical and mechanical services trades (construction),

(viii) DVE programme for the printing industry, and

(ix) DVE programme for the clock and watch industry;

<table>
<thead>
<tr>
<th>Programme</th>
<th>2014-2015 school year</th>
<th>2015-2016 school year (up to 30 November 2015)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Enrolments</td>
<td>Withdrawals</td>
</tr>
<tr>
<td>(i)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii)</td>
<td></td>
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<td>(ix)</td>
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</tbody>
</table>

(2) whether it knows when the first cohort of student-workers under the Pilot Scheme for Retail Industry will graduate; and

(3) whether it will conduct tracking studies on the employment situation of the student-workers graduated from programmes under the Pilot Scheme (such as surveying if the student-workers are still engaged in the industries concerned three months, one year, two years and three years after graduation, as well as the changes in their employment situation); if it will, of the details; if not, the reasons for that?

SECRETARY FOR EDUCATION (in Chinese): President, the Chief Executive announced in the 2014 Policy Address that the Government would implement measures to strengthen vocational education, inter alia, the implementation of the Pilot Training and Support Scheme by the Vocational Training Council (VTC) to attract and retain talent for industries with a keen demand for labour by integrating structured apprenticeship training programmes with clear career
progression pathways. The relevant trades covered under the industries concerned are very specialized and carry a high level of technology content. In addition, the Financial Secretary announced in the 2014-2015 Budget Speech that the Government had accepted the recommendations of the Task Force on Manpower Development of the Retail Industry and earmarked $130 million to implement measures which aimed at alleviating the manpower tightening problems of the retail industry, including a pilot training and support scheme under the VTC for the retail industry. The two pilot schemes mentioned above are collectively known as the Earn and Learn Pilot Scheme (the Pilot Scheme).

Regarding Mr KWOK's questions, our reply is as follows:

(1) Students enrolled in Diploma in Vocational Education programmes in Electrical and Mechanical Services and Construction, Electrical and Mechanical Services (Construction), Automobile, Printing and Watch and Clock, and the Higher Diploma programme in Electrical and Mechanical Services and Construction under the Pilot Scheme will find out the requirements of the trades concerned first. Only students who are then offered employment after an interview conducted by the employer can participate in the Pilot Scheme as an apprentice, and students not participating in the Pilot Scheme will continue their studies with the full-time programmes. For those who are interested in taking the Higher Diploma in Testing and Certification, Retail — Foundation Diploma (Level 3) and Higher Diploma in Retail and Merchandising Management, they can be admitted to the programmes as well as the Pilot Scheme when they are offered employment after a job interview.

According to the VTC, reasons for dropping out of the Pilot Scheme include pursuing further studies, taking up full-time employment, health reasons and switching to other trades. The numbers of student intakes and drop-outs of various programmes under the Pilot Scheme as at 6 November 2015 are set out at Annex.

(2) The first cohort of students participating in the Pilot Scheme for the Retail Industry will graduate in March 2016.

(3) The VTC will conduct a tracking study on the employment status of graduates under the Pilot Scheme including questionnaire surveys to collect information about their jobs, remunerations, changes of jobs or trades, and so on.
### Numbers of Student Intakes and Drop-outs of Various Programmes under the Earn and Learn Pilot Scheme (as at 6 November 2015)

<table>
<thead>
<tr>
<th>Programmes</th>
<th>2014-2015 cohort</th>
<th>2015-2016 cohort</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Intakes$^{(5)}$</td>
<td>Number of Drop-outs</td>
</tr>
<tr>
<td>Electrical and Mechanical Services and Construction — Diploma in Vocational Education$^{(3)}$</td>
<td>128</td>
<td>0</td>
</tr>
<tr>
<td>Electrical and Mechanical Services (Construction) — Diploma in Vocational Education$^{(3)}$</td>
<td>456</td>
<td>14</td>
</tr>
<tr>
<td>Automobile — Diploma in Vocational Education$^{(3)}$</td>
<td>62</td>
<td>24</td>
</tr>
<tr>
<td>Printing — Diploma in Vocational Education$^{(3)}$</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>Watch and Clock — Diploma in Vocational Education$^{(3)}$</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>Electrical and Mechanical Services and Construction — Higher Diploma</td>
<td></td>
<td>(2)</td>
</tr>
<tr>
<td>Testing and Certification — Higher Diploma</td>
<td>27</td>
<td>0</td>
</tr>
<tr>
<td>Retail — Foundation Diploma (Level 3)$^{(4)}$</td>
<td>225</td>
<td>93</td>
</tr>
<tr>
<td>Retail and Merchandising Management — Higher Diploma</td>
<td>(2)</td>
<td></td>
</tr>
</tbody>
</table>
Notes:

(1) Information on student intakes of the relevant programmes under the Pilot Scheme for the 2015-2016 academic year is not yet available from the VTC as interviews by employers with students interested in participating in the Pilot Scheme will only be conducted later in 2016.

(2) The first cohort of students under the Pilot Scheme is admitted in the 2015-2016 academic year.

(3) From 1 January 2016, Diploma in Vocational Education will be renamed Diploma of Vocational Education.

(4) From 1 January 2016, Retail — Foundation Diploma (Level 3) will be renamed Diploma of Foundation Studies (Retail).

(5) According to the VTC, some students of the Pilot Scheme having opted for full-time programmes in the end will not be included in the intake figures of the relevant programmes under the Pilot Scheme if they have never been granted the Government's allowance.

Education for Ethnic Minority Students

16. MR LEUNG KWOK-HUNG (in Chinese): President, recently, I have received the views expressed by some parents of ethnic minority (EM) students (parents) on their communication with schools and the education received by their children. In this connection, will the Government inform this Council:

(1) as some parents have indicated that they have difficulties in choosing suitable schools for their children because school profiles are available in Chinese only and contain no information on the support provided by such schools for non-Chinese speaking (NCS) students, the public examinations that such type of students may sit for after completing the courses, the ratio of Chinese speaking students to NCS students in school, etc., whether the authorities will urge schools to provide parents with such information so as to assist them in choosing schools;

(2) whether it has any plan to urge all schools across the territory to admit EM students and include such arrangement into the schools' teaching programmes;
(3) whether it has compiled a recommended textbook list in respect of the primary and secondary school Chinese curriculum for EM students; if it has not, whether it will do so; if it will, when it will do so; if not, of the reasons for that;

(4) as some parents have criticized that the after-school extended Chinese learning programmes (tutorial classes) provided by schools vary in quality and that the relevant arrangements lack transparency, whether the Government has monitored the quality and arrangements of such tutorial classes; if it has, how they have monitored the classes; if not, of the reasons for that;

(5) as some parents have criticized that the duties of teaching assistants (TAs) are indistinct and TAs are not respected by teachers, but the Chinese tutorial classes are often taught by TAs, whether the Government will delineate the duties of TAs and explain their duties clearly to parents through school newsletters; in the long run, whether the Government will arrange teachers who have received specialized training to teach the Chinese tutorial classes for NCS students; and

(6) as some parents have often complained that since the circulars issued by schools are available in Chinese only, they cannot understand the contents of the circulars, and that teachers are not quite willing to communicate with them in English, whether the Government will increase the funding allocated to schools which have admitted EM students for hiring translators to enable schools to issue circulars in both Chinese and English to parents and facilitate more effective communication between teachers and parents?

SECRETARY FOR EDUCATION (in Chinese): President, the Government is committed to encouraging and supporting the integration of non-Chinese speaking (NCS) students (1) (notably ethnic minority (EM) students) into the community, including facilitating their early adaptation to the local education

(1) For the planning of educational support measures, students whose spoken language at home is not Chinese are broadly categorized as NCS students.
system and mastery of the Chinese language. The 2014 Policy Address announced a series of measures to enhance support for NCS students' learning of Chinese, including implementation of the Chinese Language Curriculum Second Language Learning Framework (Learning Framework) in primary and secondary schools to help NCS students overcome the difficulties of learning Chinese as a second language with a view to enabling them to bridge over to mainstream Chinese Language classes, and provision of enhanced funding support to facilitate schools' implementation of the Learning Framework and creation of an inclusive learning environment in schools (hereafter referred to as "enhanced support measures"). The policy intent is to encourage parents of NCS students to send their children to schools with an immersed Chinese language environment as early as possible to facilitate their mastery of the Chinese language. The Government ensures equal opportunities in school admission for all eligible children, including NCS children, in public sector schools. In tandem, schools are encouraged to proactively communicate with NCS parents with a view to better supporting NCS students' learning of Chinese and enhancing their learning effectiveness through parent-school collaboration.

My reply to Mr LEUNG Kwok-hung is as follows:

(1) To encourage NCS parents to send their children to schools with an immersed Chinese language environment to facilitate their mastery of the Chinese language, the Education Bureau, starting from the 2015-2016 school year, has distributed the English version of the School Profiles to each NCS student to help NCS parents grasp the basic information of all public sector schools. Schools generally provide an outline of relevant information in student support, learning and teaching plans, and so on, under "School Characteristics" in the School Profiles. The Education Bureau will encourage schools to keep on enriching the contents of the School Profiles and school websites to help NCS parents gather more information.

In formulating the enhanced support measures, there is a general consensus among major stakeholders that specific information on NCS students of individual schools such as the number and proportion of NCS students should not be released to avoid over concentration of NCS students in some schools and labelling effect on individual schools. Such information is therefore not available in the School Profiles.
With the enhanced support measures, schools are not allowed to prescribe any pre-set targets on Chinese learning for their NCS students, including the Chinese Language public examinations to be taken. Teachers should make use of the Chinese Language Assessment Tools in conjunction with the Learning Framework every school year to make evidence-based recommendations, having regard to individual NCS students' progress and performance in Chinese learning, as to whether they should choose, in the light of their aptitudes and aspirations, to take the Hong Kong Diploma of Secondary Education, or study the Applied Learning Chinese (for NCS students) courses and/or attain other internationally recognized overseas Chinese Language qualifications for articulation to multiple pathways.

The Education Bureau has been encouraging parents, including NCS parents, to take into account the aspirations and needs of their children when making school choices. A dedicated webpage on education services for NCS students has been provided to enable NCS students and their parents to have a better understanding of the enhanced support measures and school admission. Details of the support measures to help NCS students' learning of Chinese and other relevant information are available in major EM languages (see Annex for details). The Education Bureau also organizes dedicated briefing sessions with simultaneous interpretation services for NCS parents. Besides, we encourage NCS parents to proactively communicate with schools and join on-site school visits organized by individual schools and Federations of Parent-Teacher Associations on district basis to learn more about the schools to make informed choices.

(2) Under the Primary One Admission and Secondary School Places Allocation systems, all public sector schools have the chance of being allocated with any students, including NCS students. For admission of students to fill vacant school places, the Education Bureau has issued guidelines to schools reminding them that their admission criteria should be in compliance with relevant laws of Hong Kong, including the Race Discrimination Ordinance. Schools should also inform potential applicant parents/students of
their criteria and ensure that the vacant school places are filled in a fair and just manner. These guidelines are also applicable to kindergartens.

As a matter of fact, schools would prepare themselves for supporting NCS students in learning Chinese. Quite a number of schools without NCS students have arranged for their teachers to attend the diversified training programmes on implementation of the Learning Framework.

(3) Generally speaking, the Chinese Language curriculum provides a central curriculum framework that includes curriculum aims, learning targets, learning objectives and contents, and so on. Taking into consideration the learning needs of their students, including NCS students, teachers may select suitable textbooks or develop school-based learning materials according to the curriculum framework.

Upon implementation of the Learning Framework in primary and secondary schools in the 2014-2015 school year, we have informed publishers that they can develop textbooks by making reference to the Learning Framework and submit textbooks for review following the current procedures. Textbooks that are considered acceptable by the textbook review panels will be put on the Recommended Textbook List for schools' choice. The Education Bureau has yet to receive any such applications in this regard. Developed from the perspective of second language learners, the Learning Framework provides a systematic set of expected learning outcomes that describes the learning progress of NCS students at different learning stages. It enables teachers to set progressive learning targets, learning progress and expected learning outcomes, select learning materials, develop school-based curriculum and use a "small-step" learning approach to enhance the learning effectiveness of NCS students. In this connection, the Education Bureau has produced a series of Second Language Learning Packages in the form of textbooks, which cover the primary and secondary curricula. The packages have been delivered to schools and students, and are available online for teachers' reference. Schools can either use the
complete set of textbooks or develop their school-based learning materials by making reference to the packages based on school-based situation.

(4) Upon the implementation of enhanced support measures in the 2014-2015 school year, after-school extended Chinese learning activities (generally known as "tutorial classes") for NCS students are mainly of two types, namely tutorial classes organized by individual schools with additional funding provided by the Education Bureau, and the Chinese Language Learning Support Centres (the centres) operated by a university commissioned by the Education Bureau. For better utilization of public resources, schools are required to submit annual school plans and school reports on the use of the additional funding, including the modes of operation and resources deployment of the tutorial classes, for the Education Bureau's scrutiny. The Education Bureau also conducts supervisory visits to ensure the quality of tutorial classes.

In the 2014-2015 school year, the university commissioned by the Education Bureau operated a total of 24 centres, with all (except one) being located in individual schools. As such, these centres collaborate closely with the schools to encourage participation of NCS students who are in need of such support and have a more in-depth understanding of students' progress in learning Chinese for developing the course contents appropriate to their learning needs. The university commissioned is required to submit interim and final evaluation reports together with attendance records to the Education Bureau annually. The Education Bureau conducts lesson observation and have regular progress meetings with the university about students' learning progress to offer professional advice for enhancing the quality of services rendered. The Education Bureau also conducts questionnaire surveys to collect views of NCS students at the end of the programmes.

Moreover, according to the School Development and Accountability framework, schools are required to report the progress of various support measures, including tutorial classes, to their School Management Committees/Incorporated Management Committees.
The Education Bureau also encourages schools to enhance transparency, strengthen parent-school co-operation and communicate proactively with NCS parents to keep them informed of their children's performance in the learning of Chinese, including their performance in tutorial classes.

(5) To tie in with the spirit of school-based management, public sector schools should draw up job descriptions for teaching and non-teaching staff in a clear and explicit manner. The duties of different posts should be included in relevant employment contracts or letters of appointment. Generally speaking, teaching assistants (TAs) employed for the purpose of supporting NCS students' learning of Chinese are mainly responsible for assisting teachers in preparing teaching materials, designing activities and implementing diversified modes of Chinese learning activities such as visits, seminars, project learning and after-school extended Chinese learning, and so on, as well as other clerical duties of recording the learning progress of NCS students and collecting relevant data. Schools will also assign duties to individual TAs having regard to school-based needs and TAs' backgrounds and qualifications. For instance, EM TAs may be deployed to help liaise with NCS parents if necessary and provide translation service to individual NCS students during Chinese Language lessons and after school where necessary.

On learning and teaching, all teachers are qualified teachers. With the implementation of the Learning Framework, the Education Bureau will continue to organize diversified and progressively advanced professional development programmes to ensure that all the teachers, including TAs, responsible for teaching NCS students have adequate training opportunities for implementation of the Learning Framework. In addition, the Education Bureau launched the Professional Enhancement Grant Scheme for Chinese Teachers (Teaching Chinese as a Second Language) under the Language Fund in 2014 to encourage serving Chinese Language teachers, who will be provided with subsidies, to pursue continual professional development in this regard for enhancement of their professional capabilities in teaching NCS students.
(6) The Education Bureau has repeatedly reminded schools to communicate with NCS parents in a proactive manner, including making available school circulars in English. The commonly-used circulars have been translated into English and are available online for schools' reference. Besides, schools may deploy the additional funding provided under the enhanced support measures and other resources available for employing EM assistants or procuring translation services as necessary. Schools may also make use of other means available, such as soliciting support from other parents/students, and making use of the EM languages interpretation services provided by the CHEER Centre funded by the Home Affairs Department. Relevant details have been incorporated in the School Administration Guide, which is available at the Education Bureau webpage. The Education Bureau currently has no plan to provide schools admitting NCS students with additional funding or specific grants for employing translators.

Annex

<table>
<thead>
<tr>
<th>Information or publications provided by the Education Bureau</th>
<th>Language versions</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Chinese</td>
</tr>
<tr>
<td></td>
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<td>NCS Parent Information Package: Your Guide to Education in Hong Kong</td>
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<td>Education Support Measures for NCS Students</td>
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<td>Helping Your Children of Kindergarten Age — Parental Booklet</td>
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<td>Leaflet on Pre-primary Education Voucher Scheme</td>
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<td>Primary One Admission — Notes on How to Complete the &quot;Application Form for Admission to Primary One&quot; Note</td>
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<td>Information Note on Primary One Admission System Specifically for NCS Students Note</td>
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<td>Secondary School Places Allocation System — Notes Specifically for NCS Students in the Form of Frequently Asked Questions&lt;sup&gt;Note&lt;/sup&gt;</td>
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<td>Secondary School Places Allocation System — Notes for Parents on Central Allocation&lt;sup&gt;Note&lt;/sup&gt;</td>
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Note:

The major EM languages versions which are distributed to parents/students as appropriate are not available online.

**Regulation of Sale of Coupons by Shops**

17. **MR CHRISTOPHER CHUNG** (in Chinese): President, I have received complaints from members of the public that while the coupons sold in the past by some retail shops (such as cake shops, department stores and supermarkets) were indefinitely valid, the coupons sold recently by those shops have expiry dates specified on them and holders of such coupons can use them only before their expiry dates in exchange for products of the specified values or in the specified quantities. Coupon holders will suffer financial losses if they are not aware of the expiry dates specified on the coupons or forget to use the coupons before the expiry of their validity periods. The complainants opine that as the purchase of coupons by consumers with cash is tantamount to a mode of consumption by pre-payment, the setting of expiry dates by the shops concerned for such coupons is unreasonable and has prejudiced the rights of consumers. In this connection, will the Government inform this Council:
(1) whether it knows the total number of disputes and complaints involving the use of coupons received by the Consumer Council and relevant government departments in the past five years, and the details of such complaints;

(2) whether it has studied if the practice of shops setting expiry dates for coupons is reasonable and has prejudiced the rights of consumers;

(3) given that the terms and conditions for the use of coupons generally contain a clause to the effect that "in case of any disputes, the decision of the company shall be final", whether the authorities have assessed if such a clause is an exemption clause which has legal effect; and

(4) whether the authorities will consider regulating the sale of coupons by retail shops to protect the rights of consumers; if they will not, of the justifications for that?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, my reply to the four parts of the question is as follows.

(1) Since the amendments to the Trade Descriptions Ordinance (Cap. 362) prohibiting unfair trade practices came into effect on 19 July 2013 and up to end October 2015, the Customs and Excise Department (C&ED) received 101 reports in relation to cash coupons. Details are set out in Annex 1. In terms of industries, the catering, food and beverage industry accounted for the largest share of these reports, at about 40%. On the other hand, in about 70% of the cases, there was insufficient evidence of an offence.

Separately, in the past five years (from 2011 to end October 2015), the Consumer Council received 1 097 complaints in relation to cash coupons. Details are set out in Annex 2. In terms of industries, the catering, food and beverage industry accounted for the largest share or about a quarter of these complaints. On the other hand, about 80% of the cases were resolved following the Consumer Council's conciliation.
(2) Consumers purchasing cash coupons issued by traders are making prepayment. We understand that traders usually offer price advantages or discounts to such consumers. As in the case of other consumption transactions, consumers in deciding whether to purchase cash coupons concerned should consider, apart from the advantages offered by traders, other contractual terms of the purchase (such as the date of expiry designated by traders).

The Government and the Consumer Council are committed to encouraging "smart consumption" through publicity and public education. Before making a transaction, consumers should carefully consider their own needs as well as the terms and conditions concerned. Consumers with questions should ask for more details from traders or refuse the transaction. Consumers feeling aggrieved after the transaction may seek help from relevant agencies.


(3) Under existing legislation, the Control of Exemption Clauses Ordinance (Cap. 71) limits the extent to which civil liability can be avoided by means of contract terms. It stipulates that if a consumer enters into a contract with a trader, the trader cannot by reference to any contract term, when himself in breach of contract, exclude or restrict any liability of his in respect of the breach; or claim to be entitled to render a contractual performance substantially different from that which was reasonably expected of him, or claim to be entitled, in respect of the whole or any part of his contractual obligation, to render no performance at all, except in so far as the contract term satisfies the requirement of reasonableness.

The Unconscionable Contracts Ordinance (Cap. 458) provides that if, with respect to a contract for the sale of goods or supply of services in which one of the parties deals as consumer, the Court finds the contract or any part of the contract to have been unconscionable in the circumstances relating to the contract at the
time it was made, the Court may grant relief such as refusing to enforce the contract or enforcing the remainder of the contract without the unconscionable part, and so on.

(4) If consumers consider the terms in individual consumer contracts to be unconscionable or to be affecting their consumer rights, and the dispute cannot be resolved by negotiation with the trader, they may consider lodging complaints with the Consumer Council, pursuing mediation or obtaining legal advice for deciding whether to take legal action, which are existing ways for dealing with such matters.

In addition, the Trade Descriptions Ordinance criminalizes some common unfair trade practices deployed by traders against consumers. If consumers suspect traders of infringing the Ordinance, they may file a report with the C&ED. The C&ED will take appropriate follow-up action.

Annex 1

Number of reports in relation to "cash coupons"
on suspected infringement of the Trade Descriptions Ordinance received by the C&ED

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<tr>
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<th>2013 (starting 19 July)</th>
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Annex 2

Number of complaints in relation to "cash coupons"
received by the Consumer Council

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<th></th>
<th>2011</th>
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<th>2014</th>
<th>2015 (up to October)</th>
<th>Sum</th>
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<tbody>
<tr>
<td>Complaints</td>
<td>215</td>
<td>240</td>
<td>285</td>
<td>206</td>
<td>151</td>
<td>1 097</td>
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</table>
Disbursement of Salaries Grant to Aided Schools for Payment of Acting Allowances to Teachers

18. **MR IP KIN-YUEN** (in Chinese): President, under the existing arrangement, teachers of aided schools who have taken up acting appointments for 30 calendar days or more are entitled to acting allowances, and the schools concerned may apply to the Education Bureau (EDB) for Salaries Grant (grants) for payment of acting allowances. Some teachers have relayed to me that EDB has made quite a number of mistakes in disbursing such grants, including failure to verify, before disbursement, if the amounts that the schools applied for were correct. I have learnt that after the introduction of an additional computer system on 19 April 2013, EDB began to implement, on a trial basis, a set of establishment pre-check procedures and proceeded to review previous acting appointment cases, thereby discovering erroneous disbursement of grants in the past. There are cases involving erroneous disbursement of grants for years (as long as a decade), and cases involving erroneous payment of acting allowances to several teachers of the same school. As a result, the schools and teachers concerned were required to return a huge amount of money. Section 13.2(c) of the Code of Aid for Aided Schools (Release 1.10) provides that "[i]n the event of overpayment, the Education Bureau will adjust any overpaid salaries identified in the next immediate subvention payment to the school concerned. The school should recover any such overpayment from the relevant staff and bear any loss if irrecoverable". Besides, under the Limitation Ordinance (Cap. 347), certain actions shall not be brought after the expiration of six years from the date on which the cause of action accrued (six-year limitation rule). In this connection, will the Government inform this Council:

1. of the number of cases uncovered by EDB in each of the past five years in which grants were erroneously disbursed to schools for payment of acting allowances to teachers, and the number of teachers involved; whether it knows, among such schools, the number of those which were unable to recover the erroneously paid acting allowances from the teachers concerned, the reasons concerned and the maximum amount of money involved;

2. in respect of the cases mentioned in (1), of the longest time lapsed from EDB's first erroneous disbursement of grants to the school concerned to the discovery of the error, the number of such cases in
which six years or more have lapsed, and the number of teachers involved; whether EDB has completed reviewing those cases involving payment of acting allowances prior to 19 April 2013; if EDB has not, of the number of remaining cases and the estimated time needed to complete the review of them;

(3) of the workflow, prior to the introduction of the additional computer system on 19 April 2013, followed by EDB to verify the eligibility of the teachers concerned for receiving acting allowances, and the time limit for completing each step in the workflow; given that EDB has introduced the additional computer system, whether EDB can ensure that the relevant verification work will be completed in the same school year in which the applications are received; if EDB cannot, of the reasons for that;

(4) whether EDB has consulted the Department of Justice on the applicability of the aforesaid six-year limitation rule to the aforesaid cases of recovery of acting allowances erroneously paid/grants erroneously disbursed; if EDB has conducted such a consultation and the outcome is in the affirmative, whether the six-year limitation period commences on the date on which the error was first made; if not, how EDB calculates the six-year limitation period;

(5) of the number of schools in the past five years whose subvention was adjusted by EDB due to overpayment of salaries, the total amounts involved, and the amount involved in the case with the largest rate of adjustment; and

(6) of the number of cases in the past five years in which EDB was unable to recover from the schools concerned the grants erroneously disbursed and the reasons for that, as well as the total amount of money involved?

SECRETARY FOR EDUCATION (in Chinese): President, the background information provided in the question raised by Mr IP Kin-yuen does not fully reflect the prevailing arrangements in respect of application for payment of acting
allowances by aided schools. In this connection, I would provide an overview of the existing mechanism adopted by the Education Bureau for disbursement of Salaries Grant, including acting allowances, to schools and the school-based arrangement as follows:

An aided school is the employer of its teaching staff and the incorporated management committee (IMC) or school management committee (SMC) of the school is delegated with the authority to approve matters related to the appointment, acting appointment, promotion and regrading of teachers in accordance with the conditions and requirements provided in the Codes of Aid. In assessing the salaries and acting allowances of their teachers, aided schools are required to comply with the Codes of Aid, Guides to Salary Assessment and relevant Education Bureau circulars, and so on. They are not required to seek prior approval from Education Bureau. This arrangement has been in place since 2000.

As an established practice, to avoid any delay in the payment of salaries (including acting allowances) to teachers, Education Bureau disburses Salaries Grant to schools according to their salary assessment before verification, taking into account the schools' confirmation in the relevant application forms that their arrangements are in compliance with the approved teaching staff establishments and relevant requirements of Education Bureau, and their agreement to refund any overpayment of Salaries Grant. In case any errors are subsequently found in the salary assessment, including the acting allowances, made by schools, Education Bureau will require the IMCs or SMCs concerned to make clarification and rectification. Regarding cases of erroneous payment of salaries to teachers by schools, Education Bureau will liaise with the schools concerned for recovering the overpaid amount to ensure proper use of public funds.

My reply to the question raised by Mr IP Kin-yuen is as follows:

(1) to (3)

According to the Codes of Aid, teachers approved by the IMCs or SMCs of their schools to take up acting appointments to fill approved functional posts of a higher rank for a qualifying period of
30 calendar days or more are entitled to an acting allowance. As mentioned above, when vacancies of a higher rank arise, whether or not to arrange acting appointments is a school-based decision which does not require the prior approval of Education Bureau. As to the disbursement of acting allowances, schools have the responsibility to ensure all the aforementioned provisions are complied with in the arrangement of acting appointments. Nonetheless, for any suspected cases of overpayment of acting allowances owing to mistakes made by schools in their approvals for acting appointments, Education Bureau will follow up the matter and request the schools concerned to refund the overpayment of grants.

In 2013, Education Bureau introduced the Entitlement Checking System for conducting pre-processing checking on staff appointments under the Salaries Grant (including acting appointments, among others) put up by aided schools to see if they are within their corresponding approved entitlements of relevant ranks of the schools concerned. If the total staff strength of the relevant rank (including the acting appointments put up) exceeds the total approved entitlements of relevant ranks of the schools concerned, the system will reject the appointments in question immediately. For appointments successfully passing the said entitlement checking, the relevant employment particulars will then be transmitted to the Salaries Grant System for payment processing of Salaries Grant to schools. In the course of checking, we have found some suspected cases of overpayment of acting allowances, of which 34 cases have been confirmed and follow-up actions have been taken. The schools concerned have refunded the overpaid amount according to relevant stipulations. They are not required to inform us of the detailed arrangements made with teachers concerned in respect of recovering the overpayment of acting allowances. We will continue to follow up other suspected cases. In principle, verification of applications for acting allowances can be completed within the same school year under the existing arrangements.
Concerning the figures on the time lapsed from Education Bureau's first erroneous disbursement of Salaries Grant to schools to the discovery of the error, the number of cases, the number of schools and teachers involved and the amount of money involved, as requested in parts (1) and (2) of the question, I would like to clarify that all applications for acting allowances are put up by schools. If any cases of overpayment of acting allowances owing to mistakes made by schools in their approvals for acting appointments are found, the schools will be requested to refund the amount overpaid to them. However, Education Bureau does not compile the annual statistical figures for the required breakdown, and the relevant information is therefore not available.

(4) According to our understanding, the relevant provisions of the Limitation Ordinance are applicable to legal actions in general. Schools are required to refund the overpayment of acting allowances arising from erroneous assessment, regardless of the causes and duration of the overpayment.

(5) Information on the required statistical figures is not available for the reasons mentioned above.

(6) Any overpayment of Salaries Grant arising from erroneous assessment of teachers' salaries by schools has to be refunded to Education Bureau. There are no cases in which Education Bureau failed to recover from the schools erroneous payment of Salaries Grant.

Regulation of Sale of Food Online

19. MR CHAN HAK-KAN (in Chinese): President, in recent years, buying fresh or frozen food on the Internet has become popular among Hong Kong people. Earlier on, the Consumer Council has examined over 40 local shops selling fresh food products online (online shops) and found that only 11 of them have provided on their web sites information on how they ensure freshness of
food during delivery, and that varying methods were adopted by online shops for freezing and delivering chilled food and food for raw consumption. Notwithstanding that food safety hazards might be caused by improper handling of food by online shops, the authorities instituted merely 35 prosecutions under the Food Business Regulation (Cap. 132 sub. leg. X) from June 2012 to September this year against unlicensed food premises selling food online. Regarding the regulation of the sale of food online, will the Government inform this Council:

(1) as the authorities have indicated that they will step up the regulation of the sale of food online, of the framework and implementation timetable of the relevant plan;

(2) as the Consumer Council has pointed out that it is often difficult for consumers to differentiate whether an online shop has been issued with the relevant licences or written permission, whether the Government will consider stepping up sample laboratory tests on food sold by the online shops and sparing no efforts in tracing the sources of food found to be unfit for human consumption; if it will, of the details; if not, the reasons for that;

(3) as the Consumer Council has pointed out that varying methods have currently been adopted by online shops for freezing and delivering food, whether the authorities will consider adding provisions to the relevant food business licences to stipulate that online shops selling food of high risk, such as meat, milk, sashimi and oysters for raw consumption, are required to comply with a set of guidelines on freezing, packaging and delivery so as to ensure food safety; if they will, of the details; if not, the reasons for that; and

(4) whether it will consider following the practice on the Mainland to require online trading platforms to register online shops under their real names to facilitate the liaison and tracing efforts of the Centre for Food Safety, so as to step up the regulation of the sale of food online; if it will, of the details; if not, the reasons for that?
SECRETARY FOR FOOD AND HEALTH (in Chinese): President, with the prevalence of e-commerce, buying and selling food via the Internet or social media platforms have become more popular in recent years, posing challenges to the regulatory approach of the food trade. Food items sold online vary in quality and information about their sources may not be known, which may be potentially hazardous to public health, and not conducive to law enforcement and source traceability. The Government is highly concerned about the food safety risks and the law enforcement difficulties brought by online food sale. In fact, our existing legislation regulates different aspects relating to food safety and food trade operations, including electronic or through other means. The Food Safety Ordinance (Cap. 612) provides for a registration scheme for food importers and distributors, and statutory requirements to maintain transaction records, so that in the event of a food incident, the Government can trace the sources and points of sale of the food concerned and deal with the incident effectively to protect public health. In addition, the Public Health and Municipal Services Ordinance (Cap. 132) also stipulates that all food for sale in Hong Kong should be fit for human consumption, irrespective of whether the business is conducted online or in the traditional manner.

(1) For online food sale, relevant licences or written permission should be obtained from the Food and Environmental Hygiene Department (FEHD), having regard to the modes of operation and food types for sale. Under the Food Business Regulation (Cap. 132X), any person who carries on any food business which involves the preparation of food for sale for human consumption off the premises must obtain a food factory licence. The Food Business Regulation also stipulates that save with the written permission of the Director of Food and Environmental Hygiene, no person shall sell any restricted foods specified in Schedule 2 to the Regulation, including sashimi, sushi and oysters to be consumed in raw state. Food premises must meet the relevant licensing requirements to be granted a licence or permit.

The FEHD has been monitoring online food sale activities. If an unlicensed food business is suspected to be involved in selling any food for human consumption online, or the food is from a suspicious source, the FEHD officers will conduct investigations and take follow-up action accordingly, including posing as customers (conducting "covert operations") to collect information and evidence. Should there be sufficient evidence, the FEHD will initiate prosecution.
To further safeguard food safety, the FEHD is planning to impose new conditions on premises with food business licences or permits (new conditions), requiring licensees or permit holders selling food online to display their licence or permit numbers and business addresses on their websites and publicity materials for verification by consumers. Besides, under the conditions of the licences or permits, licensees/permit holders are required to ensure food hygiene and safe and proper storage temperature at all times during delivery of food to customers. The above conditions will be imposed starting from the first quarter of 2016 and applicable to newly issued licences or permits with immediate effect. The FEHD will also impose the same conditions on existing licences or permits when they are renewed. For operators selling "restricted foods" online without a physical premise, the FEHD is preparing a new set of permits including the above new conditions for compliance by these operators when they apply for the relevant permits. We will introduce this new measure by accepting applications in the first quarter of 2016.

(2) The new conditions will stipulate that an operator is required to display the licence or permit number, business addresses and the category of the restricted foods permitted, on the website and publicity materials of the business, so as to indicate that the FEHD has granted the permission. Consumers can also verify the information on the FEHD's website before purchase.

The Centre for Food Safety will continue to step up sampling of food sold online for chemical and microbiological tests. As at mid-November 2015, over 1 300 such food samples were taken for testing. The results of all samples tested were satisfactory. We will continue to strengthen our work in surveillance, law enforcement and public education in respect of food sold online.

(3) The new conditions will stipulate that restricted foods (such as meat, milk, sashimi, sushi and oysters) sold online must be obtained from lawful sources. The permit holders should also ensure that the food products will not be contaminated or tampered with during transportation, and that they will be stored at a safe and proper temperature at all times. For example, chilled meat must be kept at
0°C or below, while sashimi must be kept between 0°C and 4°C and separated from other foods. In addition, pre-packaged food must be properly labelled in accordance with the Food and Drugs (Composition and Labelling) Regulations (Cap. 132W), and delivered to customers in the original pre-packed form.

(4) Food safety and food trade operations, including food operations through electronic or other means, are regulated by our existing legislation in different aspects. In view of the globalization of food trading, advancement in food technology, rapid information flow, improvements in living standards, and constant changes of consumer behaviour and sale platforms, we will continue to review the effectiveness of the above new regulatory measures before we decide whether further action is needed.

Variations in Conditions of Environmental Permit for Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities Project

20. MR KENNETH LEUNG (in Chinese): President, according to the information on the web site of the Environmental Protection Department (EPD), the Highways Department (HyD) has so far made nine applications for variations in the conditions of the environmental permit (EP) granted to it by EPD in 2009 in respect of the Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities (HKBCF) Project. One of such applications was to change the method for constructing the sea walls of the HKBCF artificial island from traditional fully-dredged to non-dredged. After that change, the sea walls of the artificial island would comprise steel cellular (SC) sea walls and rubble mound (RM) sea walls of length 5.1 kilometers (km) and 1 km respectively. On the other hand, it was reported last month that without submitting an application to EPD for variations in the conditions of the EP, HyD had changed the method for constructing part of the sea walls on the western and southern sides of the artificial island by replacing SC steel walls, as originally designed, with RM sea walls. After that change, SC and RM sea walls would be 3.6 km and 2.5 km long respectively. Some green groups have pointed out that even if silt curtains have been installed, compared to constructing SC sea walls, constructing RM sea walls is more likely to have construction waste used for reclamation overflowing into the sea. According to the response from HyD, EPD considered that as the
change in the method for constructing the aforesaid sea walls involved no change to the environmental impact assessment (EIA) report, there was no need for HyD to apply for variations in the conditions of the EP and make public the change. In this connection, will the Government inform this Council:

(1) of the differences between the contents of the aforesaid EP after the first variation (No. EP-353/2009/A) and those of the EP after the latest variation (No. EP-353/2009/I);

(2) whether the authorities have compared the respective impacts on the water quality and marine ecosystem on the periphery of the artificial island which would be caused by the works for constructing SC sea walls and RM sea walls; if they have, of the details; whether they have assessed if constructing SC sea walls has a lower likelihood of causing water pollution than constructing RM sea walls; if they have, of the details; if not, the reasons for that;

(3) whether EPD has drawn up guidelines on the circumstances under which the holder of an EP is required to apply for variation in the conditions of the EP in respect of change in construction method; if EPD has, of the details; if not, the reasons for that;

(4) given that constructing SC sea walls and constructing RM sea walls are different methods of reclamation and land formation, of the rationale based on which EPD decided that HyD was not required to (i) apply for variations in the conditions of the EP in respect of the aforesaid change in construction method, and (ii) make public the change;

(5) given that it is stipulated in section 13 of the Environmental Impact Assessment Ordinance (Cap. 499) that the Director of Environmental Protection (the Director) may, upon receipt of an application for a variation in the conditions of an EP by EPD, amend the relevant EP without calling for an EIA report if he is satisfied that there is no material change to the environmental impact of the project with the mitigation measures in place and the project complies with the requirements described in the technical memorandum, whether the Director has, in respect of any of the aforesaid applications for variations in the conditions of the EP,
requested HyD to submit an EIA report; if so, of the details; if not, the rationale based on which the Director made such a decision at that time?

SECRETARY FOR THE ENVIRONMENT (in Chinese): President, from time to time, the design or method adopted for construction works has to be revised during the construction period for various reasons. The Environmental Impact Assessment Ordinance (EIAO) has provisions to vary an Environmental Permit (EP) by making application under section 13(1) of the Ordinance. Section 13(5) of the EIAO stipulates that the Environmental Protection Department (EPD) may amend the EP without calling for an environmental impact assessment (EIA) report if there is no material change to the environmental impact of the project with the mitigation measures in place; and the project complies with the requirements in the Technical Memorandum on EIA Process.

Regarding the method adopted for constructing the seawalls of the Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities (HKBCF) artificial island, the focus of environmental protection is on preventing the suspended solids generated by the works from polluting the sea. The EP issued in 2009 thus requires that silt curtains must be installed during the construction of the seawalls to prevent marine pollution. The initial design of the project was the adoption of traditional fully-dredged method for constructing the seawalls (that is, dredging of marine sediment layer prior to backfilling with sand or rock-fill materials, followed by the construction of rubble mound (RM) seawalls (that is, placing rocks to form the seawalls)). As dredging works will produce substantial amount of sediment, though silt curtains can prevent sea water from being polluted, the transportation of sediment may cause potential pollution and also much space is needed for their dumping. Therefore, the EP sets out a series of conditions to monitor the dredging works as well as the handling and dumping of sediment, with a view to minimizing the pollution concerned.

In 2010, having considered the latest international reclamation techniques and feasibility, the project proponent (that is, the Highways Department (HyD)) applied for variation of the EP to change the seawall construction method to a non-dredged one by replacing the original fully-dredged method with stone column installation to strengthen the sediment layer. To expedite the progress of seawall construction, the HyD also suggested the installation of steel cellular structures followed by the construction of RM seawalls on the outside, while for
locations where steel cellular structures could not be installed, the RM seawalls would be constructed directly above the stone columns. Both types of seawall construction do not require dredging of sediment, both have stone columns installed, and have RM as the outer layer.

From an environmental point of view, the non-dredged seawall construction method above can avoid the generation of sediment. Compared with the original fully-dredged method, the non-dredged method is more conducive to the prevention of pollution and can also save the space for the disposal of substantial amount of sediment. As the application from the HyD complies with the requirements in respect of the variation of an EP under section 13(5) of the EIAO, the EPD and relevant statutory authorities approved the application. The conditions in relation to dredging and disposal of sediment in the EP have thus been deleted subsequently and a series of new conditions has been set out regarding the non-dredged method. The EP also requires that the HyD shall notify the EPD in writing any proposed changes in the construction sequences and/or arrangements.

My responses to the five parts of the question are as follows:

(1) Please refer to Annex 1 for a comparison of the conditions and provisions of the two EPs, namely EP-353/2009/A and EP-353/2009/I. The variations concerned mainly involve amendment/deletion/addition of relevant conditions to reflect constructional or operational changes in the project since 2010, including the adoption of the non-dredged seawall construction method, installation of steel cellular structures for seawall construction, addition of facilities for reusing treated effluent, use of floating grouting production facilities to reduce the number of construction/transportation vessels, change in arrangements for sediment disposal, updating of the master layout plan and the laying of sand blanket before reclamation, and so on.

(2) Regarding the seawall construction for the artificial island, its impact on the water quality is mainly attributed to the works in sediment dredging. As silt curtains are installed enclosing the works area, the two methods adopted for seawall construction, that is, the construction of RM seawalls on the strengthened marine sediment layer direct or the installation of steel cellular structures followed by
the construction of RM seawalls, will not have significant impact on the water quality. Both are in compliance with the requirements of the EIAO and its Technical Memorandum. As stated above, the non-dredged method adopted for constructing the seawalls has been able to reduce substantially the potential impact on water quality and marine ecosystem.

(3) The EIAO sets out provisions and explicit requirements that an application for variation of an EP may be submitted by the project proponent where necessary. Please refer to the above paragraphs for details.

(4) As explained above, the construction of RM seawalls is the original design while the combination of steel cellular structures and RM for seawall construction is a newly added method. Both are in compliance with the requirements of the EIAO and its Technical Memorandum. It is also stipulated in the EP that the HyD shall notify the EPD in writing any proposed changes in the construction sequences and/or arrangements. Faced with various technical restrictions, the HyD later needed to adopt the RM method at more locations, that is, the construction of RM seawalls directly on the stone column. Therefore, the HyD notified the EPD in writing such changes in construction arrangement in accordance with the requirements of the EP.

(5) Under section 13(5) of the EIAO, if a project, where an application for variation of the EP has been made, involves change which will cause material change to the environment, the EPD may require the applicant to submit an EIA report. Material change in the EIAO is defined as a physical addition or alteration to a project which results in an adverse environmental impact. The nine applications for variation of the EP submitted by the HyD will not result in any adverse environmental impact and thus there is no need to require the HyD to submit an EIA report. As mentioned above, the major change in the project is to replace the original fully-dredged method with the non-dredged one for constructing the seawalls, and this variation applied for is more conducive to environmental protection.
Annex 1

ENVIRONMENTAL IMPACT ASSESSMENT ORDINANCE
(CHAPTER 499)
Section 10 and 13

環境影響評估條例
(第四百九十九章)
第10條及第13條

ENVIRONMENTAL PERMIT TO CONSTRUCT AND OPERATE A DESIGNATED PROJECT
建造及營辦指定工程項目的環境許可證

PART A (MAIN PERMIT)
A部 (許可證主要部分)

Pursuant to Section 10 of the Environmental Impact Assessment Ordinance (EIAO), the Director of Environmental Protection (the Director) granted the Environmental Permit (No. EP-353/2009) to the Highways Department (hereinafter referred to as the "Permit Holder") on 4 November 2009. Pursuant to Section 13 of the EIAO, the Director amends the Environmental Permit (No. EP-353/2009/1) based on the Application No. VEP-315/2010/477/2015. The amendments, described below, are incorporated into this Environmental Permit (No. EP-353/2009/A1). This Environmental Permit as amended is for the construction and operation of the designated project described in Part B of this Permit subject to the conditions specified in and attached to Part C of this Permit. The issue of this environmental permit is based on the documents, approvals or permissions described below:


<table>
<thead>
<tr>
<th>Application No.</th>
<th>VEP-315/2010/477/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document in the Register：</td>
<td>登記冊上的文件：</td>
</tr>
<tr>
<td>1. Project Profile – “Hong Kong - Zhuhai - Macao Bridge Hong Kong Boundary Crossing Facilities” (Register No.: PP-346/2008)</td>
<td>工程項目簡介—“港珠澳大橋香港口岸”（登記冊編號：PP-346/2008）</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Application No. 申請書編號</th>
<th>VEP-315/2010/477/2015</th>
</tr>
</thead>
</table>

下稱“環評報告”

3. Application for Environmental Permit on 15 June 2009 (Application No.: AEP-353/2009)
許可證持有人於 2009 年 6 月 15 日提交的環境許可證申請文件(申請書編號: AEP-353/2009)

4. The Director’s letter of approval of the EIA Report dated 23 October 2009 referenced (61) in Annex I to EP2/N9/A/146 II
署長於 2009 年 10 月 23 日簽發的批準環評報告的信件檔案編號 (61) in Annex I to EP2/N9/A/146 II

5. Application for Variation of an Environmental Permit No. VEP-315/2010 and attached documents submitted by the Permit Holder on 11 June 2010
許可證持有人於 2010 年 6 月 11 日提交更改環境許可證申請編號 VEP-315/2010 和附件

於 2010 年 6 月 24 日簽發的環境許可證(編號 EP-353/2009/A)

7. Application for Variation of an Environmental Permit on 27 October 2010 (Application No. VEP-327/2010)
許可證持有人於 2010 年 10 月 27 日提交的更改環境許可證申請文件(申請書編號 VEP-327/2010)


許可證持有人於 2011 年 11 月 21 日提交的更改環境許可證申請文件(申請書編號 VEP-343/2011)


11. Application for Variation of an Environmental Permit on 27 February 2012 (Application No. VEP-355/2012)
許可證持有人於 2012 年 2 月 27 日提交的更改環境許可證申請文件(申請書編號 VEP-355/2012)

12. Application for Variation of an Environmental Permit on 8 October 2012 (Application No. VEP-380/2012)
許可證持有人於 2012 年 10 月 8 日提交的更改環境許可證申請文件(申請書編號 VEP-380/2012)
### Application No. VEP-315/2010

**Date of Application**: 11 June 2010<br>**List of Amendments Incorporated into this Environmental Permit**<br>

<table>
<thead>
<tr>
<th>Amendment</th>
<th>Description</th>
</tr>
</thead>
</table>

**Date of Amendment**: 24 June 2010<br>**Application No.**: VEP-315/2010 11 June 2010 2010年 6月 11日

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### Application No. VEP-327/2010

**Date of Application**: 27 October 2010<br>**List of Amendments Incorporated into this Environmental Permit**<br>

<table>
<thead>
<tr>
<th>Amendment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Delete Conditions 2.12, 3.7A to 3.17, 3.17A and 3.20 to Part C of the Environmental Permit (No. EP-353/2009/A)</td>
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</table>

**Date of Amendment**: 16 November 2010<br>**Application No.**: VEP-327/2010 27 October 2010 2010年 10月 27日
<table>
<thead>
<tr>
<th>Application No.</th>
<th>Date of Application</th>
<th>List of Amendments Incorporated into this Environmental Permit</th>
<th>Date of Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(2) Vary Figure 24 of the Environmental Permit (No. EP-353/2009/B)</td>
<td></td>
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<td></td>
<td></td>
<td>(二) 更改環境許可證(編號 EP-352/2009/B)區 24</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>(2) Add Conditions 3.22A to 3.22 F to Part C of the Environmental Permit</td>
<td></td>
</tr>
<tr>
<td>Application No.</td>
<td>Date of Application</td>
<td>List of Amendments Incorporated into this Environmental Permit</td>
<td>Date of Amendment</td>
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<tr>
<td></td>
<td></td>
<td>(2) Add Figures 32 &amp; 33 to Environmental Permit (No. EP-353/2009/D)</td>
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<tr>
<td></td>
<td></td>
<td>(ii) 加入環境許可證(編號 EP-352/2009/C)圖32及33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2013年4月18日</td>
<td>(i) 更改環境許可證(編號 EP-353/2009/E) C 部的第1.7及3.17C項條件</td>
<td>2013年4月24日</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) Replace Figure 32 and Figure 33 to Environmental Permit (No. EP-353/2009/E) with the amended Figure 32</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>(ii) 以修改之後32取代環境許可證(編號 EP-352/2009/C)圖32及33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2013年7月29日</td>
<td>(i) 更改環境許可證(編號 EP-353/2009/F) B 部及C部的第1.7項條件</td>
<td>2013年8月6日</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) Add Conditions 4.3 to 4.6 to Part C of the Environmental Permit (No. EP-353/2009/F)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) 在環境許可證(編號 EP-352/2009/C) C 部加入第4.3至4.6項條件</td>
<td></td>
</tr>
<tr>
<td>Application No. 申請書編號</td>
<td>Date of Application 申請日期</td>
<td>List of Amendments Incorporated into this Environmental Permit 已包含在本環境許可證內的修訂項目</td>
<td>Date of Amendment 修訂日期</td>
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<td>--------------------------</td>
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</tr>
</tbody>
</table>

24 June 2016

17 July 2015

Date 日期

(Sam W. H. WONG) Louis P. L. CHAN  
Principal Environmental Protection Officer (Regional Assessment)  
for Director of Environmental Protection  
環境保護署署長  
(首席環境保護主任 (區域評估) 鄭煒健)
PART B (DESCRIPTION OF DESIGNATED PROJECT)

Hereunder is the description of the designated project mentioned in Part A of this environmental permit (hereinafter referred to as "the Permit"): 下列為本環境許可證(下稱"許可證")A部所提述的指定工程項目的說明:

<table>
<thead>
<tr>
<th>Title of Designated Project</th>
<th>Hong Kong-Zhuhai-Macao Bridge (HZMB) Hong Kong Boundary Crossing Facilities (HKBCF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>項目名稱</td>
<td>(This designated project is hereafter referred to as “the Project”)</td>
</tr>
<tr>
<td></td>
<td>港珠澳大橋香港口岸</td>
</tr>
<tr>
<td></td>
<td>(本指定工程項目下稱“工程項目”)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nature of Designated Project</th>
<th>1. Reclamation works (including associated dredging works) more than 5 ha in size;</th>
</tr>
</thead>
<tbody>
<tr>
<td>項目性質</td>
<td>1.  澤岸工程 (包括相關挖泥工程) 超過5公顷；</td>
</tr>
<tr>
<td></td>
<td>2. A dredging operation exceeding 500,000 m³;</td>
</tr>
<tr>
<td></td>
<td>3. A road bridge more than 100 m in length between abutments;</td>
</tr>
<tr>
<td></td>
<td>4. A railway and its associated stations;</td>
</tr>
<tr>
<td></td>
<td>5. A railway tunnel more than 800 m in length between portals; and</td>
</tr>
<tr>
<td></td>
<td>6. An activity for the reuse of treated sewage effluent from a treatment plant.</td>
</tr>
<tr>
<td>項目性質</td>
<td>(一) 澤岸工程 (包括相關挖泥工程) 超過5公顷；</td>
</tr>
<tr>
<td>項目性質</td>
<td>(二) 挖泥量超過500,000立方米的挖泥作業；</td>
</tr>
<tr>
<td>項目性質</td>
<td>(三) 橋樑之間的長度超過100米的行車橋樑或鐵路橋樑；</td>
</tr>
<tr>
<td>項目性質</td>
<td>(四) 火車及其相聯車站；</td>
</tr>
<tr>
<td>項目性質</td>
<td>(五) 鐵路隧道超過800米的行車隧道或鐵路隧道；</td>
</tr>
<tr>
<td>項目性質</td>
<td>(六) 對從處理廢水而出的污水進行再使用的活動。</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location of Designated Project</th>
<th>Northeast of Chek Lap Kok</th>
</tr>
</thead>
<tbody>
<tr>
<td>場地位置</td>
<td>赤鱒角之東北面</td>
</tr>
<tr>
<td>註: 本許可證圖1內</td>
<td>工程項目的地點展示於本許可證圖1內</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scale and Scope of Designated Project</th>
<th>The project mainly comprises the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Dredging and reclamation at the northeast waters off the Airport Island to provide a land platform for the development of the HKBCF and the southern landfill of the Tuen Mun Chek Lap Kok Link;</td>
<td></td>
</tr>
<tr>
<td>(ii) cargo processing facilities including kiosks for clearance of goods vehicles, customs inspection platform, X-ray buildings and related supporting facilities;</td>
<td></td>
</tr>
<tr>
<td>(iii) passenger related facilities including processing kiosks and examination facilities for private cars and coaches, passengers clearance building and halls and related supporting facilities;</td>
<td></td>
</tr>
</tbody>
</table>
(iv) accommodation for and facilities of the Government departments providing services in connection with the HKBCF;

(v) provision of transport and miscellaneous facilities inside the HKBCF including public transport interchange, transport drop-off and pick-up areas, vehicle holding areas, passenger queuing areas, road networks, footbridges, fencing, sewage system including reclaimed water treatment facility, drainage systems, water supply system, utilities, electronic system, traffic control and surveillance system and related supporting facilities;

(vi) provision of road access for connection of the HKBCF to the Hong Kong Link Road, the Tuen Mun-Chek Lap Kok Link and the Airport;

(vii) repurposing of the affected Airport’s facilities such as the existing Fire Services Department’s East Sea Rescue Berth, and

(viii) provision of other facilities for connection with the Airport such as an Automated People Mover system (i.e. a railway system) to connect the Airport Terminal with the HKBCF.

工程項目主要範圍包括以下各項：

1. 在機場島東北水域進行挖泥及填海工程，以開拓土地闢建香港口岸及屯門至赤鱲角連接路的南面填海區；
2. 貨物處理設施，包括貨車清關檢查亭、海關倉庫、X 光檢查大樓及相關配套設施；
3. 與旅客有關的設施，包括私家車和旅遊巴士通關亭和檢查設施、旅客大樓和旅客出入境大堂及相關配套設施；
4. 提供與香港口岸有關服務的政府部門的辦公地方和設施；
5. 在香港口岸設置運輸和其他設施，包括公共運輸交匯處、車輛上落客區、車輛停候區、旅客候候區、道路網絡、行人天橋、圍籬、污水排放系統（包括再造水處理設施）、排水系統、供水系統、公用設施、電子系統、交通管制及資訊系統及相關配套設施；
6. 鋪架道路以連接香港口岸和港珠澳大橋香港接線、屯門至赤鱲角連接路及機場；
7. 重置受工程計劃影響的機場設施，例如現有的消防處海灘救援棧橋；及
8. 設置其他設施以連接機場，例如延展現有的旅客捷運系統（即鐵路系統）以便連接機場客運大樓和香港口岸。
PART C (PERMIT CONDITIONS)

1. General Conditions

1.1 The Permit Holder and any person working on the Project shall comply with all conditions set out in this Permit. Any non-compliance by any person may constitute a contravention of the Environmental Impact Assessment Ordinance (Cap 499) and may become the subject of appropriate action being taken under the Ordinance.

1.2 The Permit Holder shall ensure full compliance with all legislation from time to time in force including, without limitation to, the Noise Control Ordinance (Cap. 400), Air Pollution Control Ordinance (Cap. 311), Water Pollution Control Ordinance (Cap. 358), Dumping at Sea Ordinance (Cap. 466) and Waste Disposal Ordinance (Cap. 354). This Permit does not of itself constitute any ground of defence against any proceedings instituted under any legislation or imply any approval under any legislation.

1.3 The Permit Holder shall make copies of this Permit together with all documents referred to in this Permit and the documents referred to in Part A of the Permit readily available at all times for inspection by the Director or his authorised officers at all sites/offices covered by this Permit. Any reference to the Permit shall include all documents referred to in the Permit and also the relevant documents in the Register.

1.4 The Permit Holder shall give a copy of this Permit to the person(s) in charge of the site(s) and ensure that such person(s) fully understands all conditions and all requirements incorporated in the Permit. The site(s) refers to site(s) of construction of the Project and shall mean the same hereafter.

1.5 The Permit Holder shall display conspicuously a copy of this Permit on the Project site(s) at all vehicular site entrances/exits or at a convenient location for public’s information at all times. The Permit Holder shall ensure that the most updated information about the Permit, including any amended Permit, is displayed at such locations. If the Permit Holder surrenders a part or the whole of the Permit, the notice he sends to the Director shall also be displayed at the same locations as the original Permit. The suspended, varied or cancelled Permit shall be removed from display at the Project site(s).

1.6 The Permit Holder shall construct and operate the Project in accordance with the project descriptions in Part B of this Permit.

1.7 The Permit Holder shall ensure that the Project is designed, constructed and operated in accordance with the information and recommendations described in the EIA Report, the application documents including all attachments (Application No. AEP-353/2009, Application No. VEP-315/2010, Application No. VEP-327/2010, Application No. VEP-343/2011, Application No. VEP-355/2012, Application No. VEP-380/2012, Application No. VEP-402/2013, Application No. VEP-410/2013, Application No. VEP-463/2015 and Application No. VEP-477/2015), other relevant documents in the Register; and the information or mitigation measures described in this Permit and mitigation measures to be recommended in submissions that shall be deposited with or approved by the Director as a result of permit conditions contained in this Permit, and mitigation measures to be recommended under on-going surveillance and monitoring activities during all stages of the Project.
Where recommendations referred to in the documents of the Register are not expressly referred to in this Permit, such recommendations are nevertheless to be implemented unless expressly excluded or amended in this Permit.

1.8 All deposited submissions, as required under this Permit, shall be rectified and resubmitted in accordance with the comments, if any, made by the Director, within one month of the receipt of the Director’s comments or otherwise as specified by the Director.

1.9 All submissions approved by the Director, all submissions deposited without comments by the Director, and all submissions rectified in accordance with comments by the Director under this Permit shall be construed as part of the permit conditions described in Part C of this Permit. Any variation of the submissions shall be approved by the Director in writing or as prescribed in the relevant permit conditions. Any non-compliance with the submissions may constitute a contravention of the Environmental Impact Assessment Ordinance (Cap. 499). All submissions or any variation of the submissions shall be certified by the Environmental Team (ET) Leader and verified by the Independent Environmental Checker (IEC) referred to in Conditions 2.1 and 2.2 below, before submitting to the Director under this Permit.

1.10 The Permit Holder shall release all finalized submissions as required under this Permit, to the public by depositing copies in the Environmental Impact Assessment Ordinance Register Office, or in any other places, or any internet websites as specified by the Director, or by any other means as specified by the Director for public inspection. For this purpose, the Permit Holder shall provide sufficient copies of the submissions.

1.11 The Permit Holder shall notify the Director in writing the commencement date of construction of the Project no later than one month prior to the commencement of construction of the Project. The Permit Holder shall notify the Director in writing immediately if there is any change of the commencement date of the construction.

1.12 All submissions to the Director required under this Permit shall be delivered either in person or by registered mail to the Environmental Impact Assessment Ordinance Register Office (currently at 27/F, Southern Centre, 130 Hennessy Road, Wanchai, Hong Kong). Electronic copies of all finalized submissions required under this Permit shall be prepared in Hyper Text Markup Language (HTML) (version 4.0 or later) and in Portable Document Format (PDF version 1.3 or later), unless otherwise agreed by the Director and shall be submitted at the same time as the hard copies.

1.13 For the purpose of this Permit, “commencement of construction” does not include works related to site clearance and preparations, or other works as agreed by the Director.

Specific Conditions

2. Measures and Submissions before Commencement of Construction

Employment of Environmental Monitoring and Audit (EM&A) Personnel
2.1 An Environmental Team (ET) shall be established by the Permit Holder no later than 6 weeks before the commencement of construction of the Project. The ET shall not be in any way an associated body of the Contractor or the Independent Environmental Checker (IEC) for the Project. The ET shall be headed by an ET Leader. The ET leader shall be a person who has at least 7 years of experience in environmental monitoring and auditing (EM&A) or environmental management. The ET and the ET Leader shall be responsible for the implementation of the EM&A programme in accordance with the EM&A requirements as contained in the EM&A Manual of the Project. The ET Leader shall keep a contemporaneous log-book of each and every instance or circumstance or change of circumstances, which may affect the compliance with the recommendations of the EIA Report and this Permit. The ET Leader shall notify the IEC within one working day of the occurrence of any such instance or circumstance or change of circumstances. The ET Leader’s log-book shall be kept readily available for inspection by all persons assisting in supervision of the implementation of the recommendations of the EIA Report and this Permit or by the Director or his authorized officers. Failure to maintain records in the log-book, failure to discharge the duties of the ET Leader as defined in the EM&A Manual or failure to comply with this Condition would entitle the Director to require the Permit Holder by notice in writing to replace the ET Leader. Failure by the Permit Holder to make replacement, or further failure to keep contemporaneous records in the log-book despite the employment of a new ET Leader may render the Permit liable to suspension, cancellation or variation.

2.2 An IEC shall be employed by the Permit Holder no later than 6 weeks before commencement of construction of the Project. The IEC shall not be in any way an associated body of the Contractor or the ET for the Project. The IEC shall be a person who has at least 7 years of experience in EM&A or environmental management. The IEC shall be responsible for duties defined in the EM&A Manual and shall audit the overall EM&A performance, including the implementation of all environmental mitigation measures, submissions required in the EM&A Manual, and any other submissions required under this Permit. In addition, the IEC shall be responsible for verifying the environmental acceptability of permanent and temporary works, relevant design plans and submissions under this Permit. The IEC shall verify the log-book(s) mentioned in Condition 2.1 of this Permit. The IEC shall notify the Director by fax, within one working day of receipt of notification from the ET Leader of each and every occurrence, change of circumstances or non-compliance with the EIA Report and this Permit, which might affect the monitoring or control of adverse environmental impacts from the Project. In the case where the IEC fails to so notify the Director of the same, fails to discharge the duties of the IEC as defined in the EM&A Manual or fails to comply with this Condition, the Director may require the Permit Holder by notice in writing to replace the IEC. Failure to replace the IEC as directed or further failure to so notify the Director despite employment of a new IEC may render the Permit liable to suspension, cancellation or variation. Notification by the Permit Holder is the same as notification by the IEC for the purpose of this Condition.

Management organization of main construction companies

2.3 The Permit Holder shall, at least 2 weeks before the commencement of construction of each relevant contract under the Project, inform the Director in writing the management organization of the main construction companies and/or any form of joint ventures associated with the construction of the corresponding part of the Project. The submitted information shall include at least an organization chart, names of responsible persons and their contact details.
Submissions of specification and plan on marine ecological mitigation measures

2.4 The Permit Holder shall advance the preparation works for the designation of the marine park in the Brothers Islands, including a study on the details of the designation and consultation with stakeholders, on the understanding that designation of the marine park would immediately follow the completion of the Project.

2.5 The Permit Holder shall deposit with the Director, at least 2 weeks before the commencement of the construction of the Project, three hard copies and one electronic copy of a proposal, including the proposed size and management plan, of the proposed marine park in the Brothers Islands in consultation with the Director of Agriculture, Fisheries and Conservation.

2.6 The Permit Holder shall deposit with the Director prior to the commencement of marine works of the Project, three hard copies and one electronic copy of a Dolphin Watching Plan. The plan shall include regular inspection of the silt curtains, visual inspection of the waters surrounded by the curtains, and an action plan shall be devised to cope with any unpredicted incidents such as the case that Chinese White Dolphin is found within the water surrounded by the silt curtains.

2.7 The Permit Holder shall deposit with the Director at least 1 month before the commencement of construction of the Project, three hard copies and one electronic copy of a Spill Response Plan detailing the actions to be taken in the event of accidental spillage of oil or other hazardous chemicals from construction activities including vessels operating for the Project, with specific provisions for protecting marine ecology and the Chinese White Dolphins.

2.8 To minimize the chance of vessel collision and the disturbance to the Chinese White Dolphins, the Permit Holder shall deposit with the Director, at least 2 weeks before the commencement of the construction of the Project, three hard copies and one electronic copy of a plan showing the regular marine travel routes of vessels moving to and from the Project work sites. Any subsequent changes to the regular routes shall be verified by the IEC as conforming to the requirements in the EIA Report and deposited with the Director.

Landscape and Visual Plan

2.9 The Permit Holder shall deposit with the Director, at least 1 month before the commencement of construction of relevant part of the Project, three hard copies and one electronic copy of a landscape and visual plan incorporating aesthetic architectural design on buildings structures and related infrastructure of the Project, streetscape elements, planting proposals and other measures including night-time lighting control.

Waste management plan

2.10 The Permit Holder shall deposit with the Director, at least 1 month before the commencement of the construction of the project, three hard copies and one electronic copy of a waste management plan (WMP) for the construction stage of the Project. The WMP shall describe the arrangements for avoidance, reuse, recovery and recycling, storage, collection, treatment and disposal of different categories of waste to be generated from the construction activities and shall include the recommended mitigation measures on waste management in the EIA Report. The WMP shall
indicate the disposal location(s) of all surplus excavated spoil and other waste. A trip ticket system shall be included in the WMP. Surplus excavated spoil and other wastes shall only be disposed of at designated disposal locations unless otherwise approved by the Director. All measures recommended in the WMP shall be fully and properly implemented by the Permit Holder and any person working on the Project throughout the construction period.

Environmental Project Office

2.11 To oversee the cumulative environmental impacts arising from the Project and other concurrent projects in the adjoining area and to liaise closely with the mainland project teams for the HZMB Main Bridge, the Permit Holder shall set up an independent Environmental Project Office (ENPO) before the commencement of construction of the Project. No later than two months before the commencement of construction of the Project, the Permit Holder shall submit for the Director’s approval a proposal on the setting up of the ENPO which should include the main objectives of the ENPO, its organizational structure and lines of communication and the personnel involved. The Permit Holder shall set up the ENPO in accordance with the approved proposal.

Seawall Construction Method

2.12 The Permit Holder shall, at least 2 weeks before the commencement of works, inform the Director in writing whether the dredged-seawall construction method as described in the EIA report (“the dredged method”) or the non-dredged seawall construction method as described in Application No. VEP-315/2010 (“the non-dredged method”) will be adopted for the Project.

3. Submissions or Measures during Construction of the Project

Measures to mitigate disturbance to Chinese White Dolphins

3.1 A dolphin exclusion zone of 250m shall be implemented around the Project during the installation of sheet pile wall at the northern edge of the HKBCF reclamation if the dredged method is adopted. Installation of the perimeter silt curtains around the HKBCF site and any re-deployment of the perimeter silt curtains. Prior to the start of the works, dolphin observer(s) shall scan the exclusion zone for at least 30 minutes. If dolphins are observed in the exclusion zone, the installation/re-deployment works shall be delayed until they have left the area. If dolphins are observed within the exclusion zone during installation/re-deployment works, the relevant part of the works shall cease until the dolphins have left the area. The dolphin observer(s) shall have relevant training on dolphin monitoring and shall be independent of the construction contractor. The dolphin observer(s) shall form part of the Environmental Team. Passive Acoustic Monitoring, using hydrophones or cetacean detectors, shall be used for the detection of dolphin outside the daylight hours.

3.2 Once the perimeter silt curtains as mentioned in Condition 3.1 above are installed or re-deployed, the Dolphin Watching Plan as deposited under Condition 2.6 of this Permit shall be implemented as part of the EM&A programme.
3.3 To minimize the acoustic disturbance to Chinese White Dolphins, silence piling equipment such as vibratory piler shall be used for installation of sheet pile structure into the seabed.

3.4 No underwater percussive piling shall be used for the Project.

3.5 All vessels within the work areas shall not travel at a speed higher than 10 knots.

3.6 Air compressors and other noisy equipment mounted on construction vessels shall be acoustically-decoupled.

*Measures to mitigate water quality impacts if the dredged method is adopted*

3.7A Conditions 3.7 to 3.17 of this Permit shall apply if the dredged method is adopted.

3.7 The Permit Holder shall construct the Project in accordance with Figure 2 to 6 of this Permit. The Permit Holder shall notify the Director in writing any proposed changes in the construction sequences and/or arrangement before implementation of such changes. The proposed changes shall be certified by the LE Leader and verified by the IEC as conforming to the information and requirements contained in the EIA Report.

3.8 Temporary sheet pileings shall be installed along the northern boundary of the Project as indicated in Figure 2 prior to deployment of the floating type silt curtain and dredging works for seawall at the northern edge.

3.9 Except for re-deposition of dredged sediment requiring Type 2 Confined Marine Disposal under Environment, Transport and Works Bureau Technical Circular (Works) No.34/2002 as described in Condition 3.18 of this Permit, no dredging and filling works at Portions A, B, C and D of the Project as indicated in Figure 7 shall be carried out before the whole section of seawall Portion 1 is completed except for the 100m gap for marine access.

3.10 Reclamation filling shall not proceed until at least 200m of leading seawall at the reclamation area formed above +2.5mPD.

3.11 No public fill shall be used for seawall construction below +2.5mPD, unless otherwise agreed by the Director.

3.12 No more than 30% public fill shall be used for reclamation filling below +2.5mPD, unless otherwise agreed by the Director.

3.13 No more than 1 grab dredger with a maximum daily dredging rate of 2,200m³ shall be employed for the dredging operation at the FSD Rescue Berth.

3.14 No more than 9 grab dredgers with a maximum daily dredging rate of 64,800m³ shall be employed for the dredging operation at Portions A, B, C and D of the Project as indicated in Figure 7 of this Permit.
2.15 Only grab dredgers shall be used for dredging works in this Project. Each grab dredger shall be enclosed by a cage type silt curtain with steel enclosure as illustrated in Figure 8 of this Permit to reduce sediment loss to the surrounding environment during dredging operation.

2.16 No more than 80 filling-burge trips per day shall be made with a maximum daily filling rate of 80,000m³ for the filling operation at the FSD Rescue Berth and Portion I seawall as indicated in Figure 7 of this Permit.

2.17 Upon completion of Portion I seawall, no more than 190 filling-burge trips per day shall be made with a maximum daily filling rate of 190,000m³ for the filling operation.

Measures to mitigate water quality impacts if the non-dredged method is adopted

2.17A Conditions 3.17B to 3.17L of this Permit shall apply if the non-dredged method is adopted.

3.17B The Permit Holder shall construct the Project in accordance with Figures 11 to 28 of this Permit. The perimeter silt curtains as described in Figure 12 shall be installed around the HKBCF site before the commencement of marine works. No dredging works of marine sediment shall be carried out for the Project except for the construction of box culverts and seawalls at Portion D, the Fire Services Department (FSD) Rescue Berth and APM Tunnel. FSD Rescue Berth and APM shall not commence construction before the completion of reclamation of the HKBCF and TMCLKL southern landfall, unless with prior approval by the Director. The Permit Holder shall notify the Director in writing any proposed changes in the construction sequences and/or arrangements before implementation of such changes. The proposed changes shall be certified by the ET Leader and verified by the IEC as conforming to the information and requirements contained in the EIA Report.

3.17C Reclamation filling for the Project shall not proceed until at least 200m of leading seawall at the reclamation are formed above +2.2mPD, except for the sand blanket, unless otherwise agreed with the Director. The maximum daily filling rate of sand blanket shall be 24,000m³. During the sand blanket placement, cage type double layer silt curtains as described in Figure 32 shall be deployed around the filling points.

3.17D A layer of geotextile shall be placed on top of the seabed before any filling activities take place inside the cellular structures to form the seawall. To prevent spillage of the filling materials onto the surrounding water, the conveyor belts shall be fitted with windboards and conveyor release points shall be covered with curtain.

3.17E Except for the filling of the cellular structures, not more than 15% public fill shall be used for reclamation filling below +2.5mPD during construction of the seawall. After the seawall is completed except for the 300m marine access as indicated in Figure 15 of this Permit, not more than 30% public fill shall be used for reclamation filling below +2.5mPD, unless otherwise agreed by the Director.

3.17F Construction of the FSD Rescue Berth shall not commence unless the seawall as indicated in Figure 15 is completed. No more than 1 grab dredger with a maximum daily dredging rate of 7,200m³ shall be employed for the dredging operation at the FSD Rescue Berth.
3.17G No more than 2 grab dredgers with a maximum daily dredging rate of 12,000m³ shall be employed for the dredging operation at Portion D of the Project.

3.17H Only grab dredgers shall be used for dredging works in this Project. Each grab dredger shall be enclosed by a cage type silt curtain with steel enclosure as illustrated in Figure 8 of this Permit to reduce sediment loss to the surrounding environment during dredging operation.

3.17I No more than 5 filling barge trips per day shall be made with a maximum daily rate of 5000m³ for the filling operation at the FSD Rescue Berth.

3.17J Upon completion of 200m leading seawall, no more than a total of 60 filling barge trips per day shall be made with a cumulative maximum daily filling rate of 60,000m³ for HKBCF and TM-CLKL southern landfill reclamation during the filling operation. Upon completion of the whole section of seawall except for the 500m marine access as indicated in Figure 15 of this Permit, no more than a total of 190 filling barge trips per day shall be made with a cumulative maximum daily filling rate of 190,000m³ for the remaining filling operations for HKBCF and TM-CLKL southern landfill reclamation. To ensure that the cumulative maximum filling rate assumed in the EIA report shall not be exceeded, the Permit Holder shall submit, at least one week prior to the end of each calendar month, the anticipated daily filling rate for the coming month to the Environmental Project Office (ENPO) for approval. The actual maximum daily filling rate shall not exceed the approved filling rate by ENPO.

3.17K During the stone column installation, silt curtain shall be installed near the active stone column installation points as indicated in Figure 29 of this Permit. A layer of geotextile with stone blanket on top shall be placed on the seabed prior to stone column installation works.

3.17L To prevent grout leakage at the interfacing section between the stone column and the Tuen Mun Chek Lap Kok Link tunnel portion as indicated in Figure 23 of this Permit, grouting shall be applied in grout pipe by gravity method.

Measures to mitigate water quality impacts from re-deposition of Contaminated/Dredged Sediment in Sheet Pile Cellular Structures

If the non-dredged method is adopted, the dredged sediment requiring Type 2 Confined Marine Disposal under Environment, Transport and Works Bureau Technical Circular (Works) No.34/2002 from the Project shall be disposed of inside the sheet pile cellular structures within the Project boundary. If the dredged method is adopted, the Permit Holder shall form two pits within the Project boundary or the re-deposition area described in accordance with Figure 9 Condition 3.2.2A of this Permit to receive the dredged sediment requiring Type 2 Confined Marine Disposal under Environment, Transport and Works Bureau Technical Circular (Works) No.34/2002 from the Project. The Permit Holder shall deposit with the Director the design and exact location of the pits at least 1 month before forming the pits.

Before re-deposition the contaminated/dredged sediment, a layer of geotextile shall be placed at the bottom of the sheet pile cellular structures or the pits to avoid the direct contact of the contaminated/deposited sediment and the bottom sediment. If the dredged method is adopted, steel sheet pilings shall be formed in advance around each pit with silt curtain installed outside the sheet pilings in accordance with Figure 10 of this Permit.
3.20 All dumping activity of contaminated sediment within the Project boundary shall be monitored by the system of real-time tracking and monitoring of vessel. All the dumping vessels responsible for the handling of the contaminated sediment shall be required to install the front-end mobile unit system on board for data recording and transmitting purposes.

3.21 A minimum of 2m thick sand fill or public fill shall be placed on the top of the contaminated sediment to protect and cover the sediment after re-deposition.

3.22 The contaminated dredged sediment shall not be disturbed after re-deposition. No piling works or deep foundation which may disturb the contaminated dredged sediment is allowed within the cellular structures or the mud pits as described in Condition 3.18 of this Permit.

**Measures to mitigate water quality impacts from re-deposition of Dredged Sediment within Designated Re-deposition Area**

3.22A The dredged sediment from Portion D shall be re-deposited at the re-deposition area as indicated in Figure 30 and Figure 31 of this Permit, within the Project boundary.

3.22B Prior to the erection of the steel sheet piles and re-deposition of sediment, silt curtain shall be installed around the area of the re-deposition subarea.

3.22C A layer of geotextile shall be placed on the seabed within the re-deposition subarea. Sand bund shall be placed around the boundary of the re-deposition subarea.

3.22D After the re-deposition of sediment within the re-deposition subarea, a layer of geotextile and a minimum 2m thick sand blanket shall be placed on top of the re-deposited sediment as indicated in Figure 31.

3.22E Field trial(s) shall be carried out to demonstrate that the removal of the temporary steel sheet piles walls would not cause adverse water quality impacts. A Trial Report shall be endorsed by the IEC and deposited to the Director. No removal of the steel sheet piles, except those involved in the field trial(s), shall be carried out before the Trial Report is endorsed by the IEC and is deposited to the Director.

3.22F The dredged sediment shall not be disturbed after re-deposition. No piling works or deep foundation which may disturb the dredged sediment is allowed within the re-deposition area as described in Condition 3.22A of this Permit.

**Measures to mitigate air quality impacts during construction phase**

3.23 The Permit Holder shall undertake watering at least 8 times per day on all exposed soil within the Project site and associated work areas throughout the construction phase.

**Measures to mitigate environmental impacts from Floating Grout Production Facilities**

3.24 The entire grouting process and materials unloading, loading and transfer shall be performed within an enclosed system. The material storage tanks shall be fully covered / enclosed.
3.25 The Permit Holder shall not discharge any wastewater from the grouting production process or domestic sewage to the sea.

3.26 Apart from the air intakes for the ventilation fans, noisy equipment on the floating grout production facilities shall be housed below the ship deck / inside ship body or provided with enclosures. The air intakes for the ventilation fans and concrete pumps shall also be provided with acoustic decoupling measures.

**Measures to mitigate water quality impacts during loading and unloading of excavated marine mud**

3.27 If off-site disposal is required, the excavated marine mud from the land-based works shall be disposed of at the designated disposal sites within Hong Kong as allocated by the Marine Fill Committee or other locations as agreed by the Director.

3.28 No spilling and overflow of materials during loading / unloading / transportation shall be allowed.

4. **Measures or Submissions for Operation of the Project**

**Emergency Response Plan for Spillage of Oil and Chemicals**

4.1 The Permit Holder shall, no later than 2 months before the commencement of operation of the Project, deposit with the Director three sets of a detailed Emergency Response Plan (ERP) on how to prevent oil and chemical spillages caused by traffic incidents on the carriage way from entering into the waterbody. The ERP shall be verified by the IEC as conforming to the recommendations contained in the EIA Report.

**Artificial Reef(s)**

4.2 The Permit Holder shall, in consultation with the Director of Agriculture, Fisheries and Conservation, deploy artificial reef(s) with a total volume of not less than 10,800m³.

**Treated Effluent Reuse for Toilet Flushing**

4.3 The Permit Holder shall ensure the distribution system for the reclaimed water is only connected for the purpose of toilet flushing for the Hong Kong Boundary Crossing Facilities. The system shall not be connected to the Water Supplies Department’s portable water distribution system.

4.4 To avoid cross contamination with Water Supplies Department's potable water distribution system, the Permit Holder shall ensure that the pipes for distributing the reclaimed water are clearly labeled with warning signs and notices, colour-coded, and of different pipes sizes to the potable water pipes so that physical connection of the two distribution systems would not be possible.

4.5 The Permit Holder shall ensure the quality of the reclaimed water shall meet the standards set out in Table 1 of this Permit.
4.6 There shall be no discharge of surplus reclaimed water into the sea. In the event of emergency, the surplus reclaimed water shall be diverted back to the inlet of the on-site sewage treatment plant.

5. Environmental Monitoring and Audit (EM&A) Requirements

5.1 The EM&A programme of the Project shall be implemented in accordance with the procedures and requirements as set out in the EM&A Manual of the approved EIA Report. Any proposed change to the EM&A requirements or programme shall be justified by the ET leader and verified by the IEC as conforming to the information and requirements contained in the EM&A Manual and shall seek the prior approval from the Director before implementation.

5.2 Samples, measurements and necessary remedial actions shall be taken in accordance with the requirements of the EM&A Manual by:

(a) conducting baseline environmental monitoring;

(b) conducting impact monitoring;

(c) carrying out remedial actions described in the Event/Action Plans of the EM&A Manual in accordance with the time frames set out in the Event/Action Plans, or as agreed by the Director, in case where specified criteria in the EM&A Manual are exceeded; and

(d) logging and keeping records of details of (a) to (c) above for all parameters within 3 working days of the collection of data or completion of remedial action(s), for the purpose of preparing and submitting the monthly EM&A Reports and to make available for inspection on site.

5.3 Three hard copies and one electronic copy of the Baseline Monitoring Report shall be submitted to the Director at least 2 weeks before commencement of construction of the Project. The submission shall be verified by the IEC. Additional copies of the submission shall be made available to the Director upon his request.

5.4 Three hard copies and one electronic copy of monthly EM&A Report shall be submitted to the Director within 10 working days after the end of the reporting month. The EM&A Reports shall include a summary of all non-compliance (exceedances) of the environmental quality performance limits (Action and Limit Levels). The submissions shall be verified by the IEC. Additional copies of the submission shall be provided to the Director upon request by the Director.

5.5 All environmental monitoring and audit data submitted under this Permit shall be true, valid and correct.

5.6 To ensure a high degree of transparency regarding the monitoring data and results in view of the public concern about the Project, all environmental monitoring and audit data and results and all submissions and performance test data and results required by this Permit shall be made available by the Permit Holder to the public through a dedicated web site to be set up by the Permit Holder under
Condition 6.2 below, in the shortest practicable time and in no event later than 2 weeks after such information is available.

6. **Electronic Reporting of EM&A Information**

6.1 To facilitate public inspection of the Baseline Monitoring Report and monthly EM&A Reports via the EIAO Internet Website and at the EIAO Register Office, electronic copies of these Reports shall be prepared in Hyper Text Markup Language (HTML) (version 4.0 or later) and in Portable Document Format (PDF version 1.3 or later), unless otherwise agreed by the Director and shall be submitted at the same time as the hardcopies as described in Condition 5 of this Permit. For the HTML version, a content page capable of providing hyperlink to each section and sub-section of these Reports shall be included in the beginning of the document. Hyperlinks to all figures, drawings and tables in these Reports shall be provided in the main text from where the respective references are made. All graphics in these Reports shall be in interlaced GIF, JPEG or PDF format unless otherwise agreed by the Director. The content of the electronic copies of these Reports must be the same as the hardcopies.

6.2 The Permit Holder shall, within six weeks to the commencement of construction of the Project, set up a dedicated web site and notify the Director in writing the Internet address, where the project information, all environmental monitoring and audit data and reports described in Condition 6.1 above and all finalized submissions and plans required under this Permit are to be placed. All environmental monitoring and audit data and reports described in Condition 6.1 above shall be made available to the public via this dedicated web site to be set up by the Permit Holder in the shortest possible time and in no event later than 2 weeks after the relevant environmental monitoring data and reports is/are collected or become available, unless otherwise agreed with the Director. All finalized submissions and plans shall be made available to the public via this dedicated web site to be set up by the Permit Holder in the shortest possible time and in no event later than 2 weeks after they are deposited with or approved by the Director as required under this Permit, unless otherwise agreed with the Director.

6.3 The Internet website as described in Condition 6.2 above shall enable user-friendly public access to the monitoring and project information including the project profile of the Project, the EIA report, the environmental permit(s), all environmental monitoring and audit data and report and all finalized submissions and plans required under this Permit. Unless otherwise agreed with the Director, the internet website shall have features capable of:

(a) providing access to all environmental monitoring data collected since the commencement of works;

(b) searching by date;

(c) searching by types of monitoring data (e.g. noise, water and air quality); and

(d) providing hyperlinks to relevant monitoring data after searching.
1. This Permit consists of three parts, namely, Part A (Main Permit), Part B (Description of Designated Project) and Part C (Permit Conditions). Any person relying on this permit should obtain independent legal advice on the legal implications under the Ordinance, and the following notes are for general information only.

本許可證共有3部分，即A部（許可證主要部分）；B部（指定工程項目說明）及C部（許可證條件）。任何援引本許可證的人士須就環評條例的法律含意徵詢獨立法律意見，下述註解只供一般參考。

2. If there is a breach of any conditions of this Permit, the Director or his authorized officer may, with the consent of the Secretary for the Environment, order the cessation of associated work until the remedial action is taken in respect of the resultant environmental damage, and in that case the Permit Holder shall not carry out any associated works without the permission of the Director or his authorized officer.

如違反本許可證的任何條件，署長或獲授權人員可在環境局局長的同意下命令停止相關工程，直至許可證持有人為所造成的環境損害採取補救行動為止。在此情況下，許可證持有人不得進行任何相關工程。

3. The Permit Holder may apply under Section 13 of the Environmental Impact Assessment Ordinance (the “Ordinance”) to the Director for a variation of the conditions of this Permit. The Permit Holder shall replace the original permit displayed on the Project site by the amended permit.

許可證持有人可根據環評條例第13條的规定向署長申請更改本許可證的條件。許可證持有人須把經修改的許可證替換在建築工地內展示的原有許可證。

4. A person who assumes the responsibility for the whole or a part of the Project may, before he assumes responsibility of the Project, apply under Section 12 of the Ordinance to the Director for a further environmental permit.

承擔指定工程項目整項或部分指定工程的責任的人，在承擔指定工程項目的責任前，可根據環評條例第12條的规定向署長申請新的環境許可證。

5. Under Section 14 of the Ordinance, the Director may with the consent of the Secretary for the Environment suspend, vary or cancel this Permit. The suspended, varied or cancelled Permit shall be removed from display at the Project site.

根據環評條例第14條的規定，署長可在環境局局長的同意下暫時吊銷、更改或取消本許可證，須暫時吊銷、更改或取消的許可證必須從建築工地除下，不再展示。

6. If this Permit is cancelled or surrendered during construction or operation of the Project, another environmental permit must be obtained under the Ordinance before the Project could be continued. It is an offence under Section 26 (1) of the Ordinance to construct or operate a designated project listed in Schedule 2 of the Ordinance without a valid environmental permit.

如果本許可證在工程項目建造或營辦期間取消或交回，則在繼續建造或營辦工程項目之前，必須先根據環評條例規定取得另一份環境許可證。根據環評條例第26(1)條的規定，任何人在沒有有效環境許可證的情況下建造或營辦環評條例附表2所列明的指定工程項目，即屬犯罪。
7. Any person who constructs or operates the Project contrary to the conditions in the Permit, and is convicted of an offence under the Ordinance, is liable:

(i) on a first conviction on indictment to a fine of $2 million and to imprisonment for 6 months;
(ii) on a second or subsequent conviction on indictment to a fine of $5 million and to imprisonment for 2 years;
(iii) on a first summary conviction to a fine at level 6 and to imprisonment for 6 months;
(iv) on a second or subsequent summary conviction to a fine of $1 million and to imprisonment for 1 year; and
(v) in any case where the offence is of a continuing nature, the court or magistrate may impose a fine of $10,000 for each day on which he is satisfied the offence continued.

8. The Permit Holder may appeal against any condition of this Permit under Section 17 of the Ordinance within 30 days of receipt of this Permit.

9. The Notes are for general reference only and that the Permit Holder should refer to the EIA Ordinance for details and seek independent legal advice.

Environmental Permit No. EP-353/2009/A1
環境許可證編號 EP-353/2009/A1
Table 1: The Standards of Reclaimed Water for Reuse for Toilet Flushing

<table>
<thead>
<tr>
<th>Water Quality Parameter</th>
<th>Unit</th>
<th>Reclaimed Water Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>pH</td>
<td></td>
<td>6-8</td>
</tr>
<tr>
<td>Turbidity</td>
<td>NTU</td>
<td>≤ 2</td>
</tr>
<tr>
<td>Total Suspended Solids (TSS)</td>
<td>mg/L</td>
<td>≤ 10</td>
</tr>
<tr>
<td>5-Day Biochemical Oxygen Demand (BOD₅)</td>
<td>mg/L</td>
<td>≤ 10</td>
</tr>
<tr>
<td>E.coli</td>
<td>No./100mL</td>
<td>Not Detectable</td>
</tr>
<tr>
<td>Total Residual Chlorine (TRC)</td>
<td>mg/L</td>
<td>≥ 1</td>
</tr>
</tbody>
</table>

Provision of Real-time Bus Service Information to Passengers Waiting for Buses

21. **MR TANG KA-PIU** (in Chinese): President, regarding the development of information systems by franchised bus companies to provide passengers waiting for buses with information on the real-time departure and estimated arrival times of their buses (real-time bus service information), will the Government inform this Council whether it knows:

   (1) the respective current numbers and percentages of bus shelters of each franchised bus company (with a breakdown of the figures by franchise if the bus company concerned holds more than one franchise) that are equipped with electricity supply and thus can be installed with real-time bus service information display panels (set out in tables of the same format as the table below with a breakdown by District Council district);

Franchised bus company (franchise): ____________________

<table>
<thead>
<tr>
<th>Region</th>
<th>District Council district</th>
<th>Bus shelter Number</th>
<th>Percentage in the total number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong Island</td>
<td>Central &amp; Western District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wan Chai District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Eastern District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Southern District</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kowloon</td>
<td>Yau Tsim Mong District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sham Shui Po District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kowloon City District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wong Tai Sin District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kwun Tong District</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Territories</td>
<td>Kwai Tsing District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tsuen Wan District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tuen Mun District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yuen Long District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>North District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tai Po District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sha Tin District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sai Kung District</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Islands District</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(2) the respective numbers of (i) public transport interchanges, (ii) bus-bus interchanges, (iii) bus termini and (iv) bus shelters that are installed with real-time bus service information display panels and their respective percentages in the total numbers, the number of bus routes the service information of which is displayed on those panels respectively, and the respective locations of (i) to (iii) (set out the information in the table below); and

<table>
<thead>
<tr>
<th>Location</th>
<th>Number</th>
<th>Percentage of the number in the total number</th>
<th>Number of bus routes the service information of which is displayed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public transport interchange</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bus-bus interchange</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bus terminus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bus shelter</td>
<td>(Not applicable)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(3) if real-time bus service information is available on the web sites and smartphone apps of various franchised bus companies at present; if so, of the respective (i) numbers and (ii) percentages of the bus routes, operated by such companies, the service information of which is available through these two channels (set out in the table below)?

<table>
<thead>
<tr>
<th>Franchised bus company</th>
<th>Company web site</th>
<th>Smartphone apps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kowloon Motor Bus Company (1933) Ltd.</td>
<td>(i)</td>
<td>(ii)</td>
</tr>
<tr>
<td>Citybus Limited (franchise for Hong Kong Island and cross-harbour bus network)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citybus Limited (franchise for the Airport and North Lantau bus network)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, my reply to various parts of Mr TANG Ka-piu's question is as follows:

(1) The number of bus shelters equipped with electrical installations is at Annex 1. Franchised bus companies share bus shelters for jointly operated routes to better utilize resources. Different routes operated by franchised bus companies belonging to the same parent group also share a shelter located at the same bus stop where practicable and desirable.

At present, not all bus shelters equipped with electrical installations can be installed with information display panels. In planning for installing information display panels, franchised bus companies would consider various factors which include the actual physical constraints of individual locations, whether a bus stop is mainly used for boarding instead of alighting, the number of waiting passengers, as well as whether there is any plan to relocate or cancel the bus stop concerned within the next few years, and so on.

(2) and (3)

Currently, franchised bus companies are providing information on service hours, frequencies, termini, en route stops, full and section fares, and so on, of individual bus routes for passengers through their websites and smartphone applications (apps). Furthermore, the Kowloon Motor Bus Company (1933) Limited (KMB) and Long Win Bus Company Limited (Long Win) have started to provide passengers with real-time arrival information through their websites and smartphone apps since early 2015. Real-time arrival information is available for over 360 routes (or around 70% of the
companies' routes) so far, and the service will be extended to the remaining routes progressively. Citybus Limited (Franchise for Airport and North Lantau Bus Network) (hereinafter referred as "Citybus (Franchise 2)") also provides real-time arrival information for nine airport bus routes through its website and smartphone app. Details are at Annex 2.

Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) (hereinafter referred as "Citybus (Franchise 1)"), New World First Bus Services Limited (NWFB)\textsuperscript{Note} and New Lantao Bus Company (1973) Limited (NLB) have not yet provided real-time arrival information for their routes. Nevertheless, when the Government granted new franchises to Citybus (Franchise 1) and NLB in September 2015, the two franchised bus companies have committed to introducing real-time arrival information systems in phases after commencement of their new franchises in July 2016 and March 2017 respectively. Passengers will then be able to obtain real-time arrival information of all bus routes operated by the two franchisees through mobile platforms (including smartphone apps). Upon the full implementation of the system for bus routes of Citybus (Franchise 1), the system will be extended to all bus routes of NWFB and Citybus (Franchise 2) which belong to the same parent group.

As regards bus service information display panels, the number of public transport interchanges (PTIs)/bus termini (BTs), bus-bus interchanges (BBIs) and bus shelters with display panels is set out in Annex 3. The majority of the panels at PTIs/BTs as well as all panels at BBIs and bus shelters are provided by KMB and LW. Franchised bus companies will continue to install information display panels at appropriate locations. In fact, Citybus (Franchise 1) and NLB have undertaken to install about 100 electronic panels in phases to provide real-time arrival information at sheltered BTs or bus shelters with electricity supply under their new franchises.

\textsuperscript{Note}: 
At present, NWFB provides real-time arrival information for sightseeing bus route H1 only.
Number of bus shelters equipped with electrical installations
(as at November 2015)

KMB

<table>
<thead>
<tr>
<th>Region</th>
<th>District Council district</th>
<th>Bus shelters equipped with electrical installations</th>
<th>Number</th>
<th>Percentage of all shelters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong Island</td>
<td>Central and Western</td>
<td></td>
<td>N/A #</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wan Chai</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Eastern</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Southern</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kowloon</td>
<td>Yau Tsim Mong</td>
<td></td>
<td>60</td>
<td>54%</td>
</tr>
<tr>
<td></td>
<td>Sham Shui Po</td>
<td></td>
<td>62</td>
<td>46%</td>
</tr>
<tr>
<td></td>
<td>Kowloon City</td>
<td></td>
<td>64</td>
<td>36%</td>
</tr>
<tr>
<td></td>
<td>Wong Tai Sin</td>
<td></td>
<td>66</td>
<td>41%</td>
</tr>
<tr>
<td></td>
<td>Kwun Tong</td>
<td></td>
<td>93</td>
<td>33%</td>
</tr>
<tr>
<td>New Territories</td>
<td>Kwai Tsing</td>
<td></td>
<td>72</td>
<td>38%</td>
</tr>
<tr>
<td></td>
<td>Tsuen Wan</td>
<td></td>
<td>26</td>
<td>28%</td>
</tr>
<tr>
<td></td>
<td>Tuen Mun</td>
<td></td>
<td>77</td>
<td>51%</td>
</tr>
<tr>
<td></td>
<td>Yuen Long</td>
<td></td>
<td>58</td>
<td>31%</td>
</tr>
<tr>
<td></td>
<td>North</td>
<td></td>
<td>52</td>
<td>31%</td>
</tr>
<tr>
<td></td>
<td>Tai Po</td>
<td></td>
<td>79</td>
<td>42%</td>
</tr>
<tr>
<td></td>
<td>Sha Tin</td>
<td></td>
<td>175</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Sai Kung</td>
<td></td>
<td>79</td>
<td>43%</td>
</tr>
<tr>
<td></td>
<td>Islands</td>
<td></td>
<td>N/A #</td>
<td></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td></td>
<td>963</td>
<td></td>
</tr>
</tbody>
</table>

Note:

# None of the bus routes of the company have stops for boarding or alighting of passengers in these districts, or the company mainly uses existing bus shelters of other franchised bus companies/has only built very few shelters not equipped with electrical installations/has not built any bus shelters in these districts.
Citybus (Franchise 1)

<table>
<thead>
<tr>
<th>Region</th>
<th>District Council district</th>
<th>Bus shelters equipped with electrical installations</th>
<th>Number</th>
<th>Percentage of all shelters</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hong Kong Island</td>
<td>Central and Western</td>
<td></td>
<td>41</td>
<td>91%</td>
</tr>
<tr>
<td></td>
<td>Wan Chai</td>
<td></td>
<td>44</td>
<td>98%</td>
</tr>
<tr>
<td></td>
<td>Eastern</td>
<td></td>
<td>33</td>
<td>67%</td>
</tr>
<tr>
<td></td>
<td>Southern</td>
<td></td>
<td>64</td>
<td>84%</td>
</tr>
<tr>
<td>Kowloon</td>
<td>Yau Tsim Mong</td>
<td>N/A#</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sham Shui Po</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kowloon City</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wong Tai Sin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kwun Tong</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Territories</td>
<td>Kwai Tsing</td>
<td></td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Tsuen Wan</td>
<td></td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Tuen Mun</td>
<td></td>
<td>4</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>Yuen Long</td>
<td></td>
<td>5</td>
<td>43%</td>
</tr>
<tr>
<td></td>
<td>North</td>
<td>N/A#</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tai Po</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sha Tin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sai Kung</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Islands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td></td>
<td>193</td>
<td></td>
</tr>
</tbody>
</table>

Note:

# None of the bus routes of the company have stops for boarding or alighting of passengers in these districts, or the company mainly uses existing bus shelters of other franchised bus companies/has only built very few shelters not equipped with electrical installations/has not built any bus shelters in these districts.
Citybus (Franchise 2)

<table>
<thead>
<tr>
<th>Region</th>
<th>District Council district</th>
<th>Bus shelters equipped with electrical installations</th>
<th>Number</th>
<th>Percentage of all shelters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong Island</td>
<td>Central and Western</td>
<td></td>
<td>N/A#</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wan Chai</td>
<td></td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Eastern</td>
<td></td>
<td>N/A#</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Southern</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kowloon</td>
<td>Yau Tsim Mong</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sham Shui Po</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kowloon City</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wong Tai Sin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kwun Tong</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Territories</td>
<td>Kwai Tsing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tsuen Wan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tuen Mun</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yuen Long</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>North</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tai Po</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sha Tin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sai Kung</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Islands</td>
<td></td>
<td>4</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td></td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

Note:

# None of the bus routes of the company have stops for boarding or alighting of passengers in these districts, or the company mainly uses existing bus shelters of other franchised bus companies/has only built very few shelters not equipped with electrical installations/has not built any bus shelters in these districts.
NWFB

<table>
<thead>
<tr>
<th>Region</th>
<th>District Council district</th>
<th>Bus shelters equipped with electrical installations</th>
<th>Number</th>
<th>Percentage of all shelters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong Island</td>
<td>Central and Western</td>
<td></td>
<td>32</td>
<td>91%</td>
</tr>
<tr>
<td></td>
<td>Wan Chai</td>
<td></td>
<td>25</td>
<td>89%</td>
</tr>
<tr>
<td></td>
<td>Eastern</td>
<td></td>
<td>41</td>
<td>84%</td>
</tr>
<tr>
<td></td>
<td>Southern</td>
<td></td>
<td>14</td>
<td>93%</td>
</tr>
<tr>
<td>Kowloon</td>
<td>Yau Tsim Mong</td>
<td></td>
<td>N/A#</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sham Shui Po</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kowloon City</td>
<td></td>
<td>2</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Wong Tai Sin</td>
<td></td>
<td>N/A#</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kwun Tong</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Territories</td>
<td>Kwai Tsing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tsuen Wan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tuen Mun</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yuen Long</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>North</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tai Po</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sha Tin</td>
<td></td>
<td>2</td>
<td>67%</td>
</tr>
<tr>
<td></td>
<td>Sai Kung</td>
<td></td>
<td>2</td>
<td>22%</td>
</tr>
<tr>
<td></td>
<td>Islands</td>
<td></td>
<td>N/A#</td>
<td></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td></td>
<td>118</td>
<td></td>
</tr>
</tbody>
</table>

Note:

# None of the bus routes of the company have stops for boarding or alighting of passengers in these districts, or the company mainly uses existing bus shelters of other franchised bus companies/has only built very few shelters not equipped with electrical installations/has not built any bus shelters in these districts.
### Bus shelters equipped with electrical installations

<table>
<thead>
<tr>
<th>Region</th>
<th>District Council district</th>
<th>Number</th>
<th>Percentage of all shelters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong Island</td>
<td>Central and Western</td>
<td>N/A#</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wan Chai</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Eastern</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Southern</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kowloon</td>
<td>Yau Tsim Mong</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sham Shui Po</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kowloon City</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wong Tai Sin</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kwun Tong</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Territories</td>
<td>Kwai Tsing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tsuen Wan</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tuen Mun</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yuen Long</td>
<td>1</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>North</td>
<td>N/A#</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tai Po</td>
<td>1</td>
<td>33%</td>
</tr>
<tr>
<td></td>
<td>Sha Tin</td>
<td>1</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Sai Kung</td>
<td>N/A#</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Islands</td>
<td>16</td>
<td>80%</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td>19</td>
<td></td>
</tr>
</tbody>
</table>

**Note:**

# None of the bus routes of the company have stops for boarding or alighting of passengers in these districts, or the company mainly uses existing bus shelters of other franchised bus companies/has only built very few shelters not equipped with electrical installations/has not built any bus shelters in these districts.
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<tr>
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<th>District Council district</th>
<th>Number</th>
<th>Percentage of all shelters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong Island</td>
<td>Central and Western</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wan Chai</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Eastern</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Southern</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kowloon</td>
<td>Yau Tsim Mong</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sham Shui Po</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kowloon City</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wong Tai Sin</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kwun Tong</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Territories</td>
<td>Kwai Tsing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tsuen Wan</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tuen Mun</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yuen Long</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>North</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tai Po</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sha Tin</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sai Kung</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Islands</td>
<td></td>
<td>11</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td>11</td>
<td></td>
</tr>
</tbody>
</table>

**Note:**

# None of the bus routes of the company have stops for boarding or alighting of passengers in these districts, or the company mainly uses existing bus shelters of other franchised bus companies/has only built very few shelters not equipped with electrical installations/has not built any bus shelters in these districts.
Annex 2

Number of bus routes for which real-time arrival information is provided by the franchised bus companies through company websites and smartphone apps

(as at November 2015)

<table>
<thead>
<tr>
<th>Franchised bus company</th>
<th>Company website and smartphone app</th>
<th>Number of bus routes covered</th>
<th>Percentage of all routes</th>
</tr>
</thead>
<tbody>
<tr>
<td>KMB</td>
<td></td>
<td>330</td>
<td>68%</td>
</tr>
<tr>
<td>Citybus (Franchise 2)</td>
<td></td>
<td>9</td>
<td>27%</td>
</tr>
<tr>
<td>Long Win</td>
<td></td>
<td>33</td>
<td>89%</td>
</tr>
</tbody>
</table>

Note:
The above number includes main routes, supplementary routes and jointly operated routes, and do not include irregular services such as festive services and special services arranged for large-scale events.

Annex 3

Number of PTIs/BTs, BBIs and bus shelters with real-time arrival information display panels

(as at November 2015)

<table>
<thead>
<tr>
<th>Type of structure</th>
<th>Number (Percentage in the total number)</th>
<th>Location</th>
<th>Total number of routes for which estimated arrival/departure time are provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>PTI/ BT</td>
<td>50 (18%)</td>
<td>Hong Kong Island</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Central (Exchange Square) BT</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- The Peak Public Transport Terminus (PTT)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Wan Chai North temporary PTI</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Moreton Terrace BT</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Sai Wan Ho (Grand Promenade) PTI</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>349</td>
<td></td>
</tr>
<tr>
<td>Type of structure</td>
<td>Number (Percentage in the total number)</td>
<td>Location</td>
<td>Total number of routes for which estimated arrival/departure time are provided</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------------------------------------</td>
<td>----------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>- Yiu Tung Estate BT</td>
<td>- Siu Sai Wan (Island Resort) PTI</td>
<td>Kowloon</td>
<td>- Cyberport PTI</td>
</tr>
<tr>
<td>- -</td>
<td>- Stanely Village Road BT</td>
<td>- Star Ferry Pier PTI, Tsim Sha Tsui</td>
<td>- Park Avenue PTI</td>
</tr>
<tr>
<td>- Tuen Mun Town Centre (Tuen Mun Heung Sze Wui Road) BT</td>
<td>- Tuen Mun Pier Head BT</td>
<td>- Leung King Estate BT</td>
<td>- Yuen Long (West) BT</td>
</tr>
</tbody>
</table>

*Note:* The locations listed are examples of the types of structures for which estimated arrival/departure times are provided. The table continues with additional locations and details, which are not fully transcribed here for brevity.
### Type of structure

<table>
<thead>
<tr>
<th>Number (Percentage in the total number)</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Lok Ma Chau Spur Line PTI</td>
<td></td>
</tr>
<tr>
<td>- Sheung Shui BT</td>
<td></td>
</tr>
<tr>
<td>- Sha Tin Central BT</td>
<td></td>
</tr>
<tr>
<td>- Sha Tin Station PTI</td>
<td></td>
</tr>
<tr>
<td>- Ma On Shan Town Centre PTT</td>
<td></td>
</tr>
<tr>
<td>- Yu Chui Court PTI</td>
<td></td>
</tr>
<tr>
<td>- Ma Liu Shui PTI</td>
<td></td>
</tr>
<tr>
<td>- Hin Keng Estate BT</td>
<td></td>
</tr>
<tr>
<td>- Sui Wo Court PTI</td>
<td></td>
</tr>
<tr>
<td>- Sun Tin Wai BT</td>
<td></td>
</tr>
<tr>
<td>- Chun Shek BT</td>
<td></td>
</tr>
<tr>
<td>- Pok Hong BT</td>
<td></td>
</tr>
<tr>
<td>- Po Lam PTI</td>
<td></td>
</tr>
<tr>
<td>- Tung Chung Temporary BT</td>
<td></td>
</tr>
<tr>
<td>- Yat Tung Estate PTT</td>
<td></td>
</tr>
<tr>
<td>- Mui Wo PTI</td>
<td></td>
</tr>
<tr>
<td>- Ngong Ping PTI</td>
<td></td>
</tr>
<tr>
<td>- Tai O PTI</td>
<td></td>
</tr>
<tr>
<td>- Airport (Ground Transportation Centre)</td>
<td></td>
</tr>
<tr>
<td>- AsiaWorld-Expo BT</td>
<td></td>
</tr>
</tbody>
</table>

| BBI | 3 (30%) | - Tsing Sha Highway BBI |
|     |         | - Tai Lam Tunnel BBI    |
|     |         | - Tuen Mun Road BBI     |
|     |         | Total number of routes for which estimated arrival/departure time are provided: 74 |

In addition, there are 12 bus shelters with information panels for displaying real-time arrival information. These shelters amount to 1% of all bus shelters with electrical installation, and provide estimated arrival/departure time of a total of 108^ routes.

Note:

^ The same route will be counted repeatedly if it stops at more than one BT/PTI/bus shelter providing estimated arrival/departure times.
Recovery of Waste Through Three-coloured Waste Separation Bins

22. **DR KWOK KA-KI** (in Chinese): President, since 1998, the Government has placed three-colour waste separation bins (three-colour bins) in various districts throughout the territory and encouraged the public to separate paper, plastics and metals from other waste for disposal into the recycling bins designated for collecting such waste. However, the media revealed in 2013 that the contractors responsible for collecting waste from three-colour bins dumped the recovered waste at refuse depots and other litter bins. Some recyclers of waste plastics have recently indicated that they have already stopped buying waste plastics due to their declining export prices. They therefore reckon that quite a lot of waste plastics have been sent to landfills for disposal. In this connection, will the Government inform this Council:

(1) of the number of sets of three-colour bins which were in use throughout the territory at the beginning of each year from 2013 to this year;

(2) of (i) the respective quantities of waste paper, waste plastics and waste metals recovered, (ii) among such waste, the quantities and percentages of those collected through three-colour bins, and (iii) the respective quantities of these three types of waste sent to landfills for disposal, in each year from 2012 to the first half of this year (set out in Table 1);

<table>
<thead>
<tr>
<th>Year</th>
<th>Waste paper (tonne)</th>
<th>Waste plastics (tonne)</th>
<th>Waste metals (tonne)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(i)</td>
<td>(ii) [%;]</td>
<td>(iii)</td>
</tr>
<tr>
<td>2015 (first half-year)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(3) of the expenditure incurred for the management of three-colour bins and the fees payable to the contractors responsible for collecting waste from those bins in each of the past five years; whether it has regularly reviewed and monitored the work performance of such
contractors; if it has, whether it has uncovered any malpractices; if it has not reviewed and monitored, of the reasons for that;

(4) whether it has regularly reviewed the effectiveness of waste recovery through the provision of three-colour bins; if it has, of the details;

(5) of the expenditure incurred and the channels used for promoting among the public the use of three-colour bins for disposal of waste in each year from 2013 to the first half of this year (set out in Table 2);

Table 2

<table>
<thead>
<tr>
<th>Year</th>
<th>Publicity channels</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TV announcements</td>
<td>Radio</td>
<td>Bus stop</td>
<td>MTR</td>
<td>Community</td>
</tr>
<tr>
<td></td>
<td>in the public</td>
<td>announcements</td>
<td>station</td>
<td>station</td>
<td>talks</td>
</tr>
<tr>
<td></td>
<td>interests</td>
<td>(Number</td>
<td>posters</td>
<td>posters</td>
<td>(Number</td>
</tr>
<tr>
<td></td>
<td>(Number of</td>
<td>of times</td>
<td>(Number</td>
<td>(Number</td>
<td>of talks</td>
</tr>
<tr>
<td></td>
<td>times broadcast)</td>
<td>broadcast)</td>
<td>of display)</td>
<td>of display)</td>
<td>organized)</td>
</tr>
<tr>
<td>2015 (first half-year)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of times/days</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenditure ($)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of times/days</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenditure ($)</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of times/days</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenditure ($)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(6) of the expenditure incurred and the channels used in each of the past five years for promoting among the public the message of using less disposable cutlery and avoiding buying bottled drinks (set out in a table of the same format as Table 2);

(7) of the respective quantities of paper, plastics and metal materials used for the packaging of beverages consumed by members of the public in each of the past five years; whether it has formulated policies to encourage beverage producers to use less of such materials and more of environmentally friendly materials; if it has, of the details; and
whether it has maintained regular contact with the recycling industry to gain an understanding of the operation of the industry and the difficulties encountered by the industry; if it has, of the details; whether it has formulated policies to facilitate the development of the recycling industry; if it has, of the details; if not, how the authorities address the problem of ever increasing waste loads in Hong Kong?

SECRETARY FOR THE ENVIRONMENT (in Chinese): President, the Government launched the Waste Reduction Framework Plan in 1998. Provision of three-colour waste separation bins (three-colour bins) is one of the measures to reduce waste and increase recovery quantity under the Plan. It also aroused the public awareness of waste separation and recycling. Since then, relevant departments including the Food and Environmental Hygiene Department (FEHD), the Leisure and Cultural Services Department (LCSD) and the Agriculture, Fisheries and Conservation Department (AFCD) have been providing bins at various public places in Hong Kong. Meanwhile, the Environmental Campaign Committee has distributed three-colour bins to housing estates and schools under various promotion schemes to enhance education and recovery promotion.

As a continuation of the above promotion schemes, the Environmental Protection Department (EPD) launched the territory-wide Programme on Source Separation of Domestic Waste (SSDW) in 2005. The objective of the Programme is to provide additional waste separation facilities on each building floor and in other areas of housing estates to facilitate source separation of waste by residents and broaden the types of recyclables to be recovered. In 2007, the EPD extended the Programme to cover commercial and industrial (C&I) buildings (including all non-residential buildings, such as educational institutions and non-profit-making organizations, that is, tertiary institutions, medical institutions and community facilities). Since its implementation, over 2,000 housing estates (including all 185 public housing estates) have participated in the Programme, covering more than 80% of our population. Over 930 C&I buildings have also participated in the Programme. In addition, recycling activities among the public are not limited to the use of bins. For example, some residents or cleaners will sell recyclables directly to recyclers or carry out recovery through other means such as bartering.
Moreover, the EPD encourages public participation in waste reduction and source separation for recycling through various publicity and education programmes.

The EPD's statistics show that there has been no significant increase in the disposal of waste plastics at landfills in recent years. The EPD will continue to monitor and follow up the situation to avoid the disposal of large quantities of recyclable waste plastics. We have learnt from the industry that there is still a certain demand for clean and sorted recyclables, particularly waste plastics, in the local market. Therefore, through publicity and public education activities, we will continue to urge the public to do a good job in waste separation at source and not to contaminate recyclables and mix them with waste. This will help enhance the value and recovery of recyclables.

My responses to various parts of the question are as follows:

(1) and (2)

The Government has proactively encouraged public participation in waste reduction at source, waste reuse and recovery. This is an important initiative in "Hong Kong Blueprint for Sustainable Use of Resources 2013-2022".

C&I sectors generate a large amount of recyclables such as leftover bits and pieces during the production process. These materials are usually of single type and clean, thus the recovery value is relatively high. Many recyclers have already made efficient recycling arrangements with producers concerned.

Moreover, the Government makes effort to promote waste separation knowledge and build up recycling habits of the public and facilitate them to participate in recycling by placing bins and organizing relevant promotion activities. In 2013 and 2014, the Government placed about 15 800 sets of bins (relevant statistics for 2015 are still being collected and compiled) throughout the territory at locations such as pavements, public transport interchanges, refuse collection points, leisure and cultural facilities, country parks, schools, public/private housing estates, shopping centres, government quarters/offices and hospitals/clinics. We have also launched a free mobile application, "WASTE LESS", that locates recyclable
collection points at public places all over Hong Kong as well as providing the latest news and useful knowledge about waste treatment, reduction and recovery to facilitate public participation.

The Government has also encouraged housing estates/residential buildings to join the Programme on SSDW by placing bins in the ground floor lobby and on each floor to facilitate source separation by residents for recovery. The number of bins to be placed is at the discretion of the housing estate/residential building concerned and the EPD does not have the statistics. The Programme has enhanced public awareness of waste reduction and recycling as reflected in its rising participation rate since 2005.

Statistics on the main types of waste recovered and disposed of at landfills from C&I and domestic (mainly including residential buildings, public organizations and public places) over the past few years are shown at Annex 1.

(3) The FEHD has hired a private contractor through outsourcing to provide recyclables collection service. The contractor is required to collect waste paper, metal and plastic from 2,850 sets of bins. These recycling bins are placed at locations such as pavements, refuse collection points, public markets, bus terminals and venues managed by schools, the Water Supplies Department and the EPD. The expenditures incurred by the FEHD on the contracts of collecting recyclables from bins over the past few years are shown at Annex 2.

According to the service contract, contractors are not allowed to dispose of the collected recyclables at landfills or other waste treatment facilities. For better monitoring, the service contract signed between the FEHD and the contractor that took effect in August 2014 included additional tender terms as shown at Annex 3.

The FEHD has set up a comprehensive contract management mechanism under which the FEHD staff conducts regular and surprise checks to monitor the performance of the contractor. If any breach of contract provisions is found, the FEHD will take punitive actions accordingly, including issuing verbal warning, written warning and default notices. The monthly amount payable
to the contractors who have received default notices will be deducted in the light of the breaches. In the past several years, the FEHD has not found any serious non-compliance from the contractor.

For recycling bins placed at locations such as country parks, leisure and cultural facilities, public housing estates, government quarters and government office buildings, the maintenance and management are provided and paid for by the AFCD, the LCSD, the Housing Department (HD) and property management companies of the government buildings respectively. The costs incurred are included in the refuse disposal and cleansing management contracts as a whole and no breakdown of such items is available.

(4) In 2013, the EPD appointed the Centre for Environmental Policy and Resource Management of The Chinese University of Hong Kong to conduct a survey. Residents of housing estates were interviewed at random by telephone to evaluate their awareness and participation in the Source Separation of Waste (SSW Programme). The findings of the survey showed that the interviewees' awareness of the Programme was high, with more than 90% of which claimed to have knowledge of the provision of three-colour bins in the housing estates/residential buildings they lived and over 70% of which claimed to have participated in the SSW as well. We will further enhance liaison and co-operation with the property management companies and stakeholders to improve the SSW Programme. We will also publicize and promote waste reduction and recovery at the community level. Moreover, we will disseminate the message of clean recycling through the announcements of public interests and the free mobile application, "WASTE LESS", and so on, to facilitate the implementation of the overall waste management strategy of the Government.

(5) and (6)

The EPD has been making great efforts to implement the programmes on Source Separation of Waste SSW and encourage community participation in waste reduction, separation, recovery and recycling. The publicity and promotion activities are not limited to the dissemination of messages such as using less disposable cutleries
and buying less bottled drinks. These are part of the waste reduction and recycling work of the EPD. We do not have breakdown of the expenditure incurred and the channels used in individual programmes.

Meanwhile, through the Environment and Conservation Fund (ECF), we actively support non-profit-making organizations to organize educational activities and encourage recycling in the community. Over the past three years, the funds approved by the ECF for non-profit-making organizations on waste reduction and recovery as well as educational activities are shown at Annex 4.

(7) The Government submitted the Promotion of Recycling and Proper Disposal (Product Container) (Amendment) Bill 2015 to the Legislative Council in July 2015 for the implementation of a mandatory producer responsibility scheme (PRS) on product containers which initially include glass beverage containers. The implementation of PRS helps address properly the environmental impact caused by waste product containers. The EPD will conduct a review taking into account the experience accumulated and consider extending the scope of regulation to other types of containers in future. The EPD does not have the statistics for respective quantities of paper, plastics and metal materials used for the packaging of beverages.

(8) The EPD has maintained close contact and communication with the local recycling industry and monitored closely the market situation of recyclables. A consultant was commissioned to carry out project-specific research for the recycling of local plastics. We understand that the local recycling industry is facing various challenges, including the need for a stable supply of large quantity of clean and separated recyclables so as to increase the cost-effectiveness of the procedures, the need to improve the technology for high value-added processes, the need to control operating costs including those on labour and insurance, and the demand for suitable sites for operation, and so on. To help the local recycling sector meet the said challenges, the Steering Committee to Promote the Sustainable Development of the Recycling Industry led by the Chief Secretary for Administration has been co-ordinating
departments concerned to follow up and implement various policies and measures proactively to support the recycling industry with a view to increasing the overall waste recovery rates of Hong Kong. The policies and measures concerned are shown at Annex 5.

The Government will continue to review the effectiveness of these measures and take follow-up actions and enhancement measures in a timely manner. This is to ensure that the measures meet the needs of the local recycling industry and help promote the green circular economy.

Annex 1

Statistics on the main types of waste recovered and disposed of at landfills from C&I and domestic (mainly including residential buildings, public organizations and public places) over the past few years

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>Total recovery quantity in Hong Kong ('000 tonne)</td>
<td>1162</td>
<td>1035</td>
</tr>
<tr>
<td></td>
<td>Quantity disposed of at landfills ('000 tonnes)</td>
<td>697</td>
<td>666</td>
</tr>
<tr>
<td></td>
<td>Percentage of recovery (%)</td>
<td>63</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Quantity collected through recycling bins at public places (tonnes)</td>
<td>525</td>
<td>519</td>
</tr>
<tr>
<td></td>
<td>Percentage in total recovered quantity in Hong Kong (%)</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Plastics</td>
<td>Total recovery quantity in Hong Kong ('000 tonne)</td>
<td>317</td>
<td>243</td>
</tr>
<tr>
<td></td>
<td>Quantity disposed of at landfills ('000 tonnes)</td>
<td>668</td>
<td>681</td>
</tr>
<tr>
<td></td>
<td>Percentage of recovery (%)</td>
<td>32</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Quantity collected through recycling bins at public places (tonnes)</td>
<td>165</td>
<td>174</td>
</tr>
<tr>
<td></td>
<td>Percentage in total recovered quantity in Hong Kong (%)</td>
<td>0.05</td>
<td>0.07</td>
</tr>
<tr>
<td>Year</td>
<td>2012</td>
<td>2013</td>
<td>2014</td>
</tr>
<tr>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Metal</td>
<td>Total recovery quantity in Hong Kong ('000 tonne)</td>
<td>578</td>
<td>602</td>
</tr>
<tr>
<td></td>
<td>Quantity disposed of at landfills ('000 tonnes)</td>
<td>87</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Percentage of recovery (%)</td>
<td>87</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>Quantity collected through recycling bins at public places (tonnes)</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Percentage in total recovered quantity in Hong Kong (%)</td>
<td>0.003</td>
<td>0.003</td>
</tr>
</tbody>
</table>

Notes:

(1) Relevant statistics for 2015 are still being collected and compiled.

(2) The quantities recovered through recycling bins at public places refer to the quantities of recyclables collected from the recycling bins provided by the FEHD, the LCSD and the AFCD, including those at schools and clinics. The EPD does not have a complete set of data on the quantities of recyclables recovered via recycling bins and facilities at other places.

(3) Percentage of recovery = Total recovery quantity in Hong Kong / (Total recovery quantity in Hong Kong + Quantity disposed of at landfills) \times 100% 

(4) Disposal quantity and recovery percentage are calculated on a wet weight basis.

(5) Given that some recyclables in the bins are taken away by scavengers, the quantity of recyclables collected may not fully reflect the effectiveness of bins.

Annex 2

Expenditures incurred by the FEHD on the contracts of collecting waste from bins over the past few years

<table>
<thead>
<tr>
<th>Term of Service Contract</th>
<th>Contract Value ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2010 to July 2012</td>
<td>9.0</td>
</tr>
<tr>
<td>August 2012 to July 2014</td>
<td>12.9</td>
</tr>
<tr>
<td>August 2014 to July 2016</td>
<td>21.6</td>
</tr>
</tbody>
</table>
New tender terms in the service contract between the FEHD and the contractors that took effect in August 2014

(i) To facilitate on-site monitoring, the contractor is required to use transparent plastic bags for collection of recyclables, and the bags should be printed with the words "used for collecting recyclables". Notices showing "FEHD contractor providing collection service for recyclables" should be displayed on both sides of the body of its collection vehicles;

(ii) The contractor is required to nominate up to two local recyclers to receive and recycle plastic recyclables when submitting their bids for the contracts. Each recycler nominated shall have independent capability and experience to properly process plastic recyclables at a designated recycling site; and

(iii) The FEHD may direct the contractor to change its recyclers if their performance is not satisfactory.

Annex 4

Funds approved by the ECF for non-profit-making organizations on waste reduction and recovery as well as educational activities over the past three years

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Amount ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds approved by the ECF for educational and promotional projects on community waste reduction and recovery as well as other related activities</td>
<td>53</td>
</tr>
</tbody>
</table>

Note:

Relevant statistics for 2015-2016 are still being collected and compiled.
Policies and measures promulgated by the Steering Committee to Promote the Sustainable Development of the Recycling Industry

(i) A working group on a clean recycling campaign has been formed to promote source separation and cleaning of wastes at the community level. Meanwhile, property management companies, green groups, schools and other community organizations are encouraged to jointly organize promotional activities, with the focus on the promotion of clean recycling so as to increase the recovery quantities and the value of recyclables;

(ii) A Recycling Fund of $1 billion has been set up to promote the recovery and recycling of waste by facilitating the upgrading of the operational capabilities and efficiency of the recycling industry for sustainable development, so that waste can be converted into useful resources and products. The Recycling Fund was officially launched on 6 October 2015 and is open for application from the recycling industry and relevant organizations so as to assist them in upgrading and expanding local recycling operations in the form of a matching fund. We have also set up small-scale projects with less amount of subsidy and relatively simpler application procedures to facilitate applications from small and medium enterprises;

(iii) On land support, the EPD has commissioned a consultancy study on the land requirements of the recycling industry, which will facilitate the Government to formulate land support measures for waste recovery and recycling activities, as well as reviewing the tendering arrangement in letting out short-term tenancy sites; and

(iv) Regarding manpower training and development of the industry, the EPD is stepping up the co-operation with the industry to increase the operational capability of local recyclers and uplift the image of the industry; raise the standard of the occupational safety and health; enhance the training for current practitioners and attract more newcomers to join the industry, thereby promoting the long-term development of the local recycling industry. In addition, the Hong Kong Quality Assurance Agency (HKQAA) launched the "HKQAA Hong Kong Registration — Recycling Services" scheme in October 2015 to promote best practices among the
recycling industry and encourage organizations to treat waste properly. A
code of practice has been issued with a view to promoting environmental
protection, occupational health and safety practices within the recycling
industry.

BILL

First Reading of Bill


FINANCIAL INSTITUTIONS (RESOLUTION) BILL

CLERK (in Cantonese): Financial Institutions (Resolution) Bill.

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

Second Reading of Bill


FINANCIAL INSTITUTIONS (RESOLUTION) BILL

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I move the Second Reading of the Financial Institutions (Resolution) Bill (the Bill).

The Bill seeks to establish a cross-sector resolution regime for orderly
resolution of systemically important financial institutions (FIs) in case of their
non-viability to facilitate continued performance of critical financial functions,
with a view to maintaining the stability of the financial system. For that
purpose, the Bill seeks to confer powers on the Monetary Authority (MA), the
Securities and Futures Commission (SFC) and the Insurance Authority (IA) to
strengthen the resilience of the financial system and properly protect public funds.
The "too big to fail" phenomenon arisen during the financial crises in recent years reflected the dilemma that the local authorities concerned faced in the absence of relevant powers when the systemically important FIs were on the brink of non-viability: Whether they were to allow abrupt disruption of financial services and let those individuals, enterprises and economies relying on such services suffer from serious impacts, or; to save FIs at all costs by using public funds for protecting their operation while having the public to pay for it with the weakening of the self-regulatory practice of the market at the same time.

The purpose of the resolution regime led by the Financial Stability Board (FSB) and deliberated with international research efforts is to properly deal with those systemically important or critical local or cross-border FIs in distress, with a view to addressing the "too big to fail" phenomenon. The Key Attributes of Effective Resolution Regimes for Financial Institutions (Key Attributes) published by the FSB — an international organization — has now become the new international standard. As both a member jurisdiction of the FSB and an international financial centre, Hong Kong pledges to spare no effort in implementing the latest international standards required under the Key Attributes.

Major proposals made in this Bill include:

(1) Scope

The Bill proposes to bring within scope those FIs that could be systemically significant or critical to the local financial system on failure. The scope covers all authorized institutions under the Banking Ordinance; certain financial market infrastructures (FMIs); certain global systemically important FIs or licensed corporations associated with global systemically important FIs under the Securities and Futures Ordinance; certain authorized insurers under the Insurance Companies Ordinance that are global systemically important insurers; and recognized exchange companies that are designated by the Financial Secretary on the recommendation of the SFC to be within scope because they are considered to be domestic systemically important.

The holding companies of the above within scope FIs, and the affiliated operational entities providing essential services to such FIs, as well as the foreign branches of within scope FIs, are all proposed to be covered by the regime.
In addition, the Bill provides the Financial Secretary with a designation power to subsequently bring FIs that are not initially covered by the regime within scope if, in future, it should become apparent that systemic disruption could result from their becoming non-viable.

(2) Resolution Authority (RA)

The Bill proposes to designate the existing financial regulators, namely, the MA, the SFC and the IA, as the RAs for the banking, securities and futures and insurance sectors respectively according to their existing regulatory purviews. Where an FI is part of a group containing within scope FIs from more than one sector, the Financial Secretary may designate a Lead Resolution Authority.

(3) Resolution Objectives

The Bill provides for the resolution objectives, to which the RA must have regard in the performance of its functions. Such objectives include: maintaining the stability and effective working of the Hong Kong financial system; protecting depositors or insurance policy holders of a within scope FI and client assets to no less an extent than they would be protected on a winding up of the FI; and seeking to contain costs of resolution and to protect public money.

(4) Conditions for initiating a resolution

The RA must first consult the Financial Secretary and three high-threshold conditions must be met before a resolution can be initiated. The first is that the RA is satisfied the FI has ceased, or is likely to cease, to be viable. The second is that there is no reasonable prospect that private sector action (outside of resolution) would result in the FI becoming viable again within a reasonable period. The third is that the non-viability of the FI will pose risks to the stability and effective working of the financial system of Hong Kong, and that resolution will avoid or mitigate those risks.
(5) Stabilization options

The Bill makes available the following stabilization options: transfer of some or all of the failing FI's business to a purchaser or bridge institution; transfer of assets of the failing FI to an Asset Management Vehicle; statutory bail-in (that is, write-off or conversion into shares) of liabilities of the failing FI; and, as a last resort, transfer of that FI to temporary public ownership. Consent of shareholder or creditor is not required for the RA to execute the above options.

In supporting the aforesaid stabilization options, the Bill also provides for a series of preparatory powers, which includes the power to impose a temporary stay of early termination rights in the contract. The purpose of temporary stay of early termination rights is to protect the performing of critical financial functions of an FI in resolution, such that they may continue to be performed subject to the condition that the FI concerned will continue to execute the contract.

(6) Safeguards

In accordance with the Key Attributes, the Bill provides for various safeguards and structures its checks and balances against the powers available, including: (i) under the principle of "no creditor worse off than in liquidation" (NCWOL), in case the pre-resolution shareholders or pre-resolution creditors receive a treatment in resolution that is worse off than in the liquidation of the institution, they shall be compensated for the pecuniary difference; (ii) two appeal mechanisms are to be established, one being the Resolution Compensation Tribunal to hear appeals made against NCWOL valuation, while the other being the Resolvability Review Tribunal to provide an avenue of appeal for an FI against the direction to remove impediments for resolution in connection with the preparing for resolution; (iii) the RA shall safeguard the economic effect of certain financial arrangements (such as set-off or netting arrangement) in executing stabilization options; and (iv) a person is
not civilly liable for any act done or omitted to be done by the person in good faith in performing, or assisting a person in the performance of, a function under the Bill.

(7) Resolution funding arrangements

The intention of resolution is to let the costs and losses involved in the failure be borne by the shareholders and creditors of the failed FI. However, as need may arise, the RA may deploy temporary public funding to facilitate orderly resolution of a non-viable FI. There are provisions in the Bill proposing the requirement of the RA to recoup the outstanding amount of public money so deployed, upon the conclusion of resolution, from the industry through an ex post levy. The levy is to be specified by Legislative Council resolution, and only within scope FIs operating in the same sector as the FI in resolution will be levied. In the case of FMIs and exchanges, a "user pays" levy is to be adopted. It is because orderly resolution facilitates continuity of critical financial functions, which will benefit a broad set of users from all sectors altogether.

(8) Foreign resolution action

Hong Kong is a place where the key businesses of the branches of many cross-border FIs in the world situate. Therefore, the Bill reflects the criteria of the Key Attributes in respect of cross-border resolution, by which local RA may, upon the meeting of certain conditions and consultation with the Financial Secretary, support or recognize foreign resolution actions.

In connection with the establishment of a resolution regime applicable to FIs in Hong Kong, the Government conducted two rounds of public consultation last year and this year respectively, with a vast majority of views received from the public endorsing the importance of establishing a local resolution regime. In October 2015, the Government published the conclusions from the consultation to summarize the views of the respondents towards various proposals.
With these remarks, President, I hope Honourable Members will support and endorse the Bill as soon as possible. Thank you, President.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Financial Institutions (Resolution) Bill 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.

**MEMBERS' MOTIONS**

**PRESIDENT** (in Cantonese): Members' motions. Proposed resolution under the Interpretation and General Clauses Ordinance to extend the period for amending the Legislative Council Ordinance (Amendment of Schedule 5) Order 2015 and the Maximum Amount of Election Expenses (Legislative Council Election) (Amendment) Regulation 2015, which were laid on the Table of this Council on 18 November 2015.

I now call upon Mr Paul TSE to speak and move the motion.

**PROPOSED RESOLUTION UNDER SECTION 34(4) OF THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE**

**MR PAUL TSE** (in Cantonese): President, in my capacity as Chairman of the Subcommittee on Legislative Council Ordinance (Amendment of Schedule 5) Order 2015 and Maximum Amount of Election Expenses (Legislative Council Election) (Amendment) Regulation 2015, I move the motion to extend the scrutiny period of the two pieces of subsidiary legislation as set out in the motion to 6 January 2016.

President, at the House Committee meeting on 20 November 2015, Members decided to form a subcommittee to study the two pieces of subsidiary legislation as set out in the motion. Since the Subcommittee requires more time
to deliberate, I implore Members to support the motion to extend the scrutiny period of the two pieces of subsidiary legislation to 6 January 2016. Thank you, President.

Mr Paul TSE moved the following motion: (Translation)

"RESOLVED that in relation to the —

(a) Legislative Council Ordinance (Amendment of Schedule 5) Order 2015, published in the Gazette as Legal Notice No. 225 of 2015; and

(b) Maximum Amount of Election Expenses (Legislative Council Election) (Amendment) Regulation 2015, published in the Gazette as Legal Notice No. 226 of 2015,

and laid on the table of the Legislative Council on 18 November 2015, 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 January 2016."

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

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

(No Member indicated a wish to speak)

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

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr Andrew LEUNG will move a motion under Rule 49E(2) of the Rules of Procedure to take note of seven items of subsidiary legislation, which were included in Report No. 6/15-16 of the House Committee laid on the Table of this Council.

I will first call upon Mr Andrew LEUNG to move the motion. The debate will then be divided into two sessions. The first session is to debate five items of subsidiary legislation relating to the Legal Practitioners Ordinance; the second session is to debate two items of subsidiary legislation relating to the Buildings Ordinance.

Each Member may only speak once in each session and for up to 15 minutes each time. In the first session, I will first call upon the chairman of the subcommittee formed to scrutinize the relevant subsidiary legislation to speak, to be followed by other Members. Finally, I will call upon the relevant public officer to speak. In the second session, as the chairman of the subcommittee formed to scrutinize the relevant subsidiary legislation will not be able to attend today's meeting, I will directly call upon Members to speak, to be followed by the relevant public officer.

The second session will start immediately after the relevant public officer has spoken in the first session. The debate on this motion will come to a close after the public officer has spoken in the second session. The motion will not be put to vote.

I now call upon Mr Andrew LEUNG to move the motion.
MOTION UNDER RULE 49E(2) OF THE RULES OF PROCEDURE

MR ANDREW LEUNG (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 on the seven items of subsidiary legislation, with five items relating to the Legal Practitioners Ordinance and two items relating to the Buildings Ordinance, included in Report No. 6/15-16 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments.

President, I so submit.

Mr Andrew LEUNG moved the following motion: (Translation)

"That this Council takes note of Report No. 6/15-16 of the House Committee laid on the Table of the Council on 2 December 2015 in relation to the subsidiary legislation and instrument(s) as listed below:

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Title of Subsidiary Legislation or Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Solicitors' Accounts (Amendment) Rules 2012 (Commencement) Notice (L.N. 161/2015)</td>
</tr>
<tr>
<td>(2)</td>
<td>Accountant's Report (Amendment) Rules 2012 (Commencement) Notice (L.N. 162/2015)</td>
</tr>
<tr>
<td>(3)</td>
<td>Solicitors (Professional Indemnity) (Amendment) Rules 2012 (Commencement) Notice (L.N. 163/2015)</td>
</tr>
<tr>
<td>(4)</td>
<td>Solicitors' Practice (Amendment) Rules 2012 (Commencement) Notice (L.N. 164/2015)</td>
</tr>
<tr>
<td>(5)</td>
<td>Foreign Lawyers Practice (Amendment) Rules 2012 (Commencement) Notice (L.N. 165/2015)</td>
</tr>
</tbody>
</table>
(17) Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) (Amendment) Regulation 2015 (L.N. 191/2015)

(18) Building (Administration) (Amendment) (No. 2) Regulation 2015 (L.N. 192/2015)."

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

PRESIDENT (in Cantonese): We now proceed to the first session to debate the five items of subsidiary legislation relating to the Legal Practitioners Ordinance, that is: Solicitors' Accounts (Amendment) Rules 2012 (Commencement) Notice; Accountant's Report (Amendment) Rules 2012 (Commencement) Notice; Solicitors (Professional Indemnity) (Amendment) Rules 2012 (Commencement) Notice; Solicitors' Practice (Amendment) Rules 2012 (Commencement) Notice; and Foreign Lawyers Practice (Amendment) Rules 2012 (Commencement) Notice.

Members who wish to speak on the five items of subsidiary legislation will please press the "Request to speak" button.

DR PRISCILLA LEUNG (in Cantonese): President, in my capacity as Chairman of the Subcommittee on Commencement Notices related to Five Sets of Amendment Rules made under Sections 73 and 73A of the Legal Practitioners Ordinance and Gazetted on 17 July 2015 (Subcommittee), I now report on the deliberation of the Subcommittee.

With the prior approval of the Chief Justice of the Court of Final Appeal, five sets of Amendment Rules (Amendment Rules) made under sections 73 and 73A of the Legal Practitioners Ordinance by the Council of The Law Society of Hong Kong (Law Society) were gazetted in October 2012. The purposes of the
Amendment Rules are to update and codify the requirements for solicitors to account to clients for any interest earned on money deposited with them. The President of the Law Society gazetted the Commencement Notices on 17 July 2015, which states that the effective date of the above Amendment Rules shall be 1 July 2016.

(The President's Deputy, Mr Andrew Leung, took the Chair)

The Subcommittee has asked why the Amendment Rules only take effect about four years after they were gazetted in October 2012. The Law Society has advised that the commencement dates of the Amendment Rules has been fixed on 1 July 2016 with an intention of allowing ample time for its members to familiarize themselves with the operation of the Amendment Rules and to update the computer systems, if necessary, in order to comply with the new requirements under the Amendment Rules. Prior to the commencement of the Amendment Rules, the Law Society has also completed the following preparatory work, which includes reviewing and revising the Manual, as well as organizing seminars for its members. Under the new requirements, a solicitor must keep his client's money in bank account identifiable as a client account at a bank located and licensed in Hong Kong. This can address the problems with access to information on the client account concerned if the account is maintained at an overseas bank or an overseas branch of a bank licensed in Hong Kong.

In addition, the Subcommittee has noted that since the commencement of the Amendment Rules on 1 July 2016, the definition of "solicitor" under the Solicitors' Accounts Rules has been expanded to include a solicitor corporation, a foreign lawyer and a foreign firm. Starting from 2016, the new requirements under the amended Solicitors' Accounts Rules would be examined under the subject "Accounts and Professional Conduct" in the Overseas Lawyers Qualification Examination. Also, the Law Society has further advised that the Hong Kong Solicitors' Guide to Professional Conduct has already addressed the issue of conflicts between the ethical rules of different jurisdictions.
The Subcommittee supports the commencement notices related to the five sets of Amendment Rules and will not propose any amendments to the Commencement Notices.

Deputy President, I have nothing further to add. 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): Members have already spoken in this session. I now call upon the Solicitor General to speak. This session will come to a close after the General has spoken.

SOLICITOR GENERAL (in Cantonese): Deputy President, the Solicitors' Accounts (Amendment) Rules 2012; the Accountant's Report (Amendment) Rules 2012; the Solicitors (Professional Indemnity) (Amendment) Rules 2012; the Solicitors' Practice (Amendment) Rules 2012; and the Foreign Lawyers Practice (Amendment) Rules 2012 (collectively as Amendment Rules) were made under sections 73 and 73A of the Legal Practitioners Ordinance (Cap. 159) in 2012 by the Council of The Law Society of Hong Kong (Law Society) subject to the prior approval of the Chief Justice.

The purposes of the Amendment Rules are to codify the requirements under the Solicitors' Accounts Rules for solicitors to account to clients for any interest earned on money deposited with them and expand the application to include any solicitor corporation, foreign lawyer and foreign firm, as well as to amend any incidental and relevant issues.

The motion moved today is related to the Commencement Notices (Commencement Notices) concerning the above-mentioned five sets of Amendment Rules. By the Commencement Notices, the President of the Law Society has appointed 1 July 2016 as the day on which the Amendment Rules come into operation.
The Commencement Notices were gazetted on 17 July 2015 and subsequently tabled at the Legislative Council meeting. At the House Committee meeting held on 9 October 2015, Members agreed that a subcommittee should be formed to study the Commencement Notices. The Chairman of the Subcommittee, Dr Priscilla LEUNG, has already reported to Members on the deliberation of the Subcommittee. I believe that the representatives of the Law Society, who have attended the Subcommittee meetings, have also noted the views of the Subcommittee. I appreciate the support given by the Subcommittee.

The Hong Kong Special Administrative Region Government welcomes the Law Society to adopt legislative measures in accordance with the Amendment Rules, setting out the principles that must be observed by a solicitor in handling client's money and imposing a duty on a solicitor to account for any interest earned on the client's money under certain conditions. I believe that when these legislative measures have come into effect, the regulation on the practice and procedure of service provision of solicitors in Hong Kong will definitely be improved and the statutory regime will be optimized, which will be conducive to maintaining Hong Kong's legal service standard and competitiveness, as well as strengthening Hong Kong's status as an international legal and dispute resolution service centre in the Asia Pacific region.

I would like to take this opportunity to thank Dr Priscilla LEUNG, the Chairman of the Subcommittee, and all its Members for their efforts, valuable opinions and support.

I so submit. Deputy President, thank you.

DEPUTY PRESIDENT (in Cantonese): We now proceed to the second session to debate the two items of subsidiary legislation relating to the Buildings Ordinance, that is: Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) (Amendment) Regulation 2015; and Building (Administration) (Amendment) (No. 2) Regulation 2015.

Members who wish to speak on the two items of subsidiary legislation will please press the "Request to speak" button.
MR TONY TSE (in Cantonese): Deputy President, the Chairman of the Subcommittee on Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) (Amendment) Regulation 2015 and Building (Administration) (Amendment) (No. 2) Regulation 2015 (the Subcommittee) is Miss Alice MAK. As she is unable to attend the present meeting, she has entrusted me to give a summary of the deliberations of the Subcommittee.

The Subcommittee held five meetings to scrutinize the two amendment regulations and receive views from deputations. The Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) (Amendment) Regulation 2015 (the Amendment Regulation) seeks to update the standards for the provision of sanitary fitments in private buildings and, in particular, increase the number of female sanitary fitments in public places. The Subcommittee basically supports the relevant amendments.

Pursuant to the requirements of the Amendment Regulation, as far as the provision of sanitary fitments is concerned, a ratio of 1:1.5 shall be adopted for assessing the number of males to that of females in six types of public places, that is, cinemas, restaurants, places of public entertainment, shopping arcades and department stores, religious institutions, and funeral parlours. Some members of the Subcommittee consider that the adoption of the ratio of 1:1.5 for assessing the number of males to that of females in public places will not be able to address the shortage of female toilet compartments in public places. Some members are thus of the opinion that the ratio should be increased to 1:2.

The Administration has explained that the ratio of 1:1.5 is only a standard for assessing the flow of people. Under the Amendment Regulation, the number of waterclosets required to be provided in public places for females will be more than that for the same number of males, and will also be more than the number of waterclosets required to be provided for females under the extant regulations. This is because the minimum standard prescribed by the Amendment Regulation for the numbers of male and female sanitary fitments has taken into account the different needs of males and females. For example, under the Amendment Regulation, for a cinema with a seating capacity of 250, the ratio of male to female toilet compartments required to be provided is 1:4.

The Subcommittee notes that the new requirements on the provision of sanitary fitments under the Amendment Regulation have no retrospective effect, and will only apply to building works and major alteration and addition works of
which the commencement is approved by the Buildings Department after the Amendment Regulation comes into force. Some members are concerned that some restaurants or cinemas may not be able to provide more sanitary fitments in accordance with the new requirements when they undergo renovation works in the future, because many restaurants and cinemas are in shopping arcades and their operators have no control over the provision of additional sanitary fitments in the communal toilets in the shopping arcades; besides, some restaurants may not be able to provide more sanitary fitments due to the constraints of the building structure or design.

According to the Administration, unless the relevant alteration and addition works involve substantial alterations such as a change in the use of the premises or an extension, the new standards for the provision of sanitary fitments will not be applicable to an existing restaurant or cinema undergoing minor alteration works. The Administration has also stated that if there are physical constraints making it difficult to comply with certain provisions of the Buildings Ordinance during the alteration and addition works of a building, the party concerned may apply to the Buildings Department for an exemption, and the Building Authority will consider the application on its own merits.

Members have expressed concern that the new requirements under the Amendment Regulation will only apply to private buildings but will not apply to government facilities or MTR stations. According to the Administration, the Architectural Services Department has progressively increased the number of female toilets in accordance with the new standards in its new projects and major renovation works. As regards MTR stations, the MTR Corporation Limited will provide toilets in stations where feasible, as well as in or near new stations when planning new railway lines.

The Subcommittee hopes that the relevant Panel will follow up the implementation of the Amendment Regulation, and requests the Administration to review the standards from time to time and urge government departments and public service providers to improve the sanitary fitments in the public places under them in accordance with the new standards.

Deputy President, the following are my personal views on the Amendment Regulation. The main purpose of the Amendment Regulation is, as I mentioned just now, to change the requirements on the numbers of waterclosets in toilets and the ratio of male to female waterclosets in respect of the standards of sanitary
fitments for buildings, with an emphasis on enhancing the statutory standards for the provision of female sanitary fitments in the public areas of private buildings. As there are presently always long queues outside female toilets in many public places, while queues are rarely seen outside male toilets, it is necessary to increase the proportion of female sanitary fitments to address the demand of the community. I, therefore, support the Amendment Regulation.

During the Subcommittee's scrutiny of the Amendment Regulation, my attention was drawn to certain issues, which I hope the Government will consider and follow up.

First of all, I welcome the Amendment Regulation's enhancement of the standards of sanitary fitments for new private buildings in question, and yet I am concerned about the implications of the Amendment Regulation for existing buildings, particularly restaurants, and the owners or operators concerned. The Administration has indicated that under the Amendment Regulation, the licence renewal application of an existing restaurant may still be vetted according to the standard on the number of toilet compartments specified in the existing licence, but if there is an alteration to the layout or a change in the contents of the licence, compliance with the new standards of sanitary fitments may be required. Given that some buildings may not be able to provide additional toilet compartments to meet the new standards due to various reasons, the Administration has explained to the Subcommittee that unless the works of the relevant buildings (including existing restaurants) involve a change in the use of the premises or an extension, they are not required to comply with the new standards. Moreover, in respect of some minor alteration works such as changing the position of a door and altering the internal partitions, the Government will exercise its reasonable discretion in granting exemptions.

I welcome the Administration's pragmatic approach. Still, to facilitate the building sector's better understanding of the circumstances or types of alteration and addition works that will be exempted from the requirements on the provision of sanitary fitments under the Amendment Regulation, and to reduce the workloads of the building industry and the staff of government departments in making or processing applications for exemptions, I hope that the Administration can, as soon as practicable within the shortest possible time after the commencement of operation of the Amendment Regulation, provide the industry with information on the types of alteration and addition works that may be exempted.
In addition, I note that under the Amendment Regulation, the extant calculation method based on "usable floor space" in connection with the standards of sanitary fitments will be changed to one based on "usable floor area". The Administration has explained that this is primarily a technical amendment which does not cause any substantive change to the requirements on the standards of such fitments. But, considering that under the existing Buildings Ordinance, for assessing the required provision of certain fitments, there are usually two methods of calculation of areas, namely "usable floor space" and "usable floor area" that I mentioned just now, in order to ... Actually, as we all know, "usable floor area" is more widely used at present. So, in view of the fact that a few regulations under the existing Buildings Ordinance still adopt "usable floor space" as the basis for calculating the areas of building facilities, including refuse storage and material recovery chambers, I would like to call on the Administration to expeditiously amend the relevant regulations by adopting "usable floor area" as the basis of calculation across the board.

Deputy President, while I support the Amendment Regulation proposed by the Government, I must say that as the area occupied by sanitary fitments is required to be included in the total floor area permitted for property development, additional sanitary fitments will reduce the usable floor area or efficiency ratio of the building. For this reason, developers generally will only comply with the minimum requirement of the legislation in providing these sanitary fitments. I hope that the Government can consider offering incentives to prompt developers to provide fitments which exceed the minimum requirement prescribed by this regulation, such as babycare rooms, rest rooms and other quality public facilities. I hope that the Government can study and follow up this issue.

Deputy President, I reiterate my support for the Amendment Regulation, which seeks to enhance the existing standards of sanitary fitments laid down over 50 years ago in 1959. This amendment exercise is a belated one, but better late than never.

Deputy President, I so submit.

MS EMILY LAU (in Cantonese): Deputy President, I really have to support the Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) (Amendment) Regulation 2015 (the Amendment Regulation) in tears. How pathetic. If I do not support it, no progress will be made.
Deputy President, as Mr Tony TSE has said, the Regulation was enacted 56 years ago and it is only amended for the first time now. How many 56 years do we have in a lifetime? I believe I only have one. This is ridiculous. A few years ago, this matter was dealt with by Carrie LAM who was the then Secretary for Development. However, no improvement has been made until today. As such, Deputy President, the situation is really terrible. The amendment is belated and of a limited scope. Although Dr Helena WONG is taking her class in London, she has urged me to speak and support the Amendment Regulation, yet, I have to add the words "in tears".

Secretary, please do not let my prediction come true. Even if the Amendment Regulation is passed, the queues outside female toilets in shopping arcades or cinemas will still be long. Every time I go outing to the New Territories, I always find the toilets there extremely dirty and long queues can be seen outside female toilets. Some toilets are aqua privies, which is really ridiculous. With such an intolerable situation, how can we say that Hong Kong is a metropolitan in Asia? Just the quality of toilets is unworthy of such a claim. The situation in restaurants is the same, which is not necessarily attributed to the fact of male dominance, that is, dominance of "restaurant guys". Anyway, waiting in a long queue for use of the toilet is a norm. Deputy President, I always criticize the Administration for failing to share the public's urgent concern. That is really outrageous. As pointed out by Mr Tony TSE just now, all Government facilities are not subject to the Amendment Regulation. The Government loves to be above the law and this situation has not been changed since the colonial era.

Deputy President, have you ever heard of public piers? Our request for building some toilets in public piers was rejected by the Administration. Why? According to the Government, as most people only spend a short time at public piers, there was no need to build any toilets. Even so, if people have an urgent need to go to the toilet, what should they do? Has the Administration ever thought of this? The Government said that if the pier operator was willing to build a toilet, people could use it. Deputy President, this reflected the Government's mindset. We have criticized such thinking of the Government for years. When we requested the provision of toilets in MTR stations, the Government once again said that as most people would not spend a long time at MTR stations, why should toilets be provided? Now, even the MTR Corporation Limited (MTRCL) has built some toilets at its stations. However, as Mr TSE has said, not all stations are provided with toilets, toilets are only
provided where possible or they are located near or adjacent to an MTR station. If a person wants to use the toilet after he has passed through the ticket gate, that is too bad; he has to leave the station, goes to the toilet and then reenters the paid area. Is this what a Government that upholds the people-based principle should do? As such, Deputy President, how would I not support the Amendment Regulation in tears?

As pointed out by Mr TSE, the ratio for assessing the number of males to that of females in public places would be changed from 1:1 to 1:1.5. Certainly, this is unacceptable. I do not care what criterion has been used. Secretary, I invite you to conduct a site inspection with me, let us go to shopping arcades or any places that are crowded with people to see whether there are queues outside female toilets. Women are annoyed having to wait for going to the toilet, and do men who have to wait outside. They are really furious. Deputy President, why is the Government reluctant to address the issue? Why do we have to increase the number of female toilets? It is because the number of the female population has increased, which stands at 3.9 million, whereas the male population is 3.45 million. The ratio of the number of males to that of females has increased. In addition, as we all know, it takes more time for females to use the toilet. Very often, females have to bring their babies with them to the toilet. Frankly speaking, even if the ratio is increased to 1:2, the problem may still not be resolved. Deputy President, I believe one of the reasons for not increasing the number of toilets may be due to the objection of the business sector. The business sector may query about the need for more toilets. They may prefer having more shops for rental, though nowadays rents may be going down. However, I hope the business sector will understand that if it adopts a friendly approach … the business sector says that people just use the toilets in shopping arcades, but as the Deputy President may be aware, after using the toilet, people may go shopping or go to restaurants, which may boost the popularity of the shopping arcades. On this point, however, I believe some shopping arcades may be furious because of the Government's refusal to build public toilets. Just go to Mong Kok, and see if you can find a public toilet. You have to go to restaurants or shopping arcades if you want to use the toilet. I do not understand why Hong Kong is like this.

Conversely, in Japan, toilets are very clean and many places are provided with toilets. I do not understand why the Hong Kong Government refuses to provide such basic facilities and why it refuses to increase the number of toilet compartment. This is really infuriating. As Tony TSE has said, the
Government is not bound by the Amendment Regulation, though there are some internal guidelines on the gradual increase of toilets in new buildings to be built in the future.

Deputy President, we cannot wait for the Government to gradually increase the number of toilet, instead I hope the Government will improve the situation expeditiously. If this can be done, the Government will have a higher popularity rating as people have been waiting impatiently, and they are getting furious. Deputy President, do you know people have been waiting impatiently? I hope that the Administration will not improve the situation after more than 50 years or only make minor improvements. We are indignant. In addition, I also want to say something to the MTRCL. I hope that more toilets can be provided in MTR stations as far as possible. Do not say that toilets can be provided if possible inside MTR stations or in places near an MTR station. The MTRCL should build the toilets by itself.

Deputy President, we think the Administration should address the issue expeditiously even if no amendment is proposed today. I have to support the Amendment Regulation in tears, and I believe other people also support the amendment in tears. The Administration should state that it will review the situation shortly. It should review the deficiencies in government buildings, and draw up a timetable for making improvement, as well as discuss with the business sector, including operators of shopping arcades and restaurants, to see how assistance can be provided to them to make improvement.

Deputy President, Hong Kong is a civilized society and basic facilities should be made available. Toilet is a fundamental facility, but legislative amendment is only made after a lapse of 50-odd years. Isn't this a laughingstock, an international laughingstock? As such, I sincerely hope that when the Secretary speaks later on, he will promise to make more effort and do something for the benefit of the people.

Finally, Deputy President, Dr Helena WONG reminded me that I have to mention one point. Dr Helena WONG has proposed to set up some unisex toilet compartments, but was rejected by the Administration. Some people may say that the toilet compartments for the handicapped are already unisex toilet compartments. However, such compartments are sometimes used as storerooms and are even locked up. What is the purpose of setting up unisex toilet compartments? The term carer has been mentioned. In some cases, the carer...
and the person being taken care of, be he a patient or whoever, are of different sexes but both of them have to go inside the same toilet compartment. It is hoped that a unisex toilet compartment will accommodate their need.

Moreover, unisex toilet compartments can accommodate transsexuals. Recently, I attended a meeting of the United Nation's Committee Against Torture, during which many issues have been discussed, such as the opposition against cruel treatment to transsexuals. Hong Kong people must learn more about transsexuals and transgender people, who can neither go to male toilets nor female toilets at ease. We should give them unisex toilet compartment. I believe that the sexual minorities — "Slow Beat" will speak soon — will greatly welcome this suggestion.

Deputy President, I do not understand why the Secretary is holding his chin in his hand. I hope he will do something because we have only got this far after such a long time and everyone is anxious and hopes the Administration will make improvements as soon as possible.

I so submit.

MR CHAN CHI-CHUEN (in Cantonese): Deputy President, I speak in support of the amendments to the two Regulations relating to buildings. I am a member of the Subcommittee on Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) (Amendment) Regulation 2015 and Building (Administration) (Amendment) (No. 2) Regulation 2015 (the Subcommittee). The views of the Subcommittee members are basically the same in respect of the general direction, transcending political parties and groupings as well as genders, and that is, the ratio of male-to-female toilet in Hong Kong cannot cope with the actual demand. While there are always long queues outside female toilets in public places, queues are rarely seen outside male toilets. Hence, we hope that this problem can be solved by amending the legislation.

Ms Emily LAU said just now that she would support the amendments in tears. Actually, we have to support the amendments no matter what. According to LEUNG Chun-ying's famous saying, it is better to make one stride forward today than to do so tomorrow because the action is taken one day earlier. Today we discuss the Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) (Amendment) Regulation 2015 (Amendment
Regulation) which proposes to raise the male-to-female ratio from 1:1 to 1:1.5. Though there is only a 0.5 increase, it is still better than making no adjustments at all. We had discussed at the Subcommittee if it was possible for a Member to propose a Committee stage amendment (CSA) to raise the ratio from 1:15 to 1:2. The Government, however, spoke evasively and raised many problems. I also asked whether the Government would withdraw the Amendment Regulation if a Member proposed CSAs. The Government did not give a direct answer but only said that it would study the issue again. In the end, no Member has proposed any CSAs.

I must explain to everyone, in order to amend the Regulation, it is not so simple as changing the ratio of 1.5 to 2 because raising the ratio from 1:1 to 1:1.5 is only used for assessing the flow of people. In amending the legislation, other factors also have to be taken into consideration, such as the duration of use of the toilet by males and females and the queuing time. Hence, the actual ratio should be higher than 1:1.5. As such, the Government has also cited some examples: in a cinema with a seating capacity of 600, the ratio of waterclosets for the use of males to that for the use of females will be 1:3.5; and for a place of public entertainment with the same capacity, the ratio will be 1:4.3. I hope that people will understand that the ratio of the numbers of male and female toilets in public places will necessarily be 1:1.5 in future; instead the ratio will be different depending on the premises in question.

According to the Government, this ratio was derived through very scientific computations. Let us just wait and see after the new Regulations have come into effect, whether shopping arcades, cinemas, restaurants and funeral parlours newly constructed (if there is land for construction) will adopt this ratio in their provision of male and female toilets, and whether the problem will thus be solved. Members have varying views regarding the queuing time for toilet. In a government paper, the findings of a scientific survey was quoted, the average duration of use of the toilet by males range from 1.31 minutes to 2.62 minutes, with a total average duration of 1.95 minutes; whereas the average duration of use of the toilet by females range from 1.7 minutes to 2.96 minutes, with a total average duration of 2.61 minutes. However, some female Members, such as Ms Cyd HO, have different views. And Ms Emily LAU has just now challenged the Secretary to conduct a site inspection with her. I would also like to challenge the Secretary to put on a woman's clothing, wearing nylon stockings and a coat, and carrying a handbag to go to the toilet and see if he can finish the entire process within 1.7 minutes. I very much doubt it.
It is hard to challenge the figures quoted by the Government as we have not studied the computation process in detail. We do not know whether the duration is calculated from the moment a person enters the toilet, or from the moment he/she closes the door of the toilet compartment to the time he/she opens the door. Also, after using the toilet, one has to queue to wash his/her hands. As such, is the duration calculated from the moment a person enters the public toilet to the moment he/she leaves? The Subcommittee did not have the chance to conduct a detailed study.

In this connection, we can only urge the Government to re-examine the situation after the Amendment Regulation takes effect later this year and after new buildings have adopted this ratio, and tell the Panel on Development if the new Regulation is able to address the problems that we see in society today. We also understand that the Amendment Regulation only applies to new premises but not old ones, because it is difficult, or next to impossible, to require old premises to provide new toilets. Hence, only new premises are subject to the Amendment Regulation.

Members raised many questions at meetings of the Subcommittee. For example, some members pointed out that certain premises were certified to be up to stipulated standard prior to the intake, but after the intake, one of the four female toilet compartments would be used as a storage room. Mr WU Chi-wai also pointed out that there was always a sign "awaiting repair" hung on the door of one toilet compartment. What can we do about this situation? The conclusion is that there is nothing we can do. First, we must understand that the Amendment Regulation is related to buildings and this situation is different from the case of providing a disabled toilet to meet the requirement of the Buildings Department but demolished it after obtaining the occupation permit. If this practice is uncovered, the owner of the premises can be charged with violating the Buildings Ordinance. However, if a toilet compartment is turned into a storage room, or is pending for repair, or is locked up to be used by staff only, there is really nothing we can do.

As regards these situations, the Government's response is that action can only be taken if the premises in question are restaurants. As restaurants are subject to licensing terms, staff of the Food and Environmental Hygiene Department can persuade the owner to comply with the regulations. As for other premises, if no alternation of the facilities is involved, and some facilities are left unused or turned into other usages, there is nothing we can do about it.
Ms Emily LAU just mentioned that Subcommittee members had put forward many recommendations, for example, the provision of sanitary fitments for children, including children toilets and breastfeeding rooms, as well as the provision of unisex toilets that we have always suggested. As regards these facilities, the Government said that they would not be specified in the legislation but the Buildings Department has issued a Practice Note which states that Authorized Persons have been strongly recommended … to adopt the recommendations … voluntarily — I repeat voluntarily — in new building projects.

Let me specially cite the unisex toilet as an example. Whenever the Government applied to the Legislative Council for funding for the construction of new buildings, I always have suggested, at meetings of various Panels, the Public Works Subcommittee or the Finance Committee, that consideration should be given to providing unisex toilets in those buildings. Of course I understand that the Amendment Regulation under discussion today has no binding power over government buildings, but the Government has said that it would adopt this ratio in the provision of male and female toilets in its buildings in the future. How about unisex toilets? When the Government issues a practice note to encourage the private sector to adopt its recommendations, does it adopt the recommendations itself? For example, when we brought up this issue at a meeting concerning the works of the West Kowloon Cultural District, the government official seemed to be just awakened to such an issue and said he had not considered it. Obviously, some officials just lack awareness.

Why do I say that some government officials lack awareness? When we talk about the provision of unisex toilets, they think that toilets for the disabled can serve the purpose. Their concept is wrong. I try to educate government officials whenever I have the chance to do so. Now some officials are starting to use their brains and understand that we are not talking about toilets for the disabled but unisex toilets. Do we need to form a delegation to visit some overseas countries and take a look at their unisex toilets?

The above-mentioned Practice Note also states, "To cater for people having practical accessibility difficulty to use the traditional male/female toilets (e.g. caregivers attending to persons with a disability of opposite sex, parents bringing along their children of opposite sex, men caring for babies cannot use traditional baby care rooms which are usually provided inside female toilets, etc.), there are aspirations from the community for the provision of unisex toilets in shopping
arcades, department stores and other public places." Of course, I also hope that the Department will mention in the Practice Note fitments for transgender people in future. Even if no provision is made, so long as the Department is willing to provide unisex toilets for various types of persons mentioned above instead of toilets for the disabled, I still very much appreciate it.

I wonder if the Secretary would answer on behalf of other government departments whether they would consider providing such facilities in government buildings in future, that is, they would provide unisex toilets subject to availability of space. Why do I make such a request? If the Buildings Department encourages the private sector to provide these facilities in the Practice Note, but the Government does not follow its own advice, how can it command the respect of the public? How can it address the people's pressing needs? If the Government requires restaurants to provide such facilities but it takes no action, it is just not right, is it?

Moreover, the worst situation happens in the performance venues of the Leisure and Cultural Services Department. During the intermission of a long play, there are always very long queues outside female toilets and some people are still in the queue when the second half of the play commences. Since the play has started, people cannot be admitted and they have to wait till the next scene. Sometimes, people may miss one or two scenes before they can return to their seats. This is an objective fact. Of course, government-owned performance venues such as the Hong Kong Coliseum and other theatres are not subject to the Amendment Regulation. But to discipline others, the Government has to discipline itself first. It cannot encourage others to do something while it does not do so itself.

The Amendment Regulation will be passed under any circumstances, and no Member will add a zero to the figure to raise the ratio, but I very much hope that the Secretary will plan to review this ratio in future. If it is found that this ratio and the computation method cannot solve the problem and meet the needs of females in these premises, the authorities should expeditiously introduce amendments. History tells us that it has taken over 50 years for this Amendment Regulation to be introduced. I just learnt that this Regulation was enacted in 1959, which was over 50 years ago. If the next amendment is to be made after that many years, I think none of us will be around by that time. But I will put my views on record.
On the other hand, as pointed out by some Member just now and we had also discussed at Subcommittee meetings, the relevant government departments — may I ask the Secretary to relay their views to the relevant departments — should take on board public views and provide, as far as they can, toilets in public transport facilities, such as stations of the Mass Transit Railway (MTR) and ferry piers, in accordance with the ratio prescribed by the Amendment Regulation which merely applies to private buildings. Actually some old MTR stations have now provided toilets. The authorities should not say that as people stay in MTR stations for only a short time, it is not necessary to provide toilets for them. In fact, people may have to stay in MTR stations for quite some time as the journey time between some MTR stations may take almost an hour. If the Government truly cares about addressing people's pressing needs, physical needs in this case, it should listen to their views and even though the Amendment Regulation does not apply to government buildings, MTR stations or ferry piers, it should take the initiative to make improvements as far as it possibly can.

I so submit.

MISS CHAN YUEN-HAN (in Cantonese): Today, I do not only speak for myself, but also for Miss Alice MAK, who has all along taken part in the discussions of the relevant subcommittee. However, she is unable to attend today's meeting. Anyway, we share the views of Members. While I agree with the points highlighted by a number of colleagues earlier on, I would like to discuss other matters.

Deputy President, the Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) (Amendment) Regulation 2015 (the Amendment Regulation) is related to six places, namely the above-mentioned cinemas, restaurants, places of public entertainment, shopping arcades and department stores, religious institutions and funeral parlours. We support this provision. As for the ratio 1:1.5, I very much agree with the specific comments made by colleagues earlier on, and concur with their views about other places, such as government premises.

As a matter of fact, "toilet culture" has been discussed in Hong Kong for a long time and the two former Municipal Councils had even conducted an overseas visit on this subject to study repeatedly what made a good toilet.
Although it appears that toilet is not very important, it is essential for all human beings. Strictly speaking, in my opinion, the place that stands out from the rest of the world with regard to toilet is Japan. Toilets built in Japan are very good in terms of cleanliness, proportion or number, as well as the types of places where they are built, and this is why so many people choose Japan as their travel destination. Thus, Members should not think that toilet is no big deal and take the matter too lightly. It actually concerns every one of us and is very essential. We support the proposed ratio, but consider that a further relaxation would be even better. Legislative Council Members should have particularly strong feeling about this during filibustering as we have only one minute to answer the call of nature, and I trust that female Members, in particular, would echo this feeling.

Deputy President, today, I want to focus on the areas that colleagues have mentioned but without elaboration. We have all along considered that not only should babycare facilities provided in public places follow the above-mentioned ratio and expand to different locations, breastfeeding cubicles must also be provided therein as they are serious lacking in Hong Kong. With the exception of a few large shopping arcades, babycare facilities are unavailable elsewhere. Although a number of surveys and studies have pointed out the importance of breastfeeding, have relevant facilities been provided in public places? The Government has totally ignored this part in the entire Amendment Regulation, and has only incorporated it into the Practice Note for further consideration without committing to the way forward. I am very worried. What are the considerations of the Government in this regard?

In the present-day society, the number of childbirth is decreasing. As parents are usually very busy with their work during weekdays, they tend to bring their children (including babies) out during weekends. However, they have a hard time owing to the lack of babycare facilities. Parents who need to change their babies' diapers and breastfeed them have to look around for such facilities. This is why we sometimes see a person being swarmed by many people while she is breastfeeding her baby. I wonder whether mothers should breastfeed their babies in places with more privacy or in the toilet area in public places, but I am not suggesting that breastfeeding should be done in the toilet compartment. The Government should therefore include an important facility in the Amendment Regulation, and that is, a secluded room, for use by parents who need to take care of their infants. Yet, the Government has not looked squarely into the matter.
The Government has called on people to have more children, but as many people have said, the biggest problem lies in upbringing and education. The costs incurred are enormous, and even going to the toilet may be a problem. I can imagine how difficult it is for a person to bring two kids to the toilet. Sometimes, going to the toilet can be pretty difficult even for us. Therefore, I suggest that the Government should consider stipulating in the law that more should be done in this area in the future; and this should not be an optional task.

While the Government calls on members of the public to have more children and conduct more parent-child activities, and encourages breastfeeding, it has not provided the relevant facilities. Should parent-child activities only be carried out at home? How about parents who bring their children out? I eagerly hope that the Government would think about this issue and then expeditiously — do not tell us it takes 50-odd years to conduct a review — respond to public aspirations and consider incorporating the requirement into the relevant provisions.

Deputy President, in Miss Alice MAK's speaking note, there is a paragraph denouncing the ambiguous approach adopted by the Government by merely incorporating the present proposal without enforcing them. This reminds me of the days when the Government encouraged the labour sector to fight for the enactment of legislation on minimum wage. As a matter of fact, both the then Government and Donald did not want to legislate at that time, so they assigned Stephen IP to launch the Wage Protection Movement. The then Government was of the view that mandatory implementation was not necessary; it merely had to solicit support from employers and urge them to sign a charter. What was the outcome? The Movement ended up in a failure and did not yield satisfactory result with only lukewarm response from a few organizations. Thus, if the Government does not stipulate clearly in the legislation that buildings (including government and private buildings) must provide babycare facilities and breastfeeding rooms, I believe the problem can hardly be resolved.

Of course, I cannot deny that there will be many stumbling blocks in getting the job done because even the present proposal to increase the ratio may create hidden problems for certain buildings. Having said that, I think the Government should bring out the issue for discussion as early as possible. As I have said just now, we are not suggesting to provide babycare facilities inside the toilets, but adjacent to the toilets, and we are not suggesting to place a chair inside the toilet for breastfeeding. This kind of facilities must be provided elsewhere. Thus, the matter is not only concerned with building regulations, but something
that the Government must take into consideration in land sales. Or else, the developers will have a score to settle with the Government. I therefore think that the Government should bring up the issue for discussion as early as possible.

Let me reiterate, if the Government encourages members of the public to have more children and show more care to the community and their families, there should be no delay in addressing these problems. Miss Alice MAK has raised the problems time and again at the subcommittee, and before she left, she has also reminded me to give a detailed account of the issue. This is why I have made a detailed exposition.

Furthermore, the Women Affairs Committee of The Hong Kong Federation of Trade Unions (FTU) has also proposed to incorporate the concept of gender mainstreaming when formulating the Advisory Guidelines on Babycare Facilities. I think this is both essential and very important, because the issue can only be properly addressed with comprehensive consideration. For example, it is necessary to provide comfortable seats, baby-changing counters, taps with lever type handles and soap dispenser, as well as to supply hot and cold water and milk bottles. As we can see, these facilities are provided in other countries. The question is, in order to think more comprehensively and move further, the Government must introduce the concept of gender mainstreaming.

On the other hand, clear directional signs of babycare rooms must be displayed in conspicuous locations in public places, using a figure of neutral sex, so that both males and females can enter the babycare room. As a colleague has said earlier on, considering the ageing population and people with disabilities, we can no longer tackle problems from a unisex angle in many cases and have to adopt a gender-based point of view in practice. For example, how can a caregiver help an elderly person to go to the toilet? I guess Members should have seen the embarrassing situation of a son waiting worriedly for his mother outside the toilet. Though the son wonders if his mother can manage to go to the toilet, he cannot do anything to help; sometimes a passer-by may lend a helping hand, but this is, after all, a pretty embarrassing experience.

Instead of leaving these questions to the future, we need to plan ahead. Considering the ageing population and the various needs that arise, the adoption of a gender neutral approach would facilitate the carers to take care of people with different needs. I therefore hope that the Secretary would take this into consideration, which is very important. Sometimes we have indeed witnessed
the embarrassing situation of a son grabbing onto his mother's pants, not knowing what to do as he could not accompany her to the toilet. Such scenes made me feel very sad. The filial son wanted to help his mother but was helpless as he could not accompany his mother to the toilet; all he could do was to watch his ageing mother walking unsteadily. I therefore hope that the Government can think further, which in my opinion, is necessary.

Of course, I still have a lot more to say though I have already spoken for nine minutes.

Turning to the labour market, FTU considered that legislative amendment should be made to require the provision of this kind of facilities in general government offices for working women. In my opinion, this is necessary for the purpose of enabling the Government to assume the leading role. Although such facilities have yet to be provided in other organizations, is it possible for government offices to make a start? I think this is essential. There are other matters that warrant careful thinking, for example, if mothers want to collect their breast milk to be consumed by their babies at a later time, they may need such facilities. In this connection, the Government should consider taking the lead to provide this kind of facilities, and in particular, I hope that it will assume the leading role in providing such facilities so as to encourage other organizations to follow suit.

I still feel joyful when I recall the days of tight labour force in the 90s. At that time, several large organizations, including a large-scale retail company, had designated a room for female employees to get manicures and for their children to be taken care of. I was referring to the 90s when manpower resources were very tight, and a couple of companies, including a large-scale bank, had offered this facility. They had even designated an area for their staff to leave their children there to play. The Government did not require companies to provide such facilities; that might be a practice of their home country. According to my understanding, labour force was very tight at that time and thus there was a need to attract females to join the labour market. This is why banks and shopping arcades, for example, had provided this kind of facility for their sales or counter staff. I think this is worth considering by the Government. Although such facilities have yet to be provided in the private sector, would the Government consider if this is viable?
As we are aware, a survey had been conducted in Hong Kong to collect women's views on the reason for returning to work on the expiry of their maternity leave, that is, four weeks before and six weeks after childbirth. Their response was operational need. Of course, there might also be statutory or financial need, or the need to have them returned to work from the perspective of office management. But no matter what, women have to stop breastfeeding once they return to work.

Two decades ago, my female friends told me that breastfeeding a baby for the first six months was very important to his/her growth and health. That is why people want to breastfeed their babies for six months, but does that mean they need not return to work after the 10 weeks' maternity leave? How can they breastfeed their babies once they return to work? If this kind of facility is available in their offices — fortunately, such facility is provided by the Legislative Council — the mothers would feel more comfortable as they do not need to stop breastfeeding after returning to work. In fact, we are not the only one to make such remarks. The Government is also promoting breastfeeding by highlighting its importance to an infant's growth and disease prevention for the first six months. I therefore urge the Government to think broader, and further strengthen this idea because the friendly support of enterprises can significantly improve labour relations. And equally important is the need for the Government to assume a leading role.

Furthermore, I want to tell the Secretary and fellow colleagues that this Amendment Regulation will be dealt with by the Panel on Economic Development, of which I am a member. I will therefore continue to follow up on the matter at the Panel, and monitor various government departments, related organizations and establishments to ensure that improvements would be made. It is impossible for us to wait 50-odd years. I hope that the Government will expeditiously address the issue as many young families are now in desperate need of such facilities.

Deputy President, I so submit.

MR TOMMY CHEUNG (in Cantonese): Deputy President, Ms Emily LAU just now spoke in tears, saying that as the local business sector, including operators of restaurants like us, has not put up any resistance to the subject under discussion, it does not concern us. It is true that the subject matter does not concern us
because in order to comply with the licensing requirements, the catering industry has, well before the Government introduced the Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) (Amendment) Regulation 2015 (the Amendment Regulation), increased the number of toilets, especially female watercloset compartments, and the number is no less than required.

In the case of the catering industry, customers generally spend one to two hours in restaurants, and around three to four hours for banquets, but I rarely see any queue for toilets, or female toilets in particular. In Hong Kong, the place having the longest queue for toilets is the concert hall, such as the Tsuen Wan Town Hall or the Sha Tin Town Hall. I am not defending the Secretary, but the use of the toilet by audience members during intermission is also a problem in other parts of the world, say, New York and London, and this is not unique to Hong Kong. Yet, it is pretty sarcastic this time. While problems being addressed by previous legislative amendments had nothing to do with the Government in most cases, they are nonetheless all found in government buildings in this case.

Deputy President, the purpose of this Amendment Regulation is mainly to increase the ratio of male to female sanitary fitments of regulated buildings. At first, the Administration emphasized to me time and again that this Amendment Regulation does not quite concern restaurants; it merely seeks to rationalize the standard of sanitary fitments provided in restaurants. It thus has no significant implication on restaurants. The Government seemed to convey a message to me that I can rest assured and need not bother about the Amendment Regulation.

Fortunately, being prudent, I started to study the Amendment Regulation, and had invited professionals from the catering sector to take part in the study. Although the Amendment Regulation has not brought about significant changes to the required number of waterclosets and urinals for restaurants with a food room smaller than 300 sq m, it does affect restaurants with a food room larger than 300 sq m. Take a restaurant having a food room of 900 sq m as an example, the restaurant should provide one additional watercloset for female customers under the requirement of the Amendment Regulation.

In fact, the requirements for the provision of sanitary fitments in restaurants are already subject to the licensing requirements set by the Food and Environmental Hygiene Department (FEHD), which are supposedly more
stringent than those of the Buildings Ordinance (the Ordinance). Therefore, I have doubt about the Administration's present amendments to two regulations concerned to rationalize the standards of sanitary fitments of restaurants.

Although the actual changes involved may only be the provision of an additional watercloset, Members must note that given the limited space of restaurants, a slight expansion in the area of toilets would exert immense pressure on the business floor area of restaurants. The greatest concern of the industry is, given that many restaurants are currently located within shopping arcades or buildings where toilets are for common use by all the shops therein, it is possible that the relevant shopping arcade or building might refuse to adjust the number of sanitary fitments accordingly in response to the major alteration carried out by the restaurant in complying with the requirements of the Amendment Regulation. In other words, the restaurant concerned may risk its licence being revoked for non-compliance with the new licensing requirements.

Furthermore, many restaurants may undergo renovation from time to time upon the request of their landlords. However, if the renovation is regarded as a major alteration or addition works which necessitates the provision of additional sanitary fitments, but physical constraints such as building structure or design have rendered it impossible to do so, the restaurant would still risk its licence being revoked for non-compliance with the new licencing requirements.

At first, the Administration had not provided any clear definition for the terms "major alteration" and "addition works" at the meeting of the subcommittee to study this Amendment Regulation, but merely stated that it depended on whether plans had been submitted to the Buildings Department (BD). Adjustment should be made if plans were submitted to the BD, otherwise, it was not necessary to do so. The Administration's reply has aroused the serious concern of a number of Members and I, because restaurants are bound to submit plans to the BD in many cases, even if it involves changing the size of a door. So, how can members of the trade not feel worried?

Fortunately, after the government official concerned learnt of the concern of the industry — not only the industry to which I belong, but other industries as well — the issue has been seriously dealt with at once. And, after thorough discussions with the Director of Buildings, he has stated in unequivocal terms, both verbally and in writing, that with regard to the application of this Amendment Regulation, unless there is a change in the use of the premise, for
example, a restaurant being converted into other types of shop or a shop being converted into a restaurant, or an extension (the restaurant being extended beyond the licensed area) that constitutes substantial alterations, the new standards for provision of sanitary fitments under the Amendment Regulation will not be applicable to an existing restaurant undergoing alteration works.

Furthermore, the Administration has also assured that the BD will deal with special circumstances in a pragmatic manner. The BD may exercise its discretion if a premise is assessed to have difficulties in complying with the new standards for provision of sanitary fitments under the Amendment Regulation.

Members of the trade have been greatly relieved at the Administration's explanation. I nonetheless still have one concern, and that is, whether the extensions stated in the outstanding applications for Outside Seating Accommodation (OSA) permission submitted before the commencement of the Amendment Regulation would be affected by the new standards for provision of sanitary fitments. After inquiring the FEHD, the Administration has promised me, both verbally and in writing, that all applications for OSA permission submitted to the FEHD before the commencement of the Amendment Regulation (that is, 14 December 2015) will not be affected by the current amendment. As a result, I am also greatly relieved.

Deputy President, I always said that the devil is in the details and I am sure that members of the trade should have a better understanding of the actual situation than government officials. While the Administration considers that the Amendment Regulation is problem-free, the industry may identify numerous problems when it is given the opportunity to study the legislation. According to my understanding, the Administration has not consulted the restaurants on the Amendment Regulation, nor passed the Amendment Regulation to the Business Facilitation Advisory Committee and the Food Business and Related Services Task Force for discussion. Therefore, problems were identified by the industry only after the Amendment Regulation was tabled at the Legislative Council for scrutiny. I hope that the Administration will learn a lesson, and properly consult the industry and assess the economic implications of any proposed legislation relevant to it, as well as invite all stakeholders to give careful consideration.

While the Administration considers that the drafting of the Amendment Regulation has adequately reflected the verbal undertakings and assurances made to the industry, I am not convinced that the relevant information can be filtered
down from the senior management, especially in view of the fact that FEHD staff have all along used the submission of plans to the BD as the criteria for reviewing the licensing conditions. As such, they may not be able to have a good grasp of the alternative approach adopted by the BD in respect of sanitary fitments. I therefore urge the Administration to ensure that FEHD staff responsible for the licensing of restaurants have a good grasp of the relevant information, so as to protect restaurants from getting into trouble.

On the other hand, the Administration should also ensure that the FEHD will widely publicize and explain the Amendment Regulation to the restaurants. Apart from introducing the new male to female ratio for the provision of sanitary fitments to new licence applicants, it should also heighten the awareness of existing restaurants. Once business floor area is increased, the number of male and female sanitary fitments should also be adjusted accordingly, so as to prevent them from incurring any loss due to a lack of understanding.

Deputy President, I so submit.

MR MA FUNG-KWOK (in Cantonese): Deputy President, the Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) (Amendment) Regulation 2015 (the Amendment Regulation) aims to update the standards for the provision of sanitary fitments in private buildings. According to the Administration, the relevant regulations, which were first enacted in 1959, have actually become outdated and refinement is warranted. For this reason, the Administration has decided to revise the ratio of male to female sanitary fitments from the current 1:1 to 1:1.5, and the relevant ratio for offices and sports stadia from the current 2:1 to 1:1, so as to increase the provision of female sanitary fitments in the abovementioned venues.

Deputy President, given the long queues that are often observed outside female toilets in public places, women waiting for their turn to use the toilet or men waiting for their female companions must have profound and first-hand experience. The Administration has now ultimately faced up to the problem and increased the ratio of female toilets which will undoubtedly rectify the problem. As such, I fully support the authorities in keeping abreast of the times and perfecting the ancillary facilities of public places, so that they can better cater for actual needs.
However, when putting forward the amendments, the Government proposes that the standards for the provision of new sanitary fitments will be applicable not only to all new buildings, but also to existing buildings when they undergo major alteration or addition works. This proposal fails to take into account the actual conditions of existing buildings, showing the Government is imposing measures against other people's will. The application of the new standards in new buildings is certainly not a problem, but due to the constraints of physical structure, design and space, the new standards may not be applied in existing buildings. For example, since cinemas in the sector which I represent mostly rent spaces in shopping arcades for business operation, the provision of additional female toilets may probably require the reinstallation of aqueducts and drains, and thus must first obtain the landlord's consent and other tenants' understanding. If the landlord refuses to give his consent, the operators will have no choice but to give up operation passively.

Another unreasonable point of the proposal is that the Amendment Regulation merely regulates private buildings, while government buildings are not subject to the new standards. In fact, in a lot of government premises, such as the Hong Kong City Hall, female toilets are very inadequate. As audience members in an auditorium or a theatre normally will not leave and enter the venue during performance, they can only use the toilet in the 10 to 15-minute intermission; hence the problem of queuing up for going to the toilet is more serious than the situation in ordinary cinemas, food establishments and shopping arcades. While the Administration fails to take the lead to make improvement and increase the ratio of female toilets in large public places, it instead mandatorily requires private buildings to comply with the standards, which is hardly justified.

With regard to the amendments concerned, I have contacted the Hong Kong Theatres Association (HKTA) that represents all cinemas. The HKTA indicated that they are very willing to implement the new standards in newly constructed cinemas. But they emphasized the insurmountable and actual difficulties in respect of the existing cinemas. The HKTA also indicated that as early as 2012, the Administration already consulted the HKTA and its members through the Business Facilitation Advisory Committee. According to the then Government, the authorities planned to revise the ratio of male to female sanitary fitments to 1:1.25, while the HKTA clearly conveyed their concerns to the authorities. However, only when the regulations were formally tabled before the Legislative Council for scrutiny did the HKTA realized that the authorities not
only failed to appreciate their concerns over old buildings, but even increased the ratio to 1:1.5. While expressing their support for perfecting user-friendly facilities, the sector is still very much concerned about the implementation of the new standards in old buildings.

In addition, though the Administration had indicated that the Buildings Department might consider granting exemptions to projects involving no "major alteration and addition works" from complying with the new standards, during the deliberation of the Subcommittee, many members including me hoped that the authorities could give a clearer definition of "major alteration and addition works". At that time, the authorities replied that any works that required no submission of building plans were not "major alteration and addition works". In this connection, the HKTA and I still considered the reply incompatible with the actual circumstances. According to the HKTA, at present, for any alteration works related to cinemas, including even minor works such as altering the space for selling light refreshments, professionals would be engaged for submitting building plans and filing formal applications, so as to ensure that the works would fully comply with government standards in other areas. For this reason, it is difficult for cinema operators to obtain exemption within the authorities' definition.

Deputy President, in response to the demand of the audience, market changes and social progress, the cinema industry has all along been improving facilities over the years, with the intention of providing audience members with a more comfortable and spacious environment. In many cinemas, additional screening rooms are established in the original space, with bigger seats, widened spaces between seats and more spacious room for audience members, so the number of seats keeps decreasing. For this reason, in theory, even if the number of female toilets is not increased in the cinema, the proportion of female toilets to audience members will naturally be increased. I agree that the amendments can make things convenient for the public and perfect public facilities, but the authorities should still take into account the actual circumstances. Against the backdrop of increasing operating costs, the imposition of more restraints by the authorities will only smother the industry's room for survival.

Fortunately, the Administration has finally understood cinema operators' worries and difficulties and has readily accepted my advice. The Administration has pledged that if the cinema conducts only interior decoration, partitioning and other minor alteration works involving no major alteration such as change of the
use of premises or expansion, the authorities will not regard such works as "major alteration and addition works", and the new standards do not need to be followed. Since the pledge of the authorities has dispelled the doubts of the industry, I have decided not to propose any amendment to the Amendment Regulation. I support the Administration's motion, and I hope that the pledge will be fulfilled in the future.

Finally, Deputy President, the Amendment Regulation merely provides for the standards for the provision of sanitary fitments in private buildings, and government buildings are not subject to the regulation. Still, I would like to advise the Administration to, subject to sufficient space and financial resources, expeditiously improve the ratio of male to female sanitary fitments in government premises of culture and recreation, so as to make it convenient for members of the public to participate in cultural and recreational activities. In addition, the Government should actively take follow-up actions and consider adopting certain user-friendly measures for providing additional toilets and babycare rooms in other public places, such as piers, bus stops and MTR stations. Deputy President, I so submit.

DR CHIANG LAI-WAN (in Cantonese): Deputy President, having enacted the relevant subsidiary legislation under the Buildings Ordinance over 50 years ago, the Government finally introduced some much-needed amendments thereto today.

I think Members would have heard about the term "gender mainstreaming". Some 20 years ago, that is, in 1995, we already put forth the idea that notwithstanding the growing demands in society for gender equality, an awareness of the different needs of men and women was lacking. In 1995, we attended the United Nations' Fourth World Conference on Women in Beijing, which formally endorsed the idea of gender mainstreaming. The aim is that under the premise of gender equality, governments should formulate legislation and policies by assessing the implications for men and women, as well as their different needs. So far, I have yet to see any major progress made by the Government in this regard. The present legislative amendment exercise only deals with the provision of male and female toilets, that is, the ratio of female toilets has been increased. In fact, the Government should have dealt with this issue a long time ago.
Deputy President, although the Government has decided to amend the relevant legislation to increase the ratio of female toilets, I would like to reiterate the importance of this matter. Let me illustrate my point with the example of cinemas. When I go to the cinema, I always make a trip to the toilet half way through the movie because I did not get to use it before the movie started as many people would still be waiting even right up to the moment the movie started. I think many women would have the same experience of having to go to the toilet half way through a movie.

Under the original requirement, in a cinema with a seating capacity of 1,000, a minimum of seven waterclosets and urinals should be provided for male, while only three waterclosets for female. How come so few waterclosets are provided for female? No wonder men can finish using the toilet so quickly. But even so, they must also spend time and wait for their female companions.

I often wonder why additional urinals can be provided in male toilets. It turns out that it is easier to install additional urinals, but the additional provision of waterclosets in female toilets is invariably prevented by the lack of space. The main reason is that during the design stage of a building, male and female toilets will be given the same amount of space, resulting in insufficient female toilet facilities. Hence, the area allocated to female toilets in relation to the total floor area should also be increased. Otherwise, if only the ratio of waterclosets is increased, the size of individual toilet compartments would become smaller and smaller.

Secretary, I really want to tell you how bad the situation is. Sooner or later, I will take some photos and send them to you. When women go to toilet, they usually sit on the toilet. But toilet compartments have become so small these days that women sitting on the toilet would find their knees touching the toilet door. It seems that female toilet compartments are now designed to cater for a standing posture, and no allowance is made for the users to sit on the toilet. Hence it is completely against the idea of gender mainstreaming endorsed by the United Nations' World Conference on Women. No matter how "tolerant" Hong Kong women are, I hope the Government can gradually pay more attention to the different needs of men and women.

Deputy President, I will now speak on behalf of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) and express our views on
the Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) (Amendment) Regulation 2015 (the Amendment Regulation) and the Building (Administration) (Amendment) (No. 2) Regulation 2015.

The main objective of the Amendment Regulation is to increase the ratio of female sanitary fitments to be provided in public areas. The inadequate provision of female toilets has always been a matter of public concern. As the present amendment seeks to increase the provision standard of female sanitary fitments in new buildings, I think it would be welcomed by all sectors in society. Nonetheless, the question is whether the increased ratio of female toilets would suffice. A moment ago, a Member expressed dissatisfaction about the ratio of 1:1.5 for assessing the number of males to that of females in public places as adopted by the Amendment Regulation, while another Member said that she would give support with tears in her eyes. But, Secretary, I will not give my support with tears in my eyes. Instead I will do so with a smile because after waiting for several decades, the authorities finally proposed these amendments. Deputy President, isn't it worth our support with a smile, or at least a bitter smile?

Regarding the comparison between Hong Kong and other countries in respect of the standard for the provision of sanitary fitments in buildings, we note that in overseas countries such as the United Kingdom, the ratio of male-to-female sanitary fitments generally ranges from 1:1 to 1:1.7; the ratio in the United States generally ranges from 1:1 to 1:1.5; the ratio in Singapore generally ranges from 1:0.8 to 1:1.7 (mostly about 1:1.6). According to standards under the Amendment Regulation, the ratio of male-to-female sanitary fitments generally ranges from 1:1.4 to 1:2.1 (mostly about 1:1.6). It is clear that different male-to-female ratios have already been adopted by many overseas countries. Although we are lagging behind other countries, we have moved forward slightly with the present amendment exercise.

In future, I hope the Secretary can pay more attention to the provision of related facilities inside the buildings by considering the needs of women. For instance, mirrors in the lobby of government buildings are always installed in a very high position. Sometimes when I want to take a look of myself when walking past, I can only see my hair or at most my eyebrows. I hope the Secretary can pay attention to these details because they actually reflect the differences between men and women.
All in all, the DAB considers the new standard as increased by the Amendment Regulation barely acceptable. Of course, we are aware that society is developing constantly. Deputy President, we hope the Government can continue its work in a proactive manner and suitably update the provision standard of sanitary fitments in buildings in a timely manner, so as to enhance the protection of women's well-being constantly.

Deputy President, I so submit.

MR LEE CHEUK-YAN (in Cantonese): Regarding gender mainstreaming mentioned by someone earlier, I think the Government is rather backward in this respect. The improvement measures proposed today are limited. It is still some way off from meeting the actual need, that is, achieving the ratio of 1:1.5.

(THE PRESIDENT resumed the Chair)

Let us look at the reality. I wonder if the Secretary has ever tried — not for me, never — using the toilet wearing nylon stockings and a dress and see how much time the whole process takes. Of course, if he is willing to try, I do not mind going along, perhaps we can have a race. How we can achieve gender mainstreaming depends on whether we have looked at the whole issue from a woman's perspective; in particular, there is another factor that aggravates the problem in Hong Kong. If we go to a shopping arcade in Hong Kong on Sundays, we can see long queues outside female toilets. Why is it so? That is because there are 300 000 foreign domestic helpers in Hong Kong and most of them are female.

Most of these 300 000 women go out on Sundays. Where do they go? Most of them go to parks but many of them also like to go to shopping arcades. We surely respect their right to have a day off and their right to go out. However, because of that, there are long queues outside female toilets in all shopping arcades.

Hence, if we still take the ratio of 1:1.5 as the standard in Hong Kong, we have not taken into account the distorted situation on Sundays because the
male-to-female toilet compartment ratio required is very different on Sundays. If the authorities simply adopt a male-to-female ratio of 1:1.5, I am quite doubtful. Even if males and females need the same number of toilet compartment, I do not accept that the duration of use of the toilet by males and females is almost the same and the ratio of 1:1.5 can cope with the need. If the distorted situation in Hong Kong is taken into consideration, the 1:1.5 ratio can hardly cope with the demand. If the needs of 300,000 foreign domestic helpers in shopping arcades on Sundays are to be met, this ratio is way too low.

As there is a large number of mobile tourist, the present number of toilet is far from adequate. Therefore, if the Government is willing to have a broad vision — not a broad vision, the existing demand simply cannot be met — and set a new standard for the future, why not boldly set an ambitious ratio? Or do the authorities only have property developers in mind, allowing them to have more floor areas for rental, and therefore cannot do a better job in addressing this problem?

Worse still, no improvement has been made to the conditions of existing premises as the amended Regulation only targets new premises. But regarding new premises, the Government has other considerations. The Secretary has to clarify whether the present approach aims to curry favour with property developers, allowing them to have bigger floor areas for rental, such that they can even refuse to make the most basic improvements. I think we have to examine this issue together.

Some Members have mentioned another need of females. The Government is actively encouraging breastfeeding but all such encouragements are empty talks, and so is family friendliness. If the Government is not even willing to provide family-friendly facilities and does not care about the needs of lactating women, what more can it say? As a matter of fact, the Government is invincible in its publicity, but has done nothing in reality.

In the entire discussion today, we have not demanded the provision of sanitary fitments for children or the provision of more facilities to facilitate breastfeeding or changing diapers in new shopping arcades. Of course, some shopping arcades have provided these facilities but many have not. These new requirements are merely some basic facilities that should be available in a relatively modern community. How come they not available in Hong Kong?
Just now, some Members mentioned how good the toilets are in Japan. We all hope that Hong Kong would "Japanized" in respect of toilet facilities, most importantly not "Mainlandized". I heard that toilets in the Mainland are appalling. I am forbidden to go to the Mainland and have no idea what toilets are like in the Mainland.

Anyhow, the amendments proposed today are far from adequate. The Government should be able to do a better job in respect of planning, but it is unwilling to do so. That is deeply regrettable. The Government has not considered how to achieve gender mainstreaming. During the whole process, it has not listened to the views of women organizations. That is absolutely inadequate. No mention has been made regarding many facilities that should be provided.

Even if the amendments to the Regulations are passed today, the problem still remains unresolved. The Government is just putting on a show to indicate that it has done something, but in fact it has not solved the problem. This is one obvious characteristic of the SAR Government. Thank you, President.

MS CYD HO (in Cantonese): President, some things can really remain unchanged for 50 years — the male-to-female toilet ratio has never changed for 50 years, and finally the ratio can be changed slightly after 56 years, from 1959 to 2015. The ratio of male to female toilets will be changed to 1:1.5 but it is still far from adequate.

Mr CHAN Chi-chuen has just repeated the challenge that I proposed to government officials during the deliberation of the Subcommittee. I asked the officials to put on a woman's clothing, not summer clothing but winter clothing. When a woman goes to the toilet in winter, she walks into the compartment, shuts the door, takes off her scarf and coat, and then puts down her handbag, and she may also need to take off her stockings and the like. Some women prefer layered clothing and not every woman puts on simple clothing like us. For a woman who wears layered clothing, she may have to spend more time going to the toilet than a man. A man does not even need to close the door and he just opens a zipper. So, how can the Government adopt a ratio of 1:1.5?

In 1959, a ratio of 1:1 might be too big because not many women went out at that time. Most women were housewives who stayed at home, and not many female students were admitted to universities of Hong Kong. The current
situation is no longer the same. First, the female population has surpassed the male population in Hong Kong with females accounting for 51.5% of the population. Therefore, it is pretty late to make adjustments now. Some Members have just asked the official how to set the ratio of male to female toilets in cinemas, and the official replied that they have calculated that there are more female moviegoers than male moviegoers. If they only take into consideration the number of users on certain occasions but ignore the duration of use of the toilet, this calculation is not very accurate.

President, the Government has also quoted the ratio of 1:1.5 for male to female toilets in the United States. However, the Government should not compare the ratio of the two places. In North America, in public places such as shopping arcades, there are very often 20 compartments in one toilet — I do not know how many compartments there are in male toilets as I never go to male toilets. Even if the ratio of male to female toilets is changed to 1:1.5, that is, if there are four male toilets, there will be six female toilets, the ratio is still inadequate as Hong Kong is very densely populated and the original base number is so low.

In our view, the Government's report has ignored a very important physiological phenomenon of women. Women within certain age groups have menstrual periods every 28 days. If a woman uses the toilet in a public place during menstruation, she will certainly take longer than 2.96 minutes as found in the Government's survey. Even if the Secretary is willing to put on a woman's clothing, he cannot get the feel of it; perhaps he should ask his wife how long she has to spend in the toilet on those few days of each month.

In addition, President, the issue of toilets precisely shows whether the community has taken care of pluralistic needs. We should not only have male or female toilets, we should also attach importance to family-friendliness. Some Honourable colleagues have just said that toilets in Japan are really nice. In Japan and Taiwan, baby seats are provided in some female toilets. When a mother goes to the toilet with a baby who still cannot stand, she can pull out the baby seat and sit her baby on it as she cannot take care of the baby while she uses the toilet. The mother will feel at ease without having to worry that her child may fall down.

Similarly, I do not know if this facility is provided in male toilets, perhaps we should consider the matter from this perspective. Dr Kenneth CHAN has said many times that when he took his child to the toilet to change diapers, he
found it very difficult as there are no relevant facilities in the male toilet. Sometimes he can only help his wife when there are cleaner toilets in larger shopping arcades. While we keep saying that family members should have closer relationships, that men and women should be equal, and that men should be more involved in housework and take up more family responsibilities, there must be supporting public facilities to assist them in practice; otherwise, they can hardly take up the work even if they want to.

That is why we mentioned during the Subcommittee's deliberations that apart from focusing on the ratio of male to female toilets, the Government should also increase family toilets. Some very large shopping arcades provide family toilets, for example, the Pacific Place across the street has toilets for the whole family. People can change diaper or breastfeed the baby in the toilet, though the toilet is not a satisfactory place for breastfeeding, the space is large enough. Apart from babies, carers and elderly people on wheelchairs can go to the toilet together; this can manifest the family-friendly spirit.

Some members mentioned unisex toilets; I believe that the authorities only need to provide a separate toilet between male and female toilets. In our previous discussions on gender identity, Members who supported or opposed the idea mentioned that when a person who is in the process of sex reassignment went to the toilet, other people often looked at him with curious or critical eyes, and they might not feel comfortable for his presence; and the third sex person who is in the process of sex reassignment might feel even more uneasy and discriminated. If we can make improvements to the ratio of male to female toilets, we should take one step further and provide third sex toilets.

The two Amendment Regulations do not regulate government buildings; the Government said that it would act according to the guidelines and make improvements when it carries out major works. In fact, the Government can make improvements immediately without having to act according to the guidelines. We are aware that a lot of legislation does not regulate the Government and government officials, but it does not prohibit the Government from making immediate improvements. Mr MA Fung-kwok and I have repeatedly pointed out that in cultural facilities such as the City Hall, the Cultural Centre or the Kwai Tsing Theatre, the Government can immediately carry out works to improve the number of male and female toilets.
President, I do not know if you have been to the Kwai Tsing Theatre. The seats in the Theatre are arranged in a snake-like shape, without dividing into three sections and there are 45 to 48 seats in each row. President, if you attend as a VIP, you will be seated in the middle of the row, that is, seat no. 23 or 24. In case you need to go to the toilet, you would have to go past more than 20 persons to return to your seat. In addition, the seats in the Kwai Tsing Theatre are even narrower than the economy seats on a plane. Therefore, the authorities should immediately carry out improvement works in these venues, and they need not wait for guidelines or make improvements only when major works are carried out.

President, we have waited for many years and the Government is moving very slowly. I would like to thank the Democratic Party for raising this issue in the Legislative Council a few years ago and has since then, exerted pressure on the Government to make improvements. However, regrettably, the Government is not subject to the legislation, and it only acts according to the guidelines. Since Dr Helena WONG is on a study tour in Westminster, I would express some views on her behalf. At the last meeting of the Subcommittee, Dr Helena WONG was very worried that, after the passage of these two Amendment Regulations, various departments may not be aware of the changes or may not strictly comply with the guidelines. Therefore, she asked the Chairman of the Subcommittee to invite nearly all responsible officials from various Policy Bureaux and departments to attend the meeting to listen to Members' thorough briefing and she also urged them to strictly abide by the guidelines.

I certainly think that this approach is not feasible; no matter how we berate them at meetings, if they do not comply with the guidelines in the future, it will be difficult for the Legislative Council to follow up in view of its limited manpower, time and resources. Hence, I came up with a compromise proposal, that is, we should ask the Women's Commission to follow up and continue to monitor various Policy Bureaux and departments from the perspective of gender mainstreaming. When the Secretary speaks later, I ask him to commit that he will work with the Women's Commission to rigorously follow up on the improvements to the ratio of male to female toilets.

Thank you, President.
MR JAMES TIEN (in Cantonese): President, on this issue, I think Honourable Members do not need to particularly point out when their parties raised concerns or expressed special concern. I believe that the problem related to the ratio of male to female toilets, particularly a lack of toilets in public places in Hong Kong, is known to all. So, the Liberal Party absolutely supports the Amendment Regulations introduced after detailed discussions by the Subcommittee. Although none of the five Members from our party is a woman, when we go out with our wives, we also notice the problem of insufficient toilets. When we go to theatres, I come out of the toilet very quickly but my wife has to wait for a long time. As I am forced to stand aside to wait for her, I am actually queuing up and that is tiring. That is why we can also express our views.

Should the relevant ratio be 1:1.5, 1:1.6 or 1:1.7? People prefer a larger ratio. Just now, Mr LEE Cheuk-yan said that developers leased out all spaces in shopping malls, resulting in insufficient toilets. I think this is his personal opinion. On the whole, as we all know, most of the shoppers in shopping malls are women. The example given by Mr LEE Cheuk-yan is a special case, that is, all foreign domestic helpers in Hong Kong rush to IFC or Pacific Place on Saturdays and Sundays. What does he think IFC and Pacific Place should do? Should these two shopping malls increase the relevant ratio just to cater for a large number of foreign domestic helpers using the female toilets on Saturdays and Sundays? I guess there will not be sufficient toilets even if the ratio is revised to 1:10. Things should be logical and reasonable.

In that case, is a ratio of 1:1.5 in Hong Kong or a ratio of 1:1.7 in foreign countries more reasonable? The Liberal Party does not have strong views and considers that the provision of more toilets is not a major issue. On the contrary, I fully endorse the views of a few Members on how government departments should deal with the issue. If we ask government departments to tear down toilets in old buildings for reprovisioning, that will be a major issue. However, the ratio of male to female toilets should depend on the toilet utilization rates of men and women in a venue.

In the case of the Legislative Council, there are more male Members than female Members. I am not sure but I just have the impression that the problem of the ratio of female toilets in the Legislative Council Complex is not too serious because female Members do not need to wait too long to use the toilet. There is a larger number of female staff in the Legislative Council Secretariat but I think
female Members will not have great inconvenience in using the toilet than male Members in the Legislative Council Complex. Therefore, we must strike a balance; should the Government refurbish old government offices or make alterations before renovation to provide more female toilets?

On this point, the Liberal Party considers that the authorities should make the best efforts. It is not possible to demolish the whole building, but the locations of male and female toilets are fixed, so only a limited number of additional female toilets can be provided. Should the number of male toilets be reduced so as to increase the number of female toilets? This obviously does not work. If additional female toilets can be provided by the Government at other locations on the same floor of the original building, I think the Government should consider such an option.

We definitely welcome the adoption of the ratio of 1:1.5 for male to female toilets in new buildings but there are some special cases. For example, most of the audience members of concerts or operas are women but there are problems with the facilities. Take the Hong Kong Stadium as an example. In the past, most of the audience members in the Stadium were men, but as at present, the Stadium is not only used to host soccer matches but also concerts, there are more female audience members than male, and hence the problem has gradually emerged. It is unsatisfactory to set the ratio of toilets in the Stadium as 1:1.5 for people have to queue up for half an hour to go to the toilet. If the Stadium is used to host soccer matches most of the time and leased out for hosting concerts occasionally, meaning that the Stadium will mainly cater for male audience members most of the time and female audience members occasionally for performances, how should this situation be handled?

For example, in times of traffic congestion, if there are two or three lanes, we can change lanes at any time. But this principle cannot be applied to use of the toilets. We cannot change male toilets into female toilets when there are more female audience members. Female users will certainly find it more convenient to have one male toilet and two female toilets on each floor. A lot of resources are required to make such flexible arrangements. The Government may consider it inappropriate if it has to bear the expenses. If it shifts all responsibilities onto property developers, it should be noted that developers have provided the relevant facility in accordance with the Buildings Ordinance.
President, business is business and operators of shopping malls are fully aware that most shoppers are women. If female customers are not happy while staying in the shopping malls, be it IFC and Pacific Place, they will not return to the same mall again. To make female customers feel comfortable, business operators will try their best to provide more female toilets and the best facilities as far as possible. They will make efforts to allow female customers to change and hang up clothing in the toilets, and they will even provide more toilet papers. From the business point of view, they must do so and they do not need Members or experts to tell them how to design shopping malls, how much toilet paper should be placed in the toilets and whether the toilet seats are comfortable, and so on.

President, to sum up, we support the ratio of 1:1.5 proposed by the Government and we also agree that government departments should do a better job. I believe we largely agree that shopping malls should try their best to do more but we should not put too many restrictions on shopping malls. For example, there are special cases in the shopping malls in Hong Kong on Sundays, how can we compare Hong Kong to Japan? Does Japan have a large number of foreign domestic helpers? Obviously, it is not possible for over a thousand foreign domestic helpers to gather in a certain area in Japan, so shopping malls in Japan do not need to make relevant arrangements. We cannot apply foreign situations to Hong Kong, and apply the concepts of the Buildings Ordinance to shopping malls so that at any one time, on any occasion and disregarding what activities are organized, the waiting time for female toilets will be shortened from the current 10 minutes to three or four minutes. Thank you, President.

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

(No Member indicated a wish to speak)

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

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I would like to thank Miss Alice MAK and other members of the Subcommittee for scrutinizing the two Amendment Regulations relating to the provision of sanitary
fitments in private buildings over the past several weeks. I would also like to thank the 10 Members for their speeches just now, putting forward their valuable views and advice on the relevant matters.

The Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) Regulations (the Regulations) set out the minimum standards for the provision of sanitary fitments, plumbing and drainage works in private buildings. Among others, the Regulations set the standards for the provision of male and female sanitary fitments in private buildings on the basis of the assessed numbers of male and female users in the relevant premises.

Enacted in 1959, the Regulations have become outdated and an update is warranted to meet the social needs of today. The current-term Government has attached a great deal of importance to this area of work and has earlier commissioned a consultant to conduct studies. The consultant conducted field surveys on the actual numbers of sanitary fitments in various public places in Hong Kong, including shopping arcades/department stores, cinemas and places of public entertainment. User interviews have also been conducted for the purpose of collecting information on queuing time and level of satisfaction. The consultant has proposed to improve the standards for the provision of sanitary fitments after analysing the relevant data. After making reference to the consultant's proposal and relevant overseas standards, and considering the projected change in gender ratio of the local population and various stakeholders' views, the Buildings Department has formulated new standards for the provision of sanitary fitments. Such standards are to be implemented through these two Amendment Regulations tabled before the Legislative Council. I am delighted that the Legislative Council will complete the examination of the two Amendment Regulations today, so that the Amendment Regulation will formally take effect on 14 December this year.

In response to Members' speeches delivered just now and to certain views put forward during the scrutiny of the Amendment Regulations, I would like to give my replies.

Some Members are concerned about whether the newly revised male to female ratio of 1:1.5 is sufficient to satisfy the need of females for sanitary fitments. As we have earlier explained to the Subcommittee, apart from the adoption of a new ratio of 1:1.5 to estimate the number of males and females, the
Amendment Regulation has also taken into account the different physiological needs of males and females, hence the number of watercloset fitments provided for females should be higher than that provided for the same number of males. Specifically, the numbers of watercloset fitments to be provided for females in shopping arcades and department stores, cinemas and places of public entertainment will be increased on average by about 75%, 160% and 185% respectively against those under the existing standards. When both watercloset fitments and urinals for males are taken into account, the ratio of male to female sanitary fitments under the new standards is generally 1:1.6, higher than the ratio of 1:1.3 in the United Kingdom and the United States, and roughly the same as the ratio in Singapore. We hold the view that the new standards suit the circumstances and needs in Hong Kong, and the problem of shortage of female sanitary fitments in public places under the existing standards will be greatly alleviated.

According to the provisions of the Buildings Ordinance, the new standards will only apply to building works, including any alteration or addition works, of which the commencement has not been approved by the Buildings Department (BD) before the new requirements take effect. Some Members are concerned about whether sanitary fitments must be added according to the new standards when any addition works are undertaken in existing buildings, and they point out that in some existing premises such as food establishments or cinemas, it may be difficult to comply with the new standards due to space constraints. We greatly appreciate Mr Tommy CHEUNG and Mr MA Fung-kwok for their reminders in this regard. As we have explained to the Subcommittee earlier, the BD invariably vets and approves every item of alteration and addition works in a pragmatic manner. Regarding the scope of application of this legislative amendment exercise, in the case of the existing food establishments and cinemas where alteration works are undertaken, unless major alteration like change of the use of premises or expansion is involved, the new standards will not apply. The BD will issue a circular letter to the industry after the Amendment Regulations have taken effect, so as to provide guidelines on the application of the Amendment Regulations.

Some Members have proposed legislating on the provision of unisex toilets, sanitary fitments for children and feeding rooms for babies in public places. On the provision of sanitary fitments for children and unisex toilets, since the legislation aims to set the minimum statutory standards on the provision
of sanitary fitments in private buildings, and as no social consensus has been forged, we have no intention at this stage to make the provision of such facilities a mandatory requirement in the legislation. The BD will, through the Practice Note for Authorized Persons, Registered Structural Engineers and Registered Geotechnical Engineers (Practice Note), continue to advise the industry to provide such facilities in response to the design needs of individual premises.

Regarding feeding rooms for babies, the BD issued the Practice Note in 2009 recommending the provision of feeding rooms for babies in private commercial buildings for voluntary adoption by the industry. We will refer the proposal on legislating on the provision of such facilities to the relevant Policy Bureau for consideration.

Some Members are concerned about the standards for the provision of sanitary fitments in buildings not subject to the Amendment Regulations. First, I must emphasize that the Amendment Regulations already cover most private buildings in Hong Kong. As for buildings with a specific use, such as child care centres, schools, hospitals and MTR stations, the standards for the provision of sanitary fitments shall be prescribed by the relevant legislation or determined by the relevant departments and organizations as necessary and as circumstances require. I will forward the concerns expressed by Members just now about the provision of sanitary fitments in such buildings to the relevant Policy Bureau for follow-up actions.

President, I also come to understand that many Members have, in their speeches, expressed their concerns over sanitary fitments in government buildings. Government buildings are not regulated by the Buildings Ordinance. When the Architectural Services Department (ASD) undertakes public works projects, it must design the works in compliance with the standards prescribed by the prevailing Buildings Ordinance, the relevant regulations and the Practice Note. The ASD is a department under the Development Bureau, so Members can rest assured that we will ensure the continuity of the relevant practice. In other words, after the Amendment Regulations have taken effect, the ASD will require the provision of more female sanitary fitments in the relevant designs according to the latest statutory standards. In fact, regarding new government buildings designed by the ASD since 2013, including libraries, museums and community halls, new standards under the Amendment Regulations have been adopted for the provision of sanitary fitments for females, including the number
of female watercloset fitments. As for certain types of public structures that are not covered by building regulations, such as parks, bus terminals, stand-alone public toilets, hospitals and prisons, the standards for the provision of sanitary fitments will be formulated in accordance with the requirements of the relevant departments. In addition, for existing government buildings, the ASD will dovetail with the requirements of the management departments and try to comply with the new standards for the provision of female toilets where technically feasible.

In addition to the number of sanitary fitments, the ASD will require the provision of accessible unisex toilets according to statutory standards when working on the designs of government buildings. The ASD will make reference to the Practice Note of the BD, dovetail with the requirements of the management departments, include the provision of feeding rooms for babies and sanitary fitments for children in project designs, and, where technically feasible, provide facilities such as additional unisex toilets.

Some Members are concerned about how to regulate the conversion of sanitary fitments in buildings into other uses following their commissioning. First, I would like to point out that whether the conversion of sanitary fitments constitutes the contravention of the Buildings Ordinance depends on the actual circumstances of each case. If the conversion involves any unauthorized building works, the BD may consider ordering the demolition of such building works. In addition, for licensed food premises, officers of the Food and Environmental Hygiene Department will conduct inspections at regular intervals. If any irregularities regarding the provision of sanitary fitments for use by customers are detected in any food premises, inspecting officers will issue warnings or initiate prosecutions against the licensee concerned, where appropriate.

President, some Members opine that the Government should consider offering incentives to developers to provide more sanitary fitments. I would like to point out that it is a statutory requirement to provide appropriate sanitary fitments in different premises, and the Government is not prepared to provide incentives to developers in the form of plot ratio concession or in other forms. As for Mr Tony TSE’s suggestion on offering incentives when developers provide more sanitary fitments than as required by the statutory requirement, I would like to say that since the suggestion relates to the existing policy on the control of the
building bulk, and the policy was formulated after an extensive public engagement, it should not be changed easily. Still, we adopt an open attitude towards Mr Tony TSE's suggestion and will consider it when we conduct a review on the standards for the provision of sanitary fitments in the future. In fact, as we have observed, the stakeholders of some development projects have, giving regard to the design and market needs of the projects, adopted standards higher than those prescribed by the law for the provision of sanitary fitments.

President, as I have said just now, I think that the new standards for the provision of sanitary fitments prescribed under the Amendment Regulations suit the circumstances and needs in Hong Kong. In order to ensure the provision of sufficient sanitary fitments in buildings, the Government will keep a close watch on buildings completed after the Amendment Regulations have taken effect and monitor the provision and patronage of sanitary fitments in such buildings. Following the completion of a considerable number of buildings in compliance with the new standards in the future, the Government will conduct reviews and consider whether the relevant standards should be further enhanced. In response to Ms Cyd HO's proposal just now that we should join hands with the Women's Commission to conduct monitoring, I must say that the Women's Commission is a very important consultant organization in the reviews of the standards for the provision of sanitary fitments, and we attach a great deal of importance to its views. For this reason, we will certainly consult the Women's Commission in our future monitoring and reviews. President, I so submit.

PRESIDENT (in Cantonese): The debate on the motion now ends. In accordance with Rule 49E(9) of the Rules of Procedure, I will not put any question on the motion.

PRESIDENT (in Cantonese): Debates on motions with no legislative effect. The motion debate on "Combating acts of bid-rigging in repair works of private residential buildings".

Members who wish to speak in the motion debate will please press the "Request to speak" button.

I now call upon Mr Christopher CHUNG to speak and move the motion.
COMBATING ACTS OF BID-RIGGING IN REPAIR WORKS OF PRIVATE RESIDENTIAL BUILDINGS

MR CHRISTOPHER CHUNG (in Cantonese): President, owning a private residential unit is the dream of many families. However, it does not mean that property owners would necessarily be able to live happily. Large-scale repair works have recently been carried out in an increasing number of old buildings in Hong Kong, while it is reasonable for owners to share the repair expenses, they will be in great trouble if there are acts of bid-rigging.

The trial of the bid-rigging cases concerning Garden Vista in Sha Tin and Mei Foo Sun Chuen have commenced in the past few months, but punishment may not necessarily have deterrent effect, as it seems that bid-rigging activities have not been reduced. In fact, bid-rigging syndicates have innumerable tricks to rip off property owners and prevention is just not possible. Moreover, owing to the Government's ineffective combat of bid-rigging and the delay in the implementation of the competition law, small property owners will undoubtedly be exploited. Therefore, I move this motion, hoping to attract the attention of the community and the Government to bid-rigging and strengthen the protection of the interests of small property owners.

President, with the ageing of buildings in Hong Kong and coupled with the Government's introduction of a number of initiatives to support repair works such as Operation Building Bright and the Mandatory Building Inspection Scheme, the market for building repair works has been very prosperous in recent years. As we all know, a common large-scale repair works involves over $10 million and the repair works of larger housing estates frequently exceed $100 million. Calculating on the basis of 2,000 buildings in need of repair each year, the estimated total project cost each year will exceed $10 billion; therefore, the market for repair works is definitely a piece of "fat pork".

Some members of the industry disclosed that bid-rigging syndicates are very skilful in operation, there is tacit understanding between the consultant firms and contractors, and some lawbreakers even collaborated with Owners' Corporations (OCs) or the management companies, and there is even triad involvement, monopolizing the market in a "through train" manner. However, before the Competition Ordinance takes into effect, if the bid-rigging process does not involve bribery, fraud or criminal elements, pure bid-rigging is not in violation of the law. Small property owners are helpless even if they know there
is collusive price-fixing. Even if owners seek help from the Independent Commission Against Corruption (ICAC) and the Police, conviction is not possible due to a lack of evidence. Without a legal basis, the building maintenance market seems to go unrestrained, and small property owners are being exploited and oppressed.

In addition, there is a huge loophole in the existing Building Management Ordinance, for example, it has not prescribed the responsibility of building managers (that is, the OCs or management companies) to explain to owners the contents of the repair works. Very often, small property owners only know they have to bear astronomical maintenance fees after large-scale repair works has been approved. If small property owners want to turn down the works, the OCs would say that contracts have been signed, and they have to pay huge penalties if they breach the contracts. Moreover, the existing proxy system is very unclear, thus enabling many lawbreakers to manipulate the voting results by various means, even by producing bogus proxy instruments, thereby undermining the interests of small property owners.

We also think that the Government provides inadequate support to OCs. Proper building maintenance and repair is indeed the responsibility of every owner. However, owing to fragmented ownership of buildings in Hong Kong, as well as the requirement of complex and very specialized knowledge in major repair works, the general public can hardly handle the matters and they need the proactive assistance of the Government. Unfortunately, the Government very often uses the pretext that owners should tend to their own business and will at most assist owners to set up OCs, yet adequate support will not be provided after the establishment of OCs. For example, the Home Affairs Department (HAD) will arrange Liaison Officers to attend the meetings of OCs, but in view of a large number of repair works in recent years and the manpower shortage of the HAD, Liaison Officers sometimes cannot attend the meetings. Sometimes, the authorities will send inexperienced part-time community organizers to attend the meetings. As reflected by members of the public, these part-time organizers do not know how to deal with thorny issues such as bid-rigging, and they will not advise property owners how to handle the matters. They will just ask owners to seek assistance from other government departments.

Moreover, many departments are involved in large-scale repair works, including the HAD, the Urban Renewal Authority (URA), the Hong Kong Housing Society (HS), the Buildings Department, the Food and Environmental
Hygiene Department, the Water Supplies Department, the Electrical and Mechanical Services Department, the Joint Offices for Investigation of Water Seepage Complaints, the Fire Services Department, the Police, the ICAC or the Competition Commission to be established under the Competition Ordinance. Owing to a lack of co-ordination among various departments, small property owners will have to seek assistance from one department to another. As small property owners work for OCs on a voluntary basis, how can they have so much time and energy to seek assistance from each department?

President, to combat bid-rigging in repair works, I have the following suggestions: first, the authorities should consider setting up a credible engineering consultant firm. On the bid-rigging issue, I think the engineering consultant firm can play a very crucial role. For a long time in the past, the URA and the HS had assisted property owners in old districts to organize large-scale repair works and had accumulated a lot of experience, I thus suggested that these two agencies should jointly set up a professional engineering consultant firm. The firm will operate in a self-financing manner, providing professional consultant services to the public on building repairs as an additional choice for owners or OCs. If a representative with credibility is responsible for tender invitation, evaluation and selection, I believe the risks of bid-rigging or uncompleted works will naturally be reduced.

Second, the authorities should provide fair valuation service. At present, if owners can successfully apply for assistance under the Integrated Building Maintenance Assistance Scheme of the URA or the HS, they can enjoy free project valuation service. In the past, the relevant services received favourable comments from owners, but owners who did not meet the eligibility criteria could not enjoy the service. I suggest that the authorities should consider extending the engineering consultant service to all buildings in Hong Kong so that all property owners can enjoy fair and impartial valuation service free of charge, thereby enhancing their abilities in monitoring the repair works.

Third, the authorities should improve the Building Management Ordinance. As regards how to improve the Building Management Ordinance, I think the most important task of the Government is to increase the transparency of building management and the participation of owners. For example, the Government can require OCs to announce the time and place for opening the proxy collection boxes and counting the proxy instruments, so that owners can monitor the whole
process of opening the proxy collection boxes and counting the proxy instruments. The authorities should also strengthen the owners' participation and monitoring of the appointment of proxy.

Meanwhile, the Government should consider amending the existing Code of Practice on Procurement of Supplies, Goods and Services to require OCs to convene a general meeting, so that owners can vote to select an engineering consultant firm, thereby having greater participation in repair works and jointly monitoring the progress and quality of the works.

Fourth, the authorities should strengthen the building management services of the HAD. As I have just mentioned, in order to enhance the quality of services of Liaison Officers, we hope that the authorities would increase the resources and manpower of the HAD, and consider reforming the grading structure of Liaison Officers by designating them with specific responsibilities. Liaison Officers responsible for the buildings concerned can focus on building management work. In addition, the authorities should provide more training on building management and maintenance, so as to assist Liaison Officers in handling the management of different types of buildings.

Fifth, the authorities should establish a one-stop support platform. To resolve the difficulties in seeking assistance, we hope the Government would set up a one-stop building management support platform. Experienced staff should play a liaising role by contacting different government departments on behalf of small property owners or referring the cases to various government departments, so as to provide a consolidated reply. In this way, owners need not make painstaking effort to seek assistance from each department.

The sixth suggestion is to implement the Competition Ordinance. The Competition Ordinance will take full effect on 14 December. In order to specify that bid-rigging is a key anti-competitive practice and enable law-enforcement officers to restrain bid-rigging syndicates by law, the authorities must get hold of adequate witnesses and evidence. We ask the authorities to ensure that the Competition Commission will have sufficient resources to carry out investigations and will sincerely co-operate with other law-enforcement agencies to actively combat bid-rigging.
Lastly, President, Chief Secretary for Administration Carrie LAM said earlier that she was now co-ordinating the Development Bureau, the Home Affairs Bureau and the ICAC in building a central database to help property owners understand the costs and information for various repair works, in the hope that this would be a good start in respect of inter-departmental efforts in combating bid-rigging. The Government definitely has to take the lead in combating bid-rigging; I sincerely hope that the Government would make concerted efforts with various sectors of the community to combat bid-rigging through a multi-pronged approach, so that small property owners will no longer be exploited. Thank you, President.

PRESIDENT (in Cantonese): Mr CHUNG, please move your motion.

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

Mr Christopher CHUNG moved the following motion: (Translation)

"That this Council urges the Government to adopt effective measures to combat illegal acts of bid-rigging in repair works of private residential buildings (including subsidized sale flats)."

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

PRESIDENT (in Cantonese): Mr WU Chi-wai will move an amendment to this motion. This Council will now proceed to a joint debate on the motion and the amendment.

I now call upon Mr WU Chi-wai to speak and move an amendment to the motion.
MR WU CHI-WAI (in Cantonese): President, in the past year, this Council has repeatedly discussed the issue about combatting bid-rigging. The community has come to understand this issue owing to the Lands Tribunal's judgments in respect of a number of cases, including ordering the dissolution and re-election of the owners' corporation (OC) of Grandway Garden in Tai Wai, and ordering Mayfair Gardens in Tsing Yi form an OC.

In July this year, the Independent Commission Against Corruption (ICAC) charged a maintenance contractor with conspiring with a number of persons to offer a bribery of $45 million in order to secure, by means of bid-rigging, consultancy and renovation contracts for Garden Vista and Ravana Garden in Sha Tin, as well as Wah Lai Building in To Kwa Wan. It was alleged that the maintenance contractor concerned had conspired with a number of persons to offer a bribery of $43.6 million in total to the chairman of the OC of Garden Vista and senior staff of a property management company. The bribe offered to the chairman of the OC was $26 million, 10% of the total cost of the maintenance works of Garden Vista, which was $260 million.

President, those cases were not uncovered by the Government. The two former cases were brought to light after some small property owners filed lawsuits in the Lands Tribunal; as for the Garden Vista case, it came to light after the maintenance contractor confessed to the ICAC. This rightly justifies our criticism against the Government, that is, the Home Affairs Bureau has not duly exercised its power, but repeatedly uses the excuse that "building management is the responsibility of owners", allowing small property owners to be ripped off by various contractors. When property owners seek its help, it just tells them to seek legal advice and file lawsuits in the Lands Tribunal. The Home Affairs Bureau is well aware of the loopholes in the Building Management Ordinance, but what should be done pending the amendment of the Ordinance? The Government has yet to come up with a solution.

One of the main points in my amendment is to set up a building repair works authority. In reply to a question raised at the Legislative Council meeting last week, the Government said that it has no plan to set up a regulatory body, the reasons were as follows: first, the Government considered that owners were responsible for selecting appropriate consultants for their buildings, and it was inappropriate for an independent body to appoint authorized persons as advance works consultants on their behalf.
Second, bid-rigging often involved different aspects of improper or illegal conducts. At present, the Police, the ICAC and the Competition Commission were already handling the relevant investigation and enforcement work. Instead of setting up another independent body, the Government considered it more direct and effective for these law-enforcement agencies to tackle the matters in accordance with their statutory powers under relevant legislation, and that could also avoid problems such as overlap of functions. The Government also thought that as building maintenance often involved building management issues, it would not be easy for an independent body to intervene in owners' disputes on maintenance issues or other building management matters.

Third, the Government considered that new administrative expenses inevitably entailed from setting up such an independent body might have to be covered by levies from the industry. This would very likely be passed on to building owners resulting in higher costs of maintenance works.

President, I totally disagree with the Government. As I have mentioned before, the Building Management Ordinance has loopholes, and how can the Government stay aloof from the affair by saying that "building management is the responsibility of property owners"? In most of the cases that we have handled, in the face of bid-rigging activities on all fronts by syndicates and unfair availability of information, small property owners are powerless to defend against these syndicates. The problems faced by these owners are lacking of professional information on the one hand and lacking of price standards in the market for reference purpose. In the past, the support provided by the Government was mainly in the form of consultation. With an increasing number of maintenance management problems, the nature of this support has changed. However, such support is only for reference purpose, and against such a rampant and syndicated bid-rigging environment, small property owners still lack sufficient support, especially technical support, in respect of the maintenance works they wish to carry out.

Worse still, according to members of the industry, as building maintenance works involve many interest groups, some authorized persons who have not participated in bid-rigging dare not provide technical support for building works or even join other authorized persons in the provision of consultation service for fear of retaliation which may result in being unable to continue their practice in
the trade or even unable to complete the relevant contract. That gives rise to the phenomenon of the bad purging the good. Under such circumstances, we think that the situation can only be improved if the authorized persons from the Government or public agencies can provide the technical support required.

In its reply to our question last week, the Government said that the ICAC and the Competition Commission would handle the relevant investigation and enforcement work. However, I have to point out that the exposure of the Grandway Garden case was attributed to the confession of the maintenance contractor, but not the proactive investigation or arrest of the ICAC. Does the Government intend to address the problem by relying on the conscience of those involved in bid-rigging? The building repair works authority that I suggest is a non-partisan aspiration of the professional sectors and of the Hong Kong Institute of Surveyors. Why does the Government turn a blind eye to that?

The last reason is even more absurd. The Government said that setting up an independent body might inevitably entail administrative expenses which might have to be covered by levies from the industry. What is the amount of the administrative expense incurred? The cost of works involved in a one bid-rigging case has amounted to $260 million and the cost of 100 works project of the same scale of Grandway Garden case will amount to tens of billions of dollars. As Mr Albert HO said last week, the Government has a huge surplus and it would not be an unreasonable request for the Government to allocate a small amount of public funds to establish a regulatory agency for the benefit of all small property owners. Besides, half of the population in Hong Kong live in public housing whose maintenance support is provided by the big and powerful Housing Authority. With various regulatory regimes and professional support provided by the Housing Authority and the Housing Department, residents of public housing need not worry about such problems. On the contrary, owners of private flats are plagued by all kinds of problems such as the lack of various kinds of information and bid-rigging of maintenance works, but the Government just claims that "building management is the responsibility of owners" without even providing any support. Is this fair?

As a matter of fact, if we look at the expansion in the staffing establishment of the Home Affairs Department (HAD) in the past decade, we can see how much resources the Government has put in the management of private buildings. I
have discussed with the colleagues of the HAD on many occasions. Even if the Government does not provide more resources, should it at least adjust their work arrangements?

Just now Mr Christopher CHUNG talked about specific posts for special duties. This is the goal that we wish to achieve for years. The work of Liaison Officers of the HAD consists of two major areas, one being building management and the other social development. Obviously, the pressure and difficulties relating to the building management work are much greater than that related to social development. If the HAD does not look squarely at this problem, it will only drive dedicated staff away and fails to address the public's aspiration for more government resources in assisting the work of building management.

We hope that the Home Affairs Bureau will address this problem seriously, reposition its stance as regards manpower resources and work arrangements and pay sufficient attention to the work of building management; otherwise, with the increasing number of private buildings in the community, small property owners will be ripped off and exploited in the areas of building maintenance works and building management.

Lastly, the Property Owners Anti-Bid Rigging Alliance has asked me to put a question to Home Affairs Bureau. In July this year, the Alliance wrote to the Chief Secretary for Administration to request for a meeting with her. The Chief Secretary for Administration's Office responded, saying that it had referred the relevant issue to the Home Affairs Bureau for follow up. It is December now but no one has contacted the Alliance yet. The Alliance wants to know what has happened and why the Bureau do not follow the instruction of the Chief Secretary to arrange a meeting with the Alliance. Does this reflect that the Home Affairs Bureau has not taken the building management work seriously and has not attached sufficient importance to it?

I raise this question here on behalf of the Property Owners Anti-Bid Rigging Alliance and I hope the Home Affairs Bureau will respond.

With these remarks, President, I move my amendment.
PRESIDENT (in Cantonese): Mr WU, you may move your amendment.

MR WU CHI-WAI (in Cantonese): President, I move my amendment.

Mr WU Chi-wai moved the following amendment: (Translation)

"To add "because of the varying standards of repair and maintenance service providers for private residential buildings at present, bid-rigging activities are rampant (including exaggerating the works costs by illegal means such as corruption, which has rendered some property owners suffering monetary and other unnecessary losses); in this connection," after "That"; and to add ", which include: (1) stepping up law enforcement to combat bid-rigging syndicates; (2) providing small property owners with appropriate and professional support; (3) enhancing public education to give publicity to the perils of bid-rigging; (4) setting up a building repair works authority to regulate the service quality of repair and maintenance service providers for residential buildings; and (5) commissioning statutory bodies with credibility (such as the Hong Kong Housing Society and the Urban Renewal Authority) to provide property owners with professional building repair works services of authorized persons, such as information on works supervision and costs estimation, etc.," after "measures"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr WU Chi-wai to Mr Christopher CHUNG's motion, be passed.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, in recent months, we have held various discussions with Members at the Legislative Council meetings on the problem of suspected bid-rigging in building maintenance works. In June this year, when the Legislative Council held a debate on the motion of building maintenance works moved by Mr Tony TSE, some Members mentioned the problem of bid-rigging, and I had expressed the views of the Government at that time. Last Wednesday, the Development Bureau and the Home Affairs Bureau also replied to an oral question on the problem of bid-rigging asked by Mr CHAN Han-pan. All these discussions
The problem of bid-rigging is of major concern to society. In fact, the Government also attaches great importance to it. My appreciation is thus given to Mr Christopher CHUNG for moving the motion today, and to Mr WU Chi-wai for proposing an amendment, so that the Secretary for Home Affairs and I have the opportunity to exchange views with Honourable Members again on the problem of bid-rigging in building maintenance works.

President, the term "bid-rigging" refers primarily to those anti-competitive conducts such as price-fixing. Nevertheless, as we have pointed out to the Legislative Council earlier, the problem of bid-rigging in building maintenance works is a rather complex issue which often involves not only anti-competitive conducts, but possibly problems such as a few property owners colluding with owners' corporations (OCs), management companies and maintenance works consultants in order to manipulate building maintenance decisions for seeking advantages, and so on, or even corruption and triad involvement. As some property owners lack the knowledge, experience and vigilance in co-ordinating building maintenance works, and some do not actively take part in building management affairs; some black sheep may take advantage of the situation to reap illegal advantages during the maintenance process.

The Government is gravely concerned about suspected bid-rigging in building maintenance works. That is because bid-rigging in building maintenance works does not merely involve illegal practices such as corruption, but will also make property owners afraid of and evade carrying out building maintenance works. In the long run, the conditions of the building will deteriorate, or may even affect building safety. Moreover, as arguments on building maintenance issues will often occur between owners and OC or among owners, neighbourhood relationship may thus be affected. For the relevant sectors, should bid-rigging be prevalent, those industry players with good conducts and refuse to join with the vicious will be driven out of the business, and the sectors will be dominated by the black sheep. Consequently, the professional standards of building maintenance will decline, and the community will have a negative perception towards the professionals. Owing to the harmful effects of bid-rigging, we must implement measures in a proactive manner to prevent and combat bid-rigging.

To deal with the problem of bid-rigging effectively, the Government and various sectors of the community must work with concerted efforts. In our view, active participation by property owners is most important. In fact, the
responsibility to maintain and repair private buildings — including conducting the required tendering work and appointing consultants and contractors — rests with property owners. Property owners must actively participate in building management and maintenance works, proactively monitor the work of OCs, management companies, maintenance works consultants, and so on, so as to prevent lawbreakers from exploiting the loopholes. On the part of the Government, the departments concerned and relevant organizations will co-operate closely in a multi-pronged approach to prevent and combat bid-rigging in building maintenance works through publicity, public education, law enforcement, as well as the provision of more support to owners. We will also closely liaise with the relevant professional bodies to examine how to enhance the conducts and professional standards of the sector.

President, as I have said just now, bid-rigging is a complex issue, and the modus operandi of lawbreakers also changes from time to time. Therefore, the Government has always adopted an open attitude in listening to the views and suggestions raised from various sectors of the community, and will improve existing measures or implement new initiatives when appropriate to deal with bid-rigging. I am aware that Honourable Members have different views and proposals for improvement on the related issues. Some specific proposals have already been set out in the motion and its amendment today. I believe Honourable Members will put forth other views and proposals in their speeches later on. I will give a consolidated reply after listening to Honourable Members' speeches in detail. Thank you, President.

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, as pointed out by the Secretary for Development in his speech just now, the problem of bid-rigging is rather complex. To effectively prevent and combat profiteering by lawbreakers through bid-rigging in maintenance works, we must adopt a multi-pronged tactic to provide appropriate support to small property owners on various fronts, such as law enforcement, publicity and education as well as professional support.

All along, the Home Affairs Department (HAD) has been endeavouring to assist owners of private buildings to discharge their building management duties through the provision of a sound legal framework, supplemented by comprehensive publicity and education, as well as the provision of unbiased advice and targeted support.
To carry out timely repair and maintenance of buildings is one of the major responsibilities of owners in properly managing their buildings. However, building maintenance works touch upon many professional areas in which common small property owners may not necessarily be equipped with the relevant knowledge; thus they are vulnerable to be taken advantage of by lawbreakers. In order to prevent bid-rigging in maintenance works, the HAD has been co-operating proactively with relevant Policy Bureaux, government departments and relevant organizations in recent years. On the one hand, they join hands to enhance publicity and education by providing the owners' corporations (OCs) and owners with the information they need; and on the other hand, they also help enhance the communication between OCs and owners, encourage owners to actively participate in building management and maintenance and provide appropriate support.

Regarding publicity and education, in addition to organizing systematic training programmes to enhance the capability of members of OCs in building management and handling maintenance matters, the HAD also organizes seminars, workshops and symposiums on building management and maintenance with the Buildings Department, the Hong Kong Police Force, the Independent Commission Against Corruption, the Urban Renewal Authority (URA), the Hong Kong Housing Society (HS) and relevant professional bodies from time to time. Moreover, the HAD also organizes other publicity programmes, produce television announcement of public interest, assist relevant organizations in distributing publications, provides OCs and owners with the latest information on building management and maintenance, prevents corruption, and so forth.

Moreover, the various District Offices also maintain close liaison with those OCs and owners who wish to carry out building maintenance works, so as to encourage the owners to participate actively, in particular, during the initial planning stage of the maintenance works, to understand the details of works as early as possible and actively attend the general meetings of owners to discuss various options, thereby avoiding disputes or even illegal activities. If required, the District Offices may even refer them to join various professional support service schemes provided by relevant organizations or professional bodies, such as the Integrated Building Maintenance Assistance Scheme provided by the URA and the HS and the "AP Easy" Building Maintenance Advisory Service Scheme provided by the HAD.
The District Offices will also make efforts to resolve disputes that may arise during the process of building maintenance. Moreover, the HAD has set up the Panel of Advisors on Building Management Disputes and launched a free mediation service for building management, so as to provide property owners with free professional advice by neutral and professional persons. Accredited mediators may help to mediate on a voluntary basis for resolving disputes.

President, we attach great importance to the problem of bid-rigging in building maintenance, and will listen attentively to the views of Honourable Members on the publicity work for the prevention of bid-rigging.

Thank you, President.

MR MICHAEL TIEN (in Cantonese): President, I thank Mr Christopher CHUNG for moving this motion. I strongly believe that this motion will be supported by all Members, regardless of their political affiliations. I am certain that this motion will be carried without a hitch.

Private buildings over 30 years of age will undergo major repair works, so as to safeguard building quality and safety. But such building repair projects can easily cost over $1 million or even $100 million. Given the large sums of money involved, dishonest and greedy people will try to get a share in it.

One notable example is the recent bribery and bid-rigging case concerning Garden Vista in Sha Tin, which involves an exorbitant repair cost of $260 million. After four years of investigation, the authorities only managed to prosecute one building contractor who was charged with conspiring with others to offer bribes totalling $45 million in order to secure contracts for consultancy and renovation works for Garden Vista, Ravana Garden and Wah Lai Mansion in To Kwa Wan through bid-rigging. It was alleged that the defendant offered bribes totalling $43.6 million to the chairman of the owners' corporation (OC) of Garden Vista as well as senior management personnel of the property management company. As revealed by the facts of the case, the bribes offered by the defendant to the OC's chairman alone already amounted to $26 million. The $26 million bribe money allegedly received by the OC's chairman is the hard-earned money of small property owners. We are furious about such appalling wrongdoing.
Looking back to past bid-rigging cases, I come to the conclusion that bid-rigging is caused by four reasons. First, service providers in the building maintenance market, such as engineering companies, are not properly and stringently regulated under the existing laws. Taking advantage of the legal loopholes, engineering companies will form syndicates to break the law. Sometimes, several companies will submit high-priced tenders in collusion with the property management agencies or the OCs, or they may resort to violent means such as criminal intimidation and assaults to drive out other repair and maintenance companies or force the competitors to withdraw their bids. By using threats, they also silence the objections of small property owners who have queries about the tender. Major maintenance and repair contracts are taken up by engineering companies through such violent means. Due to the lack of comprehensive and stringent regulation, the building maintenance market is now dominated by several big consortia, with bid-rigging clearly evident.

Second, the majority of small property owners have little knowledge about the construction industry or building maintenance works. As small property owners are just laymen, we can hardly expect them to know anything about the engineering works. If the maintenance works are presented in an obscure manner, small property owners will find it immensely difficult in choosing the right consultant and contractor. Exploiting the small property owners' lack of professional knowledge, the racketeering engineering companies inflate the maintenance costs by several times and hence, presenting the exorbitant cost as the market price.

Third, the Government has failed to provide clear guidelines in respect of the standard and quality of building maintenance works for reference by small property owners. Given their lack of knowledge about building engineering and maintenance works, small property owners can at most make reference to the Building Maintenance Guidebook published by the Buildings Department. But the Guidebook only contains some ostensible information about the functions of relevant government departments. Why can't the Government upload a list of authorized consultants or engineering companies onto the Buildings Department's website, so that small property owners preparing to undertake major building maintenance projects can make an informed choice among the authorized consultants or engineering companies available?

Let me cite an example from Tsuen Wan, the district which I serve. The OC of Allway Gardens received a total of 37 tenders, and the tender prices vary considerably. The small property owners have no idea whether the bidders are
qualified or not. And considering the varying tender prices, they are not sure if the lowest bidder should be regarded as the best choice. I think nobody really knows.

The Government must bear the greatest responsibility for the problem of bid-rigging. While the Home Affairs Department is not empowered to enforce the Building Management Ordinance, no penalty for contravention has been specified in the legislation and thus, the legislation is just a "toothless tiger". If small property owners want to take OCs to court, the Home Affairs Department will only give them the standard advice that they should file claims with the Lands Tribunal and bear the costs themselves. It is thus clear that the legislation is totally ineffective in helping the owners combat bid-rigging.

Fourth, another government department, the Buildings Department, is also responsible for the problem. Being responsible for ensuring the standard and safety of buildings, the Buildings Department has been pushing owners to maintain their properties incessantly. But it fails to provide adequate support to small property owners who are inexperienced in undertaking building maintenance works. In the end, small property owners can only seek advice from outside the Government, such as the Hong Kong Institute of Surveyors.

Hence, I put forward the following suggestions for the Government's consideration. In fact, some Members have also spoken about them earlier. Having heard the views held by Members generally, the Government should have a good idea of the way forward.

First, the Government should make reference to the Mandatory Building Inspection Scheme and the Mandatory Window Inspection Scheme and upload a list of authorized consultants onto its website, so that small property owners can refer to the list and be better informed in the selection process.

Second, I think the Competition Ordinance, which will come into full operation on 14 December, would have a certain deterrent effect against acts which contravene the principles of fair competition, such as bid-rigging. Under the Competition Ordinance, enterprises and major consortia are prohibited from abusing their market power to prevent other competitors from entering the market, so as to ensure a level playing field for operators of different scales. The effect is exactly to prevent the further aggravation of the problem of bid-rigging.
Third, the Government must conduct a comprehensive review on the Building Management Ordinance, so as to plug the loopholes, strengthen its statutory powers and eliminate acts of bid-rigging by racketeering engineering companies. The New People's Party suggests that a property management support team be established by the authorities to provide comprehensive assistance and support to property owners in areas such as auditing, accounting, law, project tendering, insurance and other professional fields. The support team should also take the initiative to hold regular meetings with owners' committees or OCs so as to gain a better understanding of their needs.

Given the ambiguities in the Building Management Ordinance regarding the use of proxy instruments (or more commonly known as proxy forms), we have previously suggested that the Home Affairs Department should step up its supervision to ensure the fairness and impartiality of the voting process including the use of proxy forms. Separately, the authorities should set a ceiling on the ratio of proxy forms to protect the rights of small property owners and avoid the situation where the decision process is dominated by one single person holding a large number of proxy forms. Basically, I think the issue of proxy instruments is critical and more should be done by the authorities in this regard.

I support this motion wholeheartedly and hope the Government can sympathize with the plight of small property owners. Thank you, President.

MRS REGINA IP (in Cantonese): President, the bid-rigging case involving Garden Vista in Sha Tin, which was charged an astronomical repair fee, had caused a public uproar. Many colleagues have mentioned this case just now. Besides Garden Vista in Sha Tin, a number of big housing estates are also faced with the same problem. Take for example Taikoo Shing which was built several decades ago, any repair works would involve huge amounts of money as there are 60 blocks in the development. As far as I know, residents of Taikoo Shing are deeply concerned about the bidding price of the external wall maintenance works. Residents of Caribbean Coast in North Tung Chung also complain about rampant bid-rigging. According to the residents, between 2003 and 2009, the security and cleaning services, as well as fire safety works of various housing estates above the Tung Chung Mass Transit Railway (MTR) station, including the Tung Chung Crescent, Seaview Crescent, Coastal Skyline and Caribbean Coast, were all awarded to a few selected companies, while the third party liability insurance was underwritten by a subsidiary company of the MTR Corporation Limited.
Though corruption may not be involved in such practices, I am pleased to learn that when the Competition Ordinance takes effect on the 14th of this month, the first task is to address the problems of restricted competition and price-fixing.

President, you should recall that when we discussed and scrutinized the Competition Ordinance in 2010, our attention was drawn to the case in which operators of cooked food stalls in Tai Po had been charged with conspiracy to defraud by bid-rigging, but they were later acquitted on appeal. Those stall operators drew lots to get the stalls in the market and then colluded to bid at the lowest price. They were charged with conspiracy to defraud but were all acquitted on appeal due to the lack of evidence. However, I believe that this kind of bid-rigging or price-fixing, disregarding whether the price is high or low, will be handled by the Competition Commission (Commission) after the Competition Ordinance takes effect. The Government has started to appoint members to the Commission since late last year and all important offices, such as the Chief Executive Officer and the General Counsel, have been appointed this year. However, I agree with many colleagues that in respect of building management, the Government can play a more important role.

I fully support Mr Christopher CHUNG's motion. As regards Mr WU Chi-wai's amendment, I find some measures difficult to implement or are unnecessary, such as the establishment of a building repair works authority. The reason is that under the Building Management Ordinance (Cap. 344), the Authority concerned is the Secretary for Home Affairs. The Codes of Practice prescribed in section 44 have a wide scope and the Secretary for Home Affairs is responsible for a wide range of work. For example, he prepares, revises and issues Codes of Practice and manages many matters, including the provision of services. Let me read out the section in English, "the procurement of supplies, goods and services required by a corporation including such procurement by invitation to tender and the tender procedure in respect thereof" and also "the standards and practices of management and safety that are to be observed and followed by a corporation …".

I hope the Secretary will read section 44 very carefully. He has great power and can prepare many codes of practice. As Mr Michael TIEN of my Party has said, the Secretary may form working groups or support groups to exercise the existing power to assist owners' corporations (OCs) in monitoring the tender prices and overseeing if owners have been cheated or defrauded. The Secretary does have this power. We have frequently received complaints from
OCs of multi-storey buildings that the staff of the Home Affairs Bureau are not enthusiastic or proactive in providing assistance to the residents, possibly due to the heavy workload. I hope that the Secretary for Home Affairs will enhance the work in this respect and exercise his power to provide more service for the residents.

As regards Mr WU Chi-wai's recommendations, which include "stepping up law enforcement to combat bid-rigging syndicates", I believe that the authorities have already been empowered either under the Crimes Ordinance or the Competition Ordinance which will come into effect soon; concerning "enhancing public education to give publicity to the perils of bid-rigging", the Home Affairs Bureau has the responsibility and power to undertake such work; as for "setting up a building repair works authority to regulate the service quality of repair and maintenance service providers for residential buildings", I wonder if Mr WU means setting up a statutory body, do not forget that setting up a new statutory body warrants the creation of new civil servant posts and directorate posts, and once the creation of new posts is required, President, you are also aware of the long outstanding issues to be handled by the Finance Committee, the Establishment Subcommittee and the Public Works Subcommittee, and even if Mr WU's Party supports the creation of new posts, it cannot be done easily; also, in respect of "commissioning statutory bodies with credibility (such as the Hong Kong Housing Society and the Urban Renewal Authority) to provide property owners with professional building repair works services of authorized persons", I think while these organizations can provide information, they may be concerned that the information provided may be misused and they may be held accountable later on.

Hence, though Mr WU Chi-wai is well-intended in proposing the amendment, some of his suggestions are difficult to implement. For this reason, I will not support his amendment but I will support Mr Christopher CHUNG's original motion.

Thank you, President.

MR JAMES TIEN (in Cantonese): President, I think that the original motion, the amendment and Members' speeches are all well-intended, with the purpose of exploring how repair works of old buildings can be dealt with.
President, as a developer, in addition to owning a company engaging in building construction, I also have a lot of rental properties, and some of which have been rented for more than 20 years and maintenance is necessary. As many Members have mentioned in their speeches earlier, the Government should face squarely a serious problem currently arising, and it should be able to deal with it, that is, many people who intended to bid for building repair works projects could not submit their bids owing to the intimidation of some scoundrels. In my view, among the numerous issues raised by Members in their speeches, this issue can be most practicably addressed, while most of the other problems are simply impossible to resolve though verbal solutions can easily be made.

Going back to the above-mentioned problem concerning repair works of certain districts being monopolized by scoundrels. By allowing only a couple of contractors to submit their bids, they try to engage in bid-rigging and eventually they can win all the bids. In my opinion, from the perspective of anti-triad or anti-corruption, the Government should allow the relevant departments to take law-enforcement action. The Government should be able to do so.

How come building repair works has become such a serious problem in Hong Kong? As pointed out by Members, firstly, small property owners responsible for the repair works only work on a voluntary basis; secondly, the majority of small property owners are not professionals in this area; thirdly, it is very difficult to identify contractors or subcontractors of building repair works in Hong Kong. If small property owners have to approach different companies or contractors specializing respectively in window repair, plumbing and drainage repair, plastering works, as well as external wall spalling repair, it would mean that they have to be experts in all these areas of works. I do not think most of them are experts. My personal experience is, even though there is a team of workers in my company with expertise in building construction, and naturally in repair, as repair works is like starting the procedures all over again from scratch, we have encountered great difficulties and the time taken is very long.

Another point that Mr LEE Cheuk-yan may not find so pleasing to his ears is that it is more difficult to recruit maintenance workers than construction workers. As construction works are usually carried out in clean sites, contractors and subcontractors have no difficulties in hiring workers to work in gigantic construction sites, where they can give full play to their skills. On the contrary, subcontractors of repair works have to recruit several workers to work in different units of a building — it should be noted that as the majority of occupants will not move out of the unit during the repair works, workers may
have to fix the pipes of a unit which is still occupied, or scaffolding workers may see someone sleeping in his room while they are working. Can you imagine how difficult it is for subcontractors to hire workers? Worse still, the workers employed may not be professionals engaging in the relevant field, the subcontractor may casually hire some workers to do patch-up works. Thus, the effect of the repair works will not be satisfactory. Shortly after the maintenance fee is paid, the windows may have water seeping problem, and concrete may again spall off the external wall. What can small property owners do then? I do understand their miserable situation because even if an owners' corporation (OC) has been set up with chairman and members carrying out the necessary work on a voluntary basis, they will be distressed if no bids have been received or, only two or three bids have been received after repeated lobbying. What should they do then? Just now, I have cited an extreme example of bribery, which can actually be dealt with by the Independent Commission Against Corruption or other law-enforcement departments. And yet, the project concerned is not a popular one. There are numerous old buildings in Hong Kong. Even if assistance is secured from the Hong Kong Housing Society (HS), the Urban Renewal Authority or the Buildings Department, they can only provide some help as the project concerned is not under their purview. Can the HS ask an OC to award the contract to a contractor offering a tender price of $3 million but not the one offering $2 million for the reason that the one offering a higher tender price can do a better job? Will small property owners of an OC be willing to pay several ten thousand dollars more to share the additional costs? I think this is very difficult indeed.

President, given that I also have some small overseas properties, I am aware that the OCs in San Francisco, New York or London have done pretty well in property management. Of course, I do not have the slightest idea if the tender prices are too high, but at least no other property owners have expressed any strong view, and no serious problems have arisen in the community. Similarly, in major cities over the world, such as New York or London which I have just mentioned, there are also many old buildings which are in need of maintenance and repair. Does the difference lie in the capabilities of the occupants who take up duties in the OCs and the fact that the contracting-out system in foreign countries is subject to regulation?

While Hong Kong has thousands of old buildings pending redevelopment, acquisition has nonetheless become increasingly difficult. Thus, in view of the abundant supply of Government land and the proactive effort of Secretary Paul CHAN to invite tenders, I would rather, as a developer, submit tenders to bid for
Government land for constructing new buildings than submit applications for compulsory sale of old buildings for redevelopment by acquiring 80% ownership. In that case, old buildings will be less attractive for acquisition and their condition will not be improved either. As a result, the number of old buildings requiring repair will continue to increase. Although the Government is, in my opinion, completely inept in this regard, I fail to see how the setting up of an authority can exercise control over the various problems.

President, the Liberal Party and I strongly support the view expressed by a number of Members that more should be done by the Government. Thus, though the original motion and the amendment have minimal effect, the Liberal Party supports them, and would like to see if the Government can find a solution to the problem.

Thank you, President.

MR LEE CHEUK-YAN (in Cantonese): President, just now Mr James TIEN said that everyone wanted the Government to do something. That is true. But the question is, even though a lot of people have been victimized, the Government has yet to do anything. This is most pathetic. In fact, the Government is aware of many irregularities, but it has never tackled them, thus causing many people to fall prey to bid-rigging. LAU Kong-wah said earlier on that the Government, having a sound legal framework in place, would do its best to resolve disputes. In my view, his remarks are very irresponsible and utterly divorced from reality.

Members, do you know what small property owners are most angry about? Honestly, apart from being indignant at corrupt syndicates, small property owners are also furious with the Home Affairs Department (HAD), as they consider that the HAD has failed to help them. They were obviously fleeced by bid-rigging syndicates, but they were unable to make their voices heard under the control of those syndicates, and were forced to pay astronomical repair fees after the repair projects were passed. Subsequently, while they have kept seeking the HAD's assistance, the HAD has failed to help them in any way. This is why they are furious with the HAD.

Of course, to solve the problem, we must first figure out where the problem stems from. Now, we all know that those engaging in bid-rigging are actually large syndicates which regard such racketeering as a "big meal", so to speak.
Since the revelations of the Garden Vista incident and a number of other similar cases, the *modus operandi* of bid-rigging has been brought to light, and everyone can see clearly that it involves collusion among several groups of people. The bid-rigging syndicates would first control the owners' corporations (OCs), and then control the management companies. Among those OCs and management companies, who have accepted advantages? To be honest, perhaps some of them have not accepted any advantage. The number of people partaking of this "big meal" varies from case to case.

That said, it is certain that some people have obtained project consultancy contracts by quoting very low or dirt-cheap prices, and thereafter controlled the tender exercises and engaged in bid-rigging during the tender processes, followed by the participation of triads — another group of people craving this "big meal". So overall, this "big meal" involves project consultants, repair contractors, triads, OCs and management companies. They all have their eyes fixed on a piece of "fat pork", and when they bite into this piece of "fat pork", they are eating up the hard-earned money of small property owners. In some cases, small property owners were originally supposed to pay only several ten thousand dollars, but in the end, they were required to pay as much as $300,000-odd, a sum several times greater than the original amount. Actually, the Government must also be held responsible for this piece of "fat pork", as the Government has injected some so-called benefits into this piece of "fat pork" to make it even fatter. Why do I say so? As we all know, the Government has launched the Operation Building Bright scheme, and the Buildings Department (BD) has also provided loans. These two measures appear to be quite nice on the surface in that people in need may apply to the Hong Kong Housing Society for subsidies, as well as to the BD for loans, but such money given by the Government is exactly what this piece of "fat pork" is made of.

I am not saying that the Government has deliberately engaged in transfers of benefits. I think the Government is not that bad. In truth, however, as the Government has failed to monitor the money devoted to this area, a school of "sharks" has been attracted to come and gobble up such money. They would say to property owners, "You have nothing to worry about, as the Government is offering subsidies and loans; now that the Government is offering subsidies and loans, what do you have to worry about?" In that case, property owners would be easily taken in. So, such money given by the Government has become part of the "fat pork", and as a result, small property owners yielding to temptation have been fleeced by corrupt syndicates. In view of this, small property owners are most miserable.
Under the circumstances, if we are to solve the problem, the first thing we should do is, of course, to combat bid-rigging. The Government must step up enforcement to bring more unscrupulous elements to justice and put them behind bars, so that Hong Kong people can see the eventual crumbling of bid-rigging syndicates. This is something that must be done. In addition, I have some other suggestions. In my opinion, the Government should endeavour to tighten up on the supervision of OCs. As far as repair projects are concerned, we all know that there is now a problem about proxy instruments. Very often, after the management company and the chairman of the OC have "taken care of" the proxy arrangements and obtained all proxy instruments … Of course, you may blame the property owners for not having a sufficiently strong awareness, but since we established the Property Owners Anti-Bid Rigging Alliance to offer guidance to property owners in the districts, quite a number of bid-rigging cases have been exposed and cracked.

It remains our view that apart from changing the mindset of small property owners, we should change the system. At present, a repair project can be passed with 10% of the owners attending the meeting and more than half of the votes are cast in favour of it. We propose that for a repair project to be passed, there should be 30% of the owners attending the meeting, and the threshold of votes required should be changed to 75%. Given the huge amount of money involved in such a project, and the need to raise capital from all owners, the threshold of votes required for passing the project should be set at a higher level. This is my first suggestion.

My second suggestion relates to the current allocation of money by the Government in this regard. There are serious problems with this money. First, this money is now … In theory, the Government will provide a reference price for the works, but then the bid-riggers will regard this reference price as "basic payment", and tell the property owners that they do not have to worry as the Government will "underwrite" the cost of the works and offer subsidies and loans, so even if the cost exceeds that amount, they will just need to chip in a little money. Yet, in our view, the Government should send out a clear message that the reference price is the real price which must not be exceeded by more than 10% in the final quotation, or else the Government will not approve it. This can preclude anyone from having a "big meal", because the maximum profit margin is only 10% — there has to be some flexibility after all.
Second, OCs are the Government's "babies", and the Government must not shirk from bringing them up after giving birth to them. The Government should set up a regulatory authority to monitor the entire repair works of any building that actually undergoes repair. Now, some works projects are left uncompleted without being granted any subsidy. The Government should impose regulation (The buzzer sounded) …

PRESIDENT (in Cantonese): Mr LEE, your speaking time is up.

MR LEE CHEUK-YAN (in Cantonese): … to ensure that the works projects can be completed before granting subsidies …

PRESIDENT (in Cantonese): Mr LEE, your speaking time is up.

MR ALBERT CHAN (in Cantonese): President, the problem of bid-rigging is absolutely not anything new nor is it a new phenomenon. I learnt of this problem two decades ago. I submitted a proposal to the Government as early as 2006, and a decade has almost passed in a blink of an eye. My proposal has not only highlighted the problem of bid-rigging, but also presented a series of proposals to the Government.

At that time, the Government was about to introduce the Mandatory Building Inspection Scheme (MBIS), which, in my view, was no different from handing money to bid-rigging companies. The Government should, before introducing the MBIS, formulate a series of measures on the maintenance system and on the support provided to the owners' corporations (OCs). One of my proposals was, in addition to reviewing and properly implementing the Building Management Ordinance (Cap. 344), the Home Affairs Department (HAD) should not merely "give birth to OCs but not bring them up". The Government only encouraged people to set up OCs and provided voluntary legal services from time to time, but it turned a blind eye whenever problems had arisen, asking OCs to address the problems, seek legal advice and look for engineers and consultants of their own accord.
I recalled that in the early 90s, I had already suggested the HAD to establish a professional team comprising lawyers, engineers and surveyors at the district level to provide professional advice to OCs on building maintenance, and even to provide direct assistance to OCs when necessary. Nonetheless, over the years, the Government has done nothing except shifting the responsibility onto the Hong Kong Housing Society (HS) and the Urban Renewal Authority. Our new "Bigwig Secretary" had served as a District Council member for many years and he should be very well versed in this issue. So, please do not tell me that he has not dealt with any bid-rigging cases at the district level throughout his tenure as a District Council member. In the past, there have been numerous cases of property owners, who were OC members, being threatened, or sued for defamation by managers of property management companies by hook or by crook in an attempt to make them back off. There are also numerous cases involving triad intimidation.

Bid-rigging is now operated in a one-stop manner with property management companies, OCs, consultants and contractors forming a syndicate. We may even describe it as an organized crime because the conspiracy to defraud by three persons may, to a certain extent, constitute an organized crime. As a matter of fact, this situation is prevalent. These people share benefits and have different roles to play. The contractor may place a "secret agent" in the OC, who appears to be fair and just. If he fails to seize control over the OC, the contractor will find some people to pose as righteous flat owners and charge the OC, censuring the problems of OC members and demanding their replacement. The whole process will continue until the contractor has complete control over the OC.

I have cited more than once in this Chamber the following example about the selection of a property management company by property owners. When some property owners wanted to replace the existing property management company, a working group was formed under the OC to invite interested property management companies to submit tenders. The working group issued questionnaires to those property management companies, and the company with the highest score would be selected. This approach appeared to be pretty objective and transparent. In the questionnaire, one of the questions was, did the applicant of a property management company (the person who submitted the application on the company's behalf) know the number of parking lots available in the housing estate. As it turned out that only one applicant could answer this question, the property management company to which he belonged was selected.
And yet, even the OC's chairman or property manager did not know the number of parking lots available in the housing estate, but that applicant was able to give the correct answer. Surely someone had leaked the information to him. It turned out that a member of that property management company — a newly established company not large in scale — was a relative of the OC's secretary. This is a case that happened in LAU Kong-wah's constituency back then, not in my constituency. What is more, it happened more than 10 years ago and this is not a new case.

From this, we can see the meticulously planned arrangement and the intricate co-operation; as well as the involvement of various parties. Some people may think that they can rest assured by hiring a consultant, but it is possible that the consultant is a working partner of the contractor. As these consultants may charge a fee as low as $1,000 or $10,000, which is even lower than the charge for attending one meeting, property owners are often attracted to engage consultants offering cheap and extra value services. Yet, nothing comes for free. The low service fee charged by the consultant overseeing the repair works implies that there must be some hidden benefits. Eventually, the repair works are not satisfactorily conducted and many problems have arisen.

The Government may say that property owners have the responsibilities to manage their housing estates, but in the past 20 years or so, this kind of examples indeed abound. How many investigations has the Independent Commission Against Corruption (ICAC) carried out over the years? I can tell Members that less than one in 100 cases have been successfully detected, and the detection rate is less than 1%. The Government should have noticed this situation over the past years, but it was only until recently that the HS discovered that the structural wall of Tin Shing Court was hollow.

Of the tens of thousands of buildings completed over the past two decades or so, their walls are either hollow or filled with foam, carton boxes or newspapers. Such cases are numerous. The monitoring of the entire system, from consortium, consultancy firms to contractors, is riddled with problems. Take for example the flat in which I once lived, whenever Tropical Cyclone Signal No. 3 was hoisted, the torrential rain outside would form five waterfalls in my flat. It was only after my persistent requests that the property management company finally undertook to partially shoulder the repair cost. In those days, whenever it rained, I was terrified. That flat was built by the wealthiest consortium in Hong Kong.
We must therefore tackle the repair problem at root. While the ICAC can certainly exercise supervision, the HAD and the Home Affairs Bureau also have unshirkable responsibility. Yet, not only has the problem remained unresolved so far, it has even deteriorated and the Home Affairs Bureau should be blamed. "Rubbish Secretary" (The buzzer sounded) …

PRESIDENT (in Cantonese): Mr CHAN, your speaking time is up.

MR ALBERT CHAN (in Cantonese): … must tackle the problem, otherwise he should just step down.

MR CHEUNG KWOK-CHE (in Cantonese): President, as the situation of bid-rigging for repair works of private buildings in Hong Kong has become more and more serious in recent years, this Council has been taking great pains to press the Government to deal with the problem, so as to uproot the law-breaking bid-rigging syndicates as soon as possible, and set the minds of Hong Kong people at ease.

Last week, in response to a Legislative Council question, the authorities pointed out that the Home Affairs Department (HAD) has provided assistance to owners of old buildings, especially the "three-nil" buildings, through its Building Management Professional Advisory Service Scheme, and 159 owners' corporations (OCs) have been assisted so far to apply for subsidies to commence maintenance works. However, according to the information provided by the Government in reply to my question at that time, there are around 6 000 "three-nil" buildings in Hong Kong; yet only 211 OCs have been established or re-activated from 2012 to 2015 under the Government's assistance, and only 115 to 120 Liaison Officers were engaged in building management duties over the past five years. Obviously, there are a lot of "three-nil" buildings which are in need of government assistance. Given the extremely low number and ratio of OCs successfully established, owners of old buildings across the territory are genuinely in need of more manpower from the Government to provide them with the knowledge and assistance, but the number of Liaison Officers providing such services has not been increased accordingly in response to the demand.
As I have stated in my supplementary question last week, these Liaison Officers undertake a very important function, and they play a critical role in building management. When a building is required to carry out the prescribed repair works, the Liaison Officer has to, prior to the commencement of maintenance works, undertake various upstream work, such as providing various government information and services, as well as preventing and combatting acts of bid-rigging. Regrettably, in response to whether more Liaison Officers will be recruited, the Government said that it would review its manpower from time to time, yet it tried to get by under the false pretence of recruiting part-time community organizers in lieu of Liaison Officers (currently, there are only 1,278 part-time community organizers in the 18 districts).

Not only "three-nil" buildings are in need of government support, the Government has also stated that as at the end of 2014, about 22,000 private buildings in Hong Kong have yet to set up OCs. Although not all private buildings may set up OCs, the large number of buildings involved can in no way be handled by a mere 120 Liaison Officers. Since the authorities do not have a long-term manpower planning to meet the needs of the people, how then can this Council and the public be convinced that the Government is capable and determined to enhance its support to building management and combat bid-rigging? I hope the authorities would consider the views of this Council thoroughly and step up their efforts with regard to building management.

In fact, how would acts of bid-rigging for building maintenance works be restricted to private buildings? The Property Owners Anti-Bid Rigging Alliance received the requests for assistance from small property owners of two industrial buildings in the middle of this year. These owners queried the high costs of the maintenance works of their building, and the accounts of the OC of the building also have problems. Despite repeated enquires and reports to the Police, the matter has not been dealt with effectively. This reflects that the problem of bid-rigging has extensive implications. Besides stepping up the regulation of maintenance works of private residential buildings, the Government has also to provide additional manpower for regulating repair and maintenance works of industrial and office buildings, and to offer assistance when necessary.

In addition to insufficient manpower of the Government in building management, the most important issue is of course stepping up measures to combat bid-rigging as mentioned in this motion. Both the Council and society
hold that the Government is inadequate in its efforts against bid-rigging. Likewise, the Labour Party and the Hong Kong Institute of Surveyors also request the Government to establish a building repair works authority to regulate the service quality of repair and maintenance service providers. The amendment proposed by Mr WU Chi-wai this time is similar to the one proposed by him half a year ago, that is, he continues to request the Government to set up a building repair works authority. Unfortunately, although the Government claimed that it was very concerned about relevant crimes and stressed that various departments would work closely, it has however, stated in the progress report on Member's motion raised at the Legislative Council meeting half a year ago that the proposal touched upon a number of issues which required careful consideration, therefore it could not be implemented in the near future.

After the constitutional reform has been vetoed, the Government said it would focus on the economy and people's livelihood. However, the Government adopts a stalling tactic in handling such an important livelihood-related issue. The Chief Executive said he has to honour his promise made in his election campaign and decided to set up the Innovation and Technology Bureau. He thus pushed through the funding application for the expeditious establishment of the bureau, and blamed the pan-democrats for impeding the progress. Nevertheless, the Government's attitude towards the proposal of establishing a building repair works authority is totally different from its attitude towards the Innovation and Technology Bureau. To members of the public, stepping up the combat against bid-rigging and strengthening the policies on regulating building repair works should brook no delay. The Government should adopt a positive attitude and announce the plan and progress on studying the establishment of the authority, so as to avoid more people falling prey to bid-rigging syndicates.

President, I so submit.

MR CHAN KIN-POR (in Cantonese): Bid-rigging is a big headache to everyone indeed. Most people in Hong Kong get up to work at sunrise and just want to have some good rest at home after work, but it would be difficult for them to live in peace if they have to worry about the sky-high cost of repair works. I once heard some victims say that apart from money losses, the matter was so worrisome that they felt restless at home every day and did not sleep well at
night, which is absolutely a mental ordeal to the affected victims. Thus, it is necessary for the Government to solve the problem with powerful means as soon as possible.

Despite the many options explored by the Government, and actions taken by the Independent Commission Against Corruption (ICAC) and the Police, and coupled with the fact that the Competition Ordinance will soon come into effect, bid-rigging remains a difficult task to solve because building repair and maintenance works is a highly lucrative business which brings in more than tens of millions of dollars. Worse still, the current system is riddled with loopholes, which if left unplugged, would encourage people to take risks.

Having been served as the chairman of the owners' committee of a large residential estate for years, I have gained first-hand experience of the huge loopholes in the property management system, which is particularly vulnerable to exploitation by lawbreakers. The formation of the owners' corporations (OCs) and the mechanism under which the OCs pass resolutions, just to name a few, have never been subject to any regulation.

We have put forward a lot of proposals today. While I agree with many of them, I think we need to get to the root of the problem by plugging the loopholes at source. As pointed out in many analyses, in view that a large number of buildings is in a state of dilapidation in recent years, the Government has encouraged property owners to form OCs and take up the responsibility of repair. And, to facilitate the formation of OCs by property owners, the Government has adopted a very lax approach. However, this well-meant arrangement has been exploited by lawbreakers. They first colluded with some property owners to form an OC under the lax mechanism, and then conspired with contractors and awarded building maintenance contracts to them at sky-high prices by means of bid-rigging. The entire process is not only lacking in transparency but is also not subject to any regulation, thereby ending up benefiting the lawbreakers.

The Government is currently reviewing the Building Management Ordinance and the relevant consultation exercise has already been completed early this year. What is more, I have time and again relayed opinions to Policy Bureaux and the ICAC, and a final decision is now pending from the Government. At present, the quorum of the OC meetings at which the voting of
resolutions on large-scale maintenance projects took place is just 10% of the property owners, and only a majority vote is required for the granting of maintenance contracts. That is to say, the lawbreakers may grant maintenance contracts by simply securing support from 5% of all the property owners. To plug this loophole, an effective way is to raise the threshold. In the consultation document, the Government has also proposed to raise the quorum of OC meetings from 10% to 20% or 30%. I support this proposal for it would arouse greater awareness of building maintenance among property owners and prevent lawbreakers from stepping in, thereby providing greater protection to the owners. I hold that while raising the threshold is certainly an effective means, it should not be too high, or else it will be difficult for the maintenance projects to get passed in the future.

Another major loophole is the system of the instrument of authorization, which is commonly known as "proxy". Currently, proxies are permissible at meetings at which voting of resolutions on the forming of OCs or the endorsement of maintenance projects took place. However, problem may arise if no stringent regulation is imposed on the use of proxy instrument. Under the present system, the convenor is responsible for both implementation and monitoring. So, should he have any evil intention, the consequence could be catastrophic because building operation and management involves vast sums of money, and may reach as high as hundreds of millions of dollars in some residential estates, which has provided great incentives for corrupt practices. In order to get this "fat meat", lawbreakers would not hesitate to forge proxy instruments to have an OC established. Also, they might make use of the forged proxy instruments to have a resolution on maintenance project endorsed. Given that both implementation and monitoring lie in the hands of the same person, the making of forged proxy instrument is just a piece of cake for lawbreakers, and it is also difficult to trace.

In fact, the Government also acknowledged this problem and has therefore put forward a series of proposals in the consultation document, which include tightening the original arrangements for the collection and verification of proxies. I basically agree to this point, but there are other problems in certain elements. For example, a third-party verification mechanism should be put in place to enable, say, mediators, auditors or lawyers to verify the proxies by means of making random telephone calls to the property owners concerned, with a view to stamping out the possibility of forged proxy instruments. Moreover, under the
present system, the convenor is empowered to declare certain proxy instruments void without giving any explanation to the property owner concerned. In the future, the convenor should make available sufficient time for informing the property owner concerned, so that appeals can be filed against the decision.

Although the above-mentioned measures may plug some of the loopholes and make the life of lawbreakers more difficult, the Government has implemented some of the recommendations, such as tightening the arrangements for proxy instruments, by means of guidelines. There is concern that the measures, which have no legal effect, will be reduced to a "toothless tiger" as no one would observe them. Nor do they have any deterrent effect on people who harbour ill intentions. In my view, the Government must be determined and make comprehensive efforts to impose criminal liability for certain key elements, such that all the loopholes can be plugged.

Lastly, I would like to talk about some other proposals as well. I hold that enhancing the flow of information is one of the most effective solutions to the problem as bid-rigging *per se* is nothing but a practice to dupe property owners. Owners will naturally stay alert if they know that the same project costs only a few million dollars in other housing estates but ten million dollars in their housing estate. Should there be credible organizations to provide information and details about the market price of various projects, I trust that this would be genuinely helpful to property owners.

I so submit.

**MR ALBERT HO** (in Cantonese): President, a lot of buildings in Hong Kong have bid-rigging problems when large-scale repair works are carried out and this has become a social phenomenon. Bid-rigging has gradually spread in various districts and the situation has become rampant. I even have reasons to believe that the profits generated from bid-rigging amount to billions of dollars or even more than $10 billion each year. These syndicated acts of bid-rigging obviously involve corruption or collusion with triad members, and those involved include repair works contractors, professionals (such as architects and engineers) and even the estate managers of management companies or members or chairmen of the Management Committees (MCs) of Owners' Corporations (OCs). It is really very unfortunate that these parties have acted in conspiracy.
Small property owners are victimized by bid-rigging for several reasons. First, many small property owners lack sufficient knowledge to understand the repair works, including the design, works supervision, costs and quality control. In this regard, the Government has so far failed to provide support and small property owners have to make their own decisions, and they have to rely on professionals to provide guidance. If the professionals are involved in corruption and collude with other parties to cheat small property owners; or if some members of the MCs may have unfortunately been bribed to serve as a planted agent, small property owners will be kept in the dark and they may be misled into make wrong decisions. This is the first point.

Second, small property owners often do not know the seriousness of the problem. They may have insufficient participation and the OCs or management companies may actively strive to obtain proxy instruments if they are involved in bid-rigging. As there are a lot of legal loopholes, the syndicates with the intent to engage in bid-rigging will exploit the inadequacies or loopholes in the existing system to get the support of most owners.

Third, as we have said, there are a lot of loopholes within the existing legal framework and the Government has not provided any support to OCs. For example, if the chairman of a MC does not comply with the law or has integrity problems and owners want to convene a meeting to replace him, he can delay holding a meeting for several months, or even up to a year. The aggrieved owners can only apply to the Lands Tribunal for relief, which is time-consuming. Many owners also do not have time and money to take such actions. The chairman of some OCs have not submitted accounts for auditors' audit over the years and some chairmen have never convened meetings or appointed auditors. Yet, the Home Affairs Department does not have the right to intervene or convene meetings on behalf of the owners. Therefore, we believe that the authorities need to conduct a review and amend the legislation.

There are many loopholes in the existing system. Though repair works involves huge expenses, the quorum of the relevant meetings is the same as that of general meetings. Therefore, there are views that if a meeting is held to approve large-scale repair works, the meeting requires a higher quorum and the motion has to be passed by a higher ratio. Mr CHAN Kin-por has just mentioned that the proxy issue has aroused much controversy and it may also result in cheating. Thus, it is very important to verify the proxy instruments and we believe the Home Affairs Bureau should consider in the future whether it is
necessary to amend the legislation; in particular, the Government should assume certain responsibilities. Therefore, the Government should have the right to intervene when small property owners are helpless; for example, it should convene meetings for owners to hold discussion and make decisions on matters including the election of a new management committee.

Law enforcement is the fourth reason. I remember that the Chief Secretary for Administration said two years ago in reply to a question that there was no systemic problem and the bid-rigging issue was not pervasive; individual bid-rigging incidents had just incidentally occurred. President, it seems that bid-rigging is a fairly common social issue at present and the question is whether we have sufficient evidence to enforce the law. In combating illegal syndicates including triad society, the Police can actually intervene earlier. For example, if triad members often disturb, threaten and even assault OC members, the Government should intervene in the early stage to stop these actions. Moreover, it is not easy to ask the ICAC to initiate an investigation and we rarely find the Police and the ICAC using undercover agents to solve the cases. Has the Government made use of the legislation concerning money laundering to monitor the flow of funds and even solve the cases through cross-boundary co-operation? We seldom found the Government adopting such investigation tactics in the past.

Lastly, we deeply believe that systemic and institutional support is very important. I also believe that organizations such as the Urban Renewal Authority and the Hong Kong Housing Society can provide information and reference indicators to assist property owners in making decisions, but an authority should also be established to help (The buzzer sounded) …

PRESIDENT (in Cantonese): Mr HO, your speaking time is up.


MR LEUNG YIU-CHUNG (in Cantonese): President, first of all, I would like to thank Mr Christopher CHUNG for moving this motion. In fact, the situation of bid-rigging in repair works of private buildings is very serious. Take for example the building in which I live, there were acts of bid-rigging when
large-scale repair works were carried out. Why do I know that there were acts of bid-rigging? I am not the one to uncover the acts of bid-rigging, but a management company reminded me to look at the tender documents. The prices quoted for many items by each company were more or less the same. The reason was that such companies had not made any changes; as in the case of students copying homework, they had not made any changes and they just copied the quotes of other companies directly. You can thus imagine how serious the situation is. Yet, what can we do even if the problem has been identified? These people are blatantly engaged in bid-rigging, but we cannot do anything to stop them. The same group of people has participated in all tenders and I do not know what should be done.

I have recently helped a number of housing estates to deal with bid-rigging or building maintenance problems and the situation is really bad. Mr LEE Cheuk-yan has just mentioned Operation Building Bright; with the financial assistance provided by the Hong Kong Housing Society (HS), bid-rigging activities have become rampant. Knowing that a huge sum of money is involved, the persons concerned will certainly engage in bid-rigging. Some Owners' Corporations (OCs) told me that when they conducted an open tender, they were aware that companies on the tender list included those which were blacklisted. Though they were extremely reluctant to choose the companies on the list, the HS told them that they could not delay any longer if they wanted to participate in the Operation Building Bright, otherwise they might not be provided with financial assistance. If property owners wanted to participate in Operation Building Bright after inviting tender, the HS forced them to shortlist some contractors from the list provided by the HS for the final selection by owners at the general meeting.

The owners have checked the list at the HS and found that all companies on the list have been blacklisted and are known to be involved in bid-rigging. However, the HS still grants approval without paying much attention. How should the problem be solved? Many contractors or engineering consultants have underhand secret dealings; President, what should we do when these situations have become rampant? How come the situation has come to such a state? It is because the Government has always been indifferent and the situation has come to a disastrous state. If the Government remains aloof, the problem will only continue to worsen.
When I asked some OCs how assistance could be provided to them, they said that the Government, especially the HS, could help them. The professionals from the HS can conduct tender evaluation for them. Unfortunately, even if property owners participate in the Operation Building Bright, the professionals from the HS will neither conduct tender evaluation for them nor monitor the tender process; they are simply indifferent. If the professionals play a gatekeeping role, the situation may become better. Unfortunately, property owners have to make decisions of their own accord though they fail to understand or grasp the situation. They cannot stop people from engaging in bid-rigging and ripping them off. There is nothing they can do to change the situation. Even if the whole process is fairly transparent, disclosing all information and giving a detailed account of the questions posed to contractors or consultants, what would happen then? It turns out that all the companies provide similar answers, and how should a choice be made? Eventually, a decision has to be made at the general meeting of owners, and probably, the company offering the lowest prices would be chosen.

The worst scenario is that, as some Honourable colleagues have mentioned, there are abnormal OCs apart from normal OCs. As in the case of District Council Elections, some people would engage in vote rigging in order to become members of OCs, so as to help contractors win the bid, making some kind of a secret dealing. Under such circumstances, the Independent Commission Against Corruption (ICAC) and the Police can do nothing and they will not take the initiative to intervene. Investigation will only be conducted if someone has reported the case and produced the evidence. President, if members of the public can produce evidence, they need not seek the assistance of the ICAC and the Police. The ICAC and the Police would only initiate investigation when people have reported the case and produced sufficient evidence. This is really making things difficult for small property owners. How can they find evidence? They simply cannot find any evidence.

Furthermore, I would like to talk about the unhealthy situation of OCs. The Home Affairs Department (HAD) will assist or support owners in establishing OCs and staff will be deployed to attend the meetings. Although staff from the HAD will attend the meetings, they just listen, without giving any comments or advice. They only suggest the owners to consult their own legal advisers. Therefore, the unhealthy situation of OCs persists.
If the HAD plays a more prominent role so as to enable the healthy development of OCs, and if the ICAC and the Police take the initiative to monitor the tender process, I believe that even if there are still acts of bid-rigging, the number of such acts would at least be reduced. Unfortunately, the relevant departments are totally indifferent; in particular, the professionals from the HS have not taken the initiative to assist OCs in conducting tender evaluation, and this is regrettable. These professionals are fully capable of helping property owners but they are indifferent and remain aloof. When facing the serious problem of bid-rigging, small property owners really feel helpless as they are being exploited and fleeced. In that case (*The buzzer sounded*) … I hope the Government would no longer look on with folded arms.

**PRESIDENT** (in Cantonese): Mr LEUNG, your speaking time is up.

**MR CHAN HAN-PAN** (in Cantonese): President, as far as the problem of bid-rigging is concerned, we can basically describe building repair works as an abandoned child.

All along, the matter has been plagued by imbalance in the market, flaws in the monitoring mechanism and misconduct of the relevant professionals. Seemingly, the government departments concerned are just shifting the responsibility among themselves, and no dedicated department is responsible for tackling the problems. Given the Government's perfunctory attitude, it is hardly surprising that no real effort has been made by individual government departments so far, other than their grandiose rhetoric.

A moment ago, the Secretary remarked that it is the owners' responsibility to maintain their buildings. It is correct and a fact. They should be held responsible in this matter. But when it comes to repair and maintenance projects, the problem presently faced by property owners is that their expertise does not commensurate with their maintenance responsibility. For instance, maintenance works involve extensive professional knowledge such as the choice of suitable materials in compliance with BS standards, so on and so forth, but property owners have no knowledge at all in these aspects.
Moreover, with news about rampant bid-rigging keeps reporting in society, members of the public have become so paranoid that they would feel worried whenever the subject of building maintenance is brought up. They are worried about bid-rigging in their maintenance projects. However, it is exactly due to such worries that they may be taken advantage of. Bid-rigging syndicates which have not been chosen may exploit the concerns of property owners and spread rumours about acts of bid-rigging. As a result, property owners are at a loss as to what to do.

Under such circumstances, the helpless members of the public can only trust the professionals. But some professionals may be colluding with the contractors. What then is the role of the regulatory department? The Buildings Department is responsible for the regulation of professionals or authorized persons. I once received a complaint concerning the conduct of a professional in a specific incident. When I wrote to the Buildings Department to ask what follow-up actions would be taken to deal with the case, the department simply gave a lot of excuses and shirked it responsibility, saying that it was inappropriate for the department to intervene as contractual disputes between the two parties were involved.

Afterwards, members of the public may try to seek help from other government departments, such as the "RenoSafe Scheme" launched recently. Given the heavy workload of the Police, there were frequent staffing changes in the past. While it takes considerable professional knowledge to become familiarize with building repair works and combat bid-rigging, the "RenoSafe Scheme" under the Organized Crime and Triad Bureau has gone through three rounds of staffing changes over a period of time in the past. As a result of these frequent staffing changes, new officers would take time to adapt to and learn about the work. When the "RenoSafe Scheme" was first launched, the authorities might genuinely want to do something to tackle the problem. But with these frequent staffing changes, I am not sure if the authorities still attach the same importance to the matter. Whenever we invite the responsible officers to meet small property owners, they would leave after giving a talk and handing out some leaflets. In fact, the responsible government departments should provide different kinds of assistance to small property owners. But whenever we approach the professional departments, they would invariably give many excuses. As a result, small property owners are quite helpless. Hence, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) would like to make some specific suggestions for the Government's consideration.
Firstly, as previously mentioned by me when I asked a relevant question, the authorities should establish a dedicated department or team to follow up the matter. While it might take a great deal of effort to establish a dedicated department, it would suffice if a dedicated team is established to handle the matter. For instance, this team should consist of officers from the Buildings Department, the Urban Renewal Authority (URA), the Police, the Independent Commission Against Corruption, and so on, with a clear division of responsibilities. As such, it would basically become a contact point for members of the public to lodge complaints. Having received the complaints, this team will follow up and provide assistance as appropriate. Therefore, having a dedicated team to handle the matter does not incur a huge sum of money like setting up a specific Policy Bureau. It simply means that there is a clear division of powers and responsibilities of all parties concerned.

Secondly, the problem should be tackled at source. I have prepared a flow chart showing the steps involved in the mandatory inspection and repair of buildings. Will Mr Christopher CHUNG please hold it up for me. When members of the public are served with a notice for mandatory building inspection, they would appoint a professional to carry out the inspection. Afterwards, they would receive an inspection report setting out the repair works required for the building, and this should form the basis of the tender to be drawn up. Finally, a building contractor would be appointed to carry out the necessary repair works.

In the process, when will bid-rigging start to occur? It would happen at the stage when a consultant is engaged to carry out the building inspection because the professional concerned can easily stake his claim, or so to speak, on the project. Once the consultant enters the playing field, he is basically controlling the entire process, and even the building contractor engaged through the tender process must follow his instructions. Hence, this is the stage when a registered inspector or his company can easily take control over the entire process of building repairs, and the act of bid-rigging will occur.

In our view, this process should be divided into two parts, with the first part of work covering building inspection up to the preparation of tender. What about the second part of work? The DAB suggests that an independent and dedicated department should be set up, comprising officers from the Buildings Department, the URA and the Police. This dedicated department can then recruit professionals through open tender to provide property owners with services on the vetting of tenders prepared by the consultant. Afterwards,
tenders should be invited in accordance with the new tendering arrangement under the Operation Building Bright. Instead of inviting tenders for the engagement of the consultant and then the building contractor one after again, tenders for both contracts should be invited concurrently. If the consultant and building contractor are engaged at the same time, it will help prevent the situation where the building contractor must toe the line of the consultant simply because he entered the playing field first. We hold that this practice should be effective in combating bid-rigging.

I am aware that work has been done by the Government to combat bid-rigging, but I want to see more comprehensive actions being taken because each year, close to 1 000 building inspection notices would be issued by the Government. What I do not want to see is that these 1 000 building inspection notices would turn into 1 000 bid-rigging building contracts. Hence, the Government should humbly take on board the suggestions made by Members as they are all speaking from their personal experience, and their views are sound. I hope the Government can heed our views as far as possible so that the problem of bid-rigging can be resolved once and for all. Thank you, President.

DR KWOK KA-KI (in Cantonese): President, on behalf of the Civic Party, I speak in support of Mr Christopher CHUNG's original motion and Mr WU Chi-wai's amendment.

President, nowadays, very rarely is there an issue that can cause different political parties and groupings in this Chamber, regardless of whether they belong to the democratic camp or the pro-establishment camp, to stand united against a common enemy and unanimously criticize the Government. Bid-rigging is nothing new. After learning the $260 million bid-rigging incident at Garden Vista, many people wonder, "This is not true, is it? How on earth could a bid-rigging case involving $260 million take place here in Hong Kong?" Yet what disappoints us most is that such cases have been happening all along. President, having heard the speeches delivered by the Secretary for Home Affairs and the Secretary for Development just now, I have come to realize that this debate is actually nothing new at all. The remarks made by government officials are all platitudes; including the Government has done its best but the responsibility still rests with individual members of the public.
We all know very well how the incident in question came about. In Hong Kong, the building repair works in old districts must be properly done in order for such old districts to be renewed. Given the occurrence of many incidents such as windows falling due to poorly executed building repair works, the Government has devised a building inspection policy, which is good for the overall quality of buildings in Hong Kong. However, there is a problem. Suppose someone gave you a prescription and then said to you, "Sorry, I have no medicine here. Just get the medicine on your own." But you know nothing about medicine, so what would you do? You would get some medicine indiscriminately. What is more, there are people selling "poison", and they are the bid-rigging syndicates.

Some people may wonder why bid-rigging will occur. The reason is that there is a big legal loophole. President, a friend of mine lives in a relatively good place, which is a luxury property development in Ho Man Tin. He has recently told me that there is also a bid-rigging syndicate in that place. This is something that you could never have imagined. According to him, two or three years ago, some persons with ulterior motives started to each purchase one or two flats there, and after this group of people purchased a batch of flats, they joined the owners' corporation (OC) together and one of them was even elected the chairman. That is a famous property development constructed some 15 years ago in Ho Man Tin, and it is about time for repair. These people gradually got some fellow residents to side with them, and in this way succeeded in turning all members of the OC into "their own people". Later, some unusual things started to happen. They replaced the management company and proceeded to invite bids for the repair project. At last, my friend figured that this group of people had planned out all these in advance. As it is a pretty large property development with approximately 800-odd luxury flats, each of the flat owners may have to pay a repair fee of $500,000 to $600,000, and the aggregate amount may thus be several hundred million dollars. A mere 10% of this amount is incredibly huge. In the case of Garden Vista, of the $260 million involved, $40-odd million is known to be bribe money, and there might be more bribes that we do not know of.

Now, what did LAU Kong-wah and Paul CHAN tell us? They said that the Government would continue to support OCs. If the Government's support had been effective, there would not have been bid-rigging. If the Development Bureau had been able to translate its platitudes into action, the problem would not have persisted. In fact, the most important thing is not to help residents set up OCs, because even if OCs are set up, they cannot solve the bid-rigging and repair
problems. We have made one point very clear: the Government should, through some public bodies or statutory organizations such as the Hong Kong Housing Society and the Urban Renewal Authority, or the Government's new … The Civic Party has requested the Government to establish a building repair works authority whose functions are to introduce one-stop services, advise on consultancy and repair projects, assist OCs in entering into relevant contracts and, when OCs are unable to find suitable contractors, help them identify qualified contractors.

Someone may ask: shouldn't the Government allow the market to operate properly on its own? If the market is healthy and there is competition, bid-rigging will certainly not occur. Now, as we all know, this is a piece of "fat pork". Any people who join this industry and engage in bid-rigging will be able to reap profits to the tune of tens of millions of dollars, or even over a hundred million dollars. The only way to plug this loophole is … If the authorities do not tackle this problem through public policies, but only rely on small property owners or OCs, or adopt the recommendations of certain professionals, they actually cannot rectify the situation. President, I am sure that one or two years later when we come back to the Legislative Council and face this bunch of senior officials again, we will still be making this request.

So I hope that later on, after listening to Members' speeches, the two Secretaries can propose some new directions. It is certainly not easy to get the job done, but if the Government does not take this step, we will not be able to alleviate the current bid-rigging problem. If the Government thinks that nothing about people's livelihood is trivial, then just imagine: when property owners of a building suddenly receive a notification requiring them to each pay a repair fee of several hundred thousand dollars, it is a bolt from the blue for them. This is particularly so for property owners of single-block buildings and aged buildings in old districts. If the Government is not callous but really cares what the people think, it will not turn down our request today. Many Members have made it very clear that the Government must expeditiously establish a registration system, a statutory regulator and a building affairs tribunal, and adopt some normal methods as well as administrative and legislative means to help safeguard building repair projects from being exploited by triad societies and individual syndicates.

With these remarks, I support the original motion and the amendment. Thank you, President.
MR TONY TSE (in Cantonese): President, I speak in support of the Government in adopting effective measures to combat acts of bid-rigging in repair works of private residential buildings. There are many old buildings in Hong Kong, many of them are ageing and in a state of disrepair due to prolonged lack of proper management and repair. The situation is already very serious and the safety of buildings is a pressing issue. If we do not take prompt action to enhance the repair and maintenance of old buildings, the problem of building safety would certainly become a serious hazard in Hong Kong. However, in the past few years, problems relating to building repair works have happened incessantly, and among them, the problem of bid-rigging has significant effect on the relevant industry as well as members of the public. I am of the opinion that this is largely attributable to the Government's ineffective monitoring of repair and maintenance works, lax law-enforcement as well as insufficient involvement of relevant professionals.

Deputy President, the Architectural, Surveying and Planning Constituency, to which I represent, has all along been greatly concerned about the problems relating to repair and maintenance works of buildings; among these problems, the issue of bid-rigging has greatly plagued the architectural, surveying and property management sectors, deterring many professionals and enterprises, well-intended to provide building maintenance and property management, from participating in the relevant projects for fear of facing unnecessary pressures and, more seriously, personal safety threats. In fact, I have been told by people in the trade that some professionals were discouraged from participating in repair and maintenance works due to intimidation and even assault by criminal elements. While their worries and concern are absolutely understandable, there is no reason for society to put up with such matters. The Government is duty-bound to face up to these problems seriously, combat and prevent bid-rigging and illegal practices, so as to provide an impartial, fair, transparent and healthy environment for the building repair and maintenance sector.

According to Government statistics, there are at present around 6000 buildings in Hong Kong that are aged 50 years or above, among them, about 2590 are in a state of "dilapidated" or "notably dilapidated". It is anticipated that the relevant figures will be on the increase. In order to urge the
Government to face squarely the issue and tackle the growing number of buildings with repair and maintenance problems, I moved a motion on "Stepping up regulation on the repair and maintenance works of private buildings" at the Legislative Council meeting of 10 June 2015 and put forward a number of suggestions, including requesting the Government to set up an independent monitoring mechanism on building repair works, to set up an inter-departmental task force under the Development Bureau in the short and middle-term to monitor building repair works and its related issues, to set up an information database on territory-wide buildings repair works, to establish a registration and de-registration system for professional consultants and contractors, to impose punishment on undesirable elements of the industry and those with poor performance, as well as to step up law enforcement to eradicate all illegal activities pertaining to building repair works, including bid-rigging. Also, as such illegal activities are mostly conducted by syndicates, professionals should be engaged in the course of investigation and prosecution.

Deputy President, the motion I moved at that time was passed with the support of Members. However, almost six months have lapsed since the motion was passed, I still have not seen any proactive efforts taken by the Government to study and explore these suggestions. As pointed out by the Government in the progress report on the motion submitted in August this year, there are certain difficulties for the Government to set up an accurate, detailed and comprehensive database. As for the suggestion of setting up a building repair works authority, the Government opines that a number of issues are involved, including the amount of time required for undertaking the legislative process, whether the expenditure incurred by the proposed authority will increase the cost of works, how the proposed authority can effectively investigate alleged misconducts of consultants and contractors, and so on, as these issues require careful consideration, the proposal cannot be implemented in the near future. Deputy President, I am extremely disappointed that the Government has made numerous excuses and procrastinated on this issue.

Deputy President, the Hong Kong Institute of Surveyors (Institute) has repeatedly submitted suggestions to the Government, requesting the setting up of a building repair works authority to monitor the quality of projects carried out by contractors and consultant companies. Although the establishment of the authority might take some time, the Institute has also proposed that prior to the establishment of the authority, a building repair works advisory committee can be established to monitor service providers, formulate a code of practice and
industry-specific guidelines, so as to combat bid-rigging and improve the quality of the repair and maintenance works of private buildings. The suggestions of the Institute are basically in line with my motion. I hereby urge the Government once again to give due consideration to them.

Deputy President, I so submit.

MR WONG YUK-MAN (in Cantonese): Deputy President, regarding the jaw-dropping bid-rigging corruption case of Garden Vista in Sha Tin, which involves an astronomical $260 million maintenance costs, the verdict will be handed down on the 22nd of this month. This case involved the contractor, the manager of a management company, chairman of owners' corporation (OC), maintenance contractor, construction consultants, and so on. Some of them even claimed to have received a reward of over $10 million, and the highest amount of reward has reached $26.2 million. One of the defendants pointed out that the practice of bid-rigging has become prevalent over the territory after 1997, and it was very difficult to crack down on such a practice. He advised members of the community to keep a watchful eye on their property. In other words, the act of bid-rigging has reached a lawless state and become a public hazard in Hong Kong.

According to an owner of Garden Vista, should they fail to make timely payment of maintenance fee, amounting to several hundred thousand dollars, the management company would disclose their names, issue intimidation letters to them, ask them to pay a penalty interest, impose an encumbrance on their title deed and even have their flats sold by auction. Moreover, the repair works were extremely shoddy. Certainly, for elderly property owners, they have to forfeit their funeral money, saved for a lifetime, and can hardly enjoy their twilight years. As regards other property owners who plan to have a child, their plan may be disrupted at any time by bid-rigging syndicates. Frankly speaking, the people of Hong Kong work very hard for having "a roof over their head", but now they to pay a surcharge, that is, they are forced to use their hard-earned money to pay for the repair fees of their buildings.

Initially, bid-rigging only happened in single-block buildings of old urban areas. In the past few years, even large housing estates have not been spared, and the money extorted is astonishingly high. At a higher level, we have incidents of incompletion of the Express Rail Link project, cost overrun of
Liangtang/Heung Yuen Wai Boundary Control Point and Hong Kong-Zhuhai-Macao Bridge project, where taxpayers have to foot the bill. At a lower level, we have bid-rigging incidents in private residential buildings. Bandits can be seen in all places of Hong Kong, looting the hard-earned money of the people. People are plundered for large and small sums of money. The society of Hong Kong has become increasing corrupt and rotten; it has become a living hell for many people.

Bid-rigging has become a structural issue. This underground industrial chain, involving triad societies, OCs, triad members and even District Council members, has monopolized maintenance projects large and small, through various means. These people are adept in exploiting legal and institutional loopholes (this is made possible with so many mediocre officers in Hong Kong, and some of them are now present in this Chamber), and they also employ dirty means of intimidation. If small property owners do not unite together to fight against these people, they have to reluctantly accept the unreasonable repair fees. In the next 10 years, over 280 000 private residential units across the territory will have to comply with the requirement of conducting inspection for buildings aged 30 years or above. As such, the demand for repair and maintenance works of private buildings will definitely be on the increase. Of course, this huge business opportunity is much coveted by many.

As pointed out by Mr Vincent HO, Senior Vice President of the Hong Kong Institute of Surveyors, "the indifferent attitude of property owners towards OCs creates the opportunities for bid-rigging and money-making". Many property owners are very busy at work during the day, and when they return home, they just do not want to deal with the tedious work of OCs; some elderly property owners with little educational can hardly understand the business of OCs; scoundrels can thus take advantage of the situation. Very often, property owners casually give proxy instruments to their neighbours or watchmen, and even to Members who offered to help. After handling several such cases when I served as a Member, I told my assistant not to get involved in these matters as it would certainly give rise to problems and it was difficult to grasp the complications involved. Very often, property owners do not care about the usage of proxy instruments. Property owners who are concerned about the affairs of OCs are either being violently intimidated by triad societies and gangsters, or being defeated at the OC meeting by people holding a large number of proxy instruments. Sometimes, even though property owners succeeded in dissolving the OC formed previously, the newly established OC and the
management company may still be engaged in bid-rigging. This is like "fending off one danger only to fall prey to another". JEFFERSON, the founding father of the United States, has a famous saying which goes, "the price of liberty is eternal vigilance". If property owners of Hong Kong do not want to fall prey to bid-rigging syndicates, they should always bear in mind that "the price of living in peace and contentment is eternal vigilance" and remain vigilant at all times. We will be doomed to rely on the Government! The Home Affairs Department (HAD) couldn't care less; the Independent Commission Against Corruption (ICAC) couldn't care less; simply, nobody cares.

Recently, when the OC of the 27-year-old King Ming Court in Tseung Kwan O made preparation for major maintenance works a few years ago, it was found that of the 10 tenders, the highest tender price was $230 million while the lowest one was $110 million, which was 30% higher than the estimated cost of $78 million by the Hong Kong Housing Society (HS). Hence, the project was rejected at the general meeting of owners. Later, more items were added to the tender and the highest tender price was $120 million while the lowest one was $86 million, which was close to the estimated cost of $98 million by the HS. While owners of Home Ownership Scheme (HOS) flats can solicit help from the HS, owners of private residential flats might fall prey to traps. In fact, there are abundant market information on property prices and rental prices, but repair costs will only be known when a tender is invited. Although the ICAC, Police Force, HAD, Urban Renewal Authority (URA), HS, and so on, have all along provided information to OCs and property owners, such as the Building Maintenance Toolkit of the ICAC, the Building Rehab Info Net of the URA, and so forth, such information is in fact inadequate. Mr WU Chi-wai and other Members have, in this and previous motions, suggested the setting up of a statutory building repair works authority. In my view, apart from monitoring, the proposed authority can also play the role of the provider of market information. It can maintain a record of information on maintenance costs, age, area and items of works of buildings in various districts for public information, so as to facilitate property owners to assess if the project price is reasonable.

In Hong Kong, how many people have to spend their entire fortune for a housing unit? How come "live and work in peace and contentment" is so unattainable? The Garden Vista case is the first case in recent years in which core members of the bid-rigging syndicate are prosecuted. However, such cases are in fact numerous, implying that the SAR Government is very passive in combating bid-rigging. Therefore, the Government should consider how to
build up the force and network of residents in the community, or how to establish constant co-operation with anti-bid rigging pressure groups.

With these remarks, Deputy President, I support the motion.

**MS STARRY LEE** (in Cantonese): Deputy President, the bid-rigging case involving Garden Vista in Sha Tin, which was charged an astronomical repair fee of $263 million, has created a furore in Hong Kong, but we all understand that this case is only the tip of the iceberg. The problem of bid-rigging in Hong Kong is getting out of control. According to members of the industry, the market of building repair works has been controlled by bid-rigging syndicates; consequently, some law-abiding contractors and surveyors who provide professional services dare not enter the market due to the intervention of different forces. Ordinary people who have neither power nor influence are even more seriously affected. The bid-rigging syndicates employ foul means such as coercion, intimidation and even assault to force small property owners who have queried the project to shut up. Such practices are infuriating and are absolutely unacceptable.

The problem of ageing buildings in Hong Kong is serious, and coupled with the subsidy scheme introduced by the Government and the long-standing lack of support to resolve the problem of bid-rigging, the market of building repair works has become a big piece of "fat meat". As property owners in general do not have experience and professional knowledge in building repair, the black sheep in the trade thus exploit this weakness to push up the project costs by means of bid-rigging, causing tremendous loss on the part of small property owners.

Deputy President, due to the incessant coverage of the bid-rigging cases in the past few years, as well as the widespread discussion of the Garden Vista incident, small property owners now have a better understanding of bid-rigging. However, "the law is strong, but the outlaws are ten times stronger". Lured by the colossal profit, the practices of bid-rigging have become more and more professional and syndicated, and the operation is conducted in a clandestine manner. Various tactics are adopted to rip off property owners. The first tactic is collaboration with planted agents. I believe Members who have participated in general meetings of owners would have this kind of experience, that is, the bid-rigging syndicate would arrange some planted agents in the owners' corporation (OC) to advocate repair works. Every time the issue of building
repair is raised at the general meetings of the OC, a bunch of people with familiar faces will attend the meeting with proxy instruments. They will keep inciting the owners to make the decisions that they want. More outrageously still, some people will adopt foul means to intimidate small property owners who raise different opinions during the discussion at OC meetings, such as stuffing "joss money" into their mailbox, splashing red paint or even threatening them, in order to silence them.

Deputy President, such circumstances do exist. Moreover, according to observation, the bid-rigging syndicates are becoming more and more professional. As the repair costs have been on the increase due to various reasons, small property owners are getting more and more worried. If the Secretary or government departments still do not attach adequate importance to this issue, the problem of bid-rigging would eventually affect the Government.

Deputy President, a number of Members belonging to the Democratic Alliance for the Betterment of Hong Kong (DAB) will speak today from various perspectives, urging the Government to help small property owners play a gatekeeping role through enacting legislation, formulating policy and support measures.

I will focus on discussing several points. Firstly, the Government should extend immediately the scope of building repair cost assessment service scheme. At present, if a property owner obtains a subsidy through the Integrated Building Maintenance Assistance Scheme launched by the Urban Renewal Authority (URA) in conjunction with the Hong Kong Housing Society (HS), the two institutions would provide free independent cost assessment service. In the past, when the URA launched the Operation Building Bright, both the URA and HS would arrange independent professional consultants to provide an assessment of the repair items for buildings participating in the scheme. In this way, property owners would have a rough idea about the market price of the relevant project cost. With such data as reference, property owners will feel more at ease or will be better informed to compare the prices of various tenders and see if they are reasonable. In this way, their risk of falling prey to bid-rigging will be reduced. According to my personal experience and understanding from various districts, this service has all along been commended by members of the local community, property owners and Members. However, owners or buildings not eligible for application cannot enjoy this service. As such, if the Government considers that combating bid-rigging is a priority task in the future, immediate consideration
should be given to extending the scope of the project cost assessment service to cover all private residential buildings, so that all property owners can enjoy free assessment service, thereby enhancing their understanding of the project and their capacity in monitoring, thereby reducing the risk of having to pay an exorbitant repair cost.

Secondly, the Home Affairs Department (HAD) should play a more important supporting role in building management. Deputy President, I often attend OC meetings and have communicated with many Liaison Officers of the HAD. In fact, many members of the local districts have strong views against Liaison Officers. First of all, estate management involves complex issues and huge interests, but some representatives of the HAD are part-time staff and sometimes they are not very familiar with the actual operation of buildings. In fact, property owners hope that the HAD representatives can uphold justice or provide them with some specific and independent views. However, members of the local community have very often expressed the view that Liaison Officers have not done a good job. Some Liaison Officers just advise small property owners to employ solicitors or file a lawsuit to the Lands Tribunal at their own expenses. This will not help small property owners at all. However, to be fair, after our repeated impetus, I have also met many responsible Liaison Officers who are willing to handle disputes among owners. I hope that the Government would continue their work in this area.

In order to enhance the service quality of Liaison Officers, the DAB has all along requested for reforming the existing structure of Liaison Officers so that they can assume specific duties. In this way, Liaison Officers can focus on building management work, without having to take up other duties or take up other posts in the HAD. Besides, depending on the circumstances of each district, in some old districts such as Kowloon City, Sham Shui Po, Central and Western District, Yau Ma Tei, Tsim Sha Tsui and Mong Kok as well as Wan Chai, and so on, there are many buildings that require maintenance. Can more resources be allocated to these districts, so that there are adequate Liaison Officers to help owners tackle the complicated building repair and management issues?

Thirdly, a database of building repair should be set up. Deputy President, owners require professional knowledge and basic reference data in order to decide whether various tender prices are reasonable. Therefore, the DAB has all along been urging the Government to establish a database of building repair to provide
data on the costs of various projects for reference by small property owners. I understand that professional assistance can help small property owners understand the problem. I believe that if my earlier suggestions of extending the repair project cost assessment service and setting up a database are implemented, small property owners will certainly find it easier to decide whether a tender price is reasonable or not.

Finally, I would like to seriously remind the Government that since many statutory notices on building and window inspection have already been issued, if no immediate, appropriate and forceful measures are put in place to help property owners tackle building repair issues, I am afraid that this issue would continue to be a hot potato for the Government.

MR NG LEUNG-SING (in Cantonese): Deputy President, the bid-rigging problem under discussion today involves the owners' corporations (OCs), property management companies as well as project consultants and contractors, and is often associated with a conspiracy to break the law or engage in corrupt practices, or even the involvement of the triad society or powerful people. As pointed out by the authorities, the issue is very complex. Worse still, the illegal bid-rigging activities are often organized in the form of a relation chain, in which small property owners are inevitably the victims.

The key to combat bid-rigging activities lies in tackling the problem at the root, which means that we must first focus on owners of private residential properties, especially small property owners at large. Many people of Hong Kong only managed to buy their own property after toiling and moiling for many years, but most of them have no idea of how to protect their own property. Very often, the OC of a building, even if it is formed, would leave the management of the building to a management company and rely heavily on its advice on the need for repairs. And yet, this has left the building repair works more susceptible to supervision loopholes. In order to ensure better overall maintenance and repair of buildings, property owners definitely have the powers and responsibilities to attach due importance and pay full attention to their own interests.

Wide-spread discussion has been sparked in society regarding the combat against illegal bid-rigging activities, and the following points are worth considering. Firstly, enhance the monitoring of OCs. Given that OC is a representative body elected by property owners, and is vested with corporate right
to use the OC funds or procure, on behalf of property owners, services costing more than $10,000 or even exceeding $100,000 or $1 million, property owners should closely monitor the operation of the OC for the sake of protecting their own interests. Particularly, when it comes to large-scale building repair projects, the OC is not only required to obtain owners' authorization as required by the law, but should also specifically deploy dedicated staff to exercise effective supervision over important tasks, such as appointing consultants to provide professional advice to owners on the tendering arrangements and the opening of tenders, the verification and confirmation of contractors, material guarantees, work progress and standard as well as the completion of work, with a view to enhancing the transparency of operation.

Secondly, improve and enhance the transparency of the tendering system. Project consultants and contractors engaging in building repair works are selected during the tendering process. In order to prevent exploitation by bid-rigging syndicates, safeguards have to be implemented throughout the entire tendering process. While tender documents should contain clear specifications, liabilities and details, the invitation and receipt of tenders must also be openly conducted, to be followed by an open and fair evaluation. This will enable legitimate members of the trade to participate in the tender exercise, through which the most suitable bidder will be selected.

Thirdly, provide government and professional support. Of the various public services provided by the Home Affairs Department (HAD), building management is an important one having a significant importance and a specific role. Given that the Government and credible public institutions, such as the Urban Renewal Authority and the Hong Kong Housing Society, are vested with the statutory powers to provide professional technical support to property owners on matters relating to building repair, which include the provision of information on site supervision and the estimated cost, this will facilitate property owners to effectively monitor the performance of their OCs in building management and thereby preventing bid-rigging activities. On the other hand, Liaison Officers of the HAD should perform their functions. Furthermore, it is believed that the Resident Liaison Ambassador Scheme, the "AP Easy" Building Maintenance Advisory Service Scheme and the Integrated Building Maintenance Assistance Scheme will also continue to give play to their various functions. Chief Secretary for Administration Carrie LAM pointed out last month that, under the Operation Building Bright launched by the Government, the repair works of 3 000-old buildings had been completed and about 150 000 owners benefited,
thereby bringing improvements to the living environment of old buildings in the absence of bid-rigging activities. It can therefore be seen that the participation of the Government and credible public institutions, coupled with the provision of professional technical support, can prevent bid-rigging activities.

Deputy President, for the benefits of the community at large, property owners are duty-bound to carry out proper building management and timely repair works. In order to convey messages regarding the responsibilities of property owners and how they should be carried out, it is necessary to exert more efforts in education and publicity. The Government should give impetus to property owners to achieve effective building management so that members of the public can live in peace and work in contentment. We can only make everyone happy by improving the social environment and fostering a more harmonious society.

Deputy President, I so submit.

DR PRISCILLA LEUNG (in Cantonese): Deputy President, the Government's original intention of launching the Operation Building Bright is to assist the public in repairing old buildings. This intention is certainly good; however, this piece of "fat meat" is so huge that bid-rigging has become rampant and has gradually evolved into the root of crimes. Therefore, many property owners, especially owners of "three-nil" buildings, that is, buildings without owners' corporations (OCs), residents' organizations or property management companies, are at a loss, not knowing how to tackle the problems encountered when repair works are conducted or when they have to decide on the commissioning of repair works.

Many Members have mentioned that the instigators of bid-rigging are often associated with certain large-scale interest groups or even triad gangs. In many cases, professionals and consultants are involved. They manipulate project quotations behind the scenes and push up the project costs. They also engage in sub-contracting with the co-operation of property owners who intentionally buy properties and live in the areas concerned in order to get hefty profits.

Years ago, the Government has been encouraging the setting up of OCs in buildings. I suppose many Members present, especially directly elected
Members, always get in touch with OCs and they should be aware that buildings with or without OCs have their respective problems. For buildings with OCs, it is true that some people will buy a number of flats and, through authorization by body corporate, they will become the most active property owners or they may even become the owners' representatives. Although they may not represent all owners, they still actively attend all meetings, big or small. As many property owners are not aware of the situation and simply do not want to attend meetings, it turns out the meetings are dominated by these people. Given that repair works is very tempting, it gives rise to problems such as transfer of benefits and bid-rigging. Hence, on many occasions, attendees at OC meetings called the Police for help or triad members were present at such meetings. Worse still, some OC members may be imprisoned for their involvement in bid-rigging or corruption; this situation, though undesirable, happened from time to time. Similar examples are abundant.

According to information, bid-rigging has repeatedly occurred in "three-nil" buildings because OC members are either too old or they lack professional knowledge. They can hardly deal with accounting, legal or contractual matters as required by the Government. They thus feel frustrated and helpless.

On combating bid-rigging, I always think that the Government has not done enough. Since the last term of the Legislative Council, we have been urging the Government to provide multi-disciplinary professional support to less capable OCs, especially OCs in "three-nil" buildings. Problems will naturally arise when these ill-managed buildings are in need of repair. Thus, I hope the Government will work harder in this aspect.

I recall that it was pointed out a news report in *Ming Pao Daily News* in 2013 that there were around 30 to 40 consultant companies on the market, some of them were run by consortiums and they pushed up the project costs. The problems encountered by the OCs which I have helped were usually related to the so-called "APs". The APs provided services at such low prices that they could hardly make ends meet. How could they earn more money? They naturally wanted to have a share of the building repair works, which is a piece of "fat meat". As we are aware, the repair costs of a tenement building may easily reach $10 million and this is indeed very tempting.
In addition, when I spoke on my motion in the Legislative Council in 2013, I pointed out that the Government should not merely help in giving birth to OCs but shrink from bringing them up. The Government must help, manage and teach OCs and it should not ask small property owners to be solely responsible for large-scale repair works. This will definitely create serious problems, especially for "three-nil" buildings where most residents are elderly persons.

Liaison Officers always suggest small property owners to seek recourse in courts to solve their problems. May I ask how these owners can afford the litigation expenses? Recent statistics show that though a number of owners have reported bid-rigging, their efforts were not very effective and it was difficult to convict bid-rigging syndicates, so members of the public were discouraged from reporting.

Concerning this issue, I think the Government should provide assistance at an earlier stage. Today, many Honourable colleagues have proposed setting up a regulatory body, but I believe regulation comes too late as it is not helpful to small property owners at all. In fact, bid-rigging not only affects small buildings, but also large housing estates. In my view, "whoever started the trouble should end it". Since the Government is willing to set aside a considerable sum of money for a good cause, it should provide assistance as soon as possible. Actually, Liaison Officers cannot solve too many problems. The Government might as well consider setting aside some resources to set up an effective multi-disciplinary team with connections to the construction industry, so that early intervention is made possible. It will be too late to provide help at the regulatory stage.

Given that OC meetings are usually lengthy and may be held every day, and people attending these meetings are volunteers, including retirees and people without sufficient knowledge, they have great difficulties in handling repair works.

I think the Government may make reference to the practice adopted by the Legal Aid Department to provide Duty Lawyer services for criminal cases, though different approaches may be adopted. The Government may regularly arrange professionals to attend OC meetings and provide assistance and the information required. Such kind of assistance will be timely. If corruption is involved, who would like to be imprisoned for being an OC member?
Accordingly, I think proper jobs must be done beforehand. Now that the Government has launched the repair schemes, it should try its best to assist the public in handling the projects properly. It should not allow various problems to emerge or even allow the intervention of triad members or give interest groups the opportunity to plant some property owners in the buildings concerned. If the Government intervenes at an early stage and provides professional information as soon as possible, bid-rigging in repair works can be minimized. This would be a radical solution to the problem.

Deputy President, I so submit.

IR DR LO WAI-KWOK (in Cantonese): Deputy President, first of all, I thank Mr Christopher CHUNG for moving this motion, allowing us to explore this livelihood issue that has recently aroused widespread public concern.

Since 30 June 2012, the SAR Government has implemented the Mandatory Building Inspection Scheme and the Mandatory Window Inspection Scheme, targeting buildings aged 30 years or above and 10 years or above respectively. A few buildings selected annually are mandatorily required to carry out inspections and necessary repairs. These Schemes that foster social awareness of building and community safety are worthy of our support.

Undeniably, quite a number of buildings in Hong Kong are ageing. At present, there are around 5 900 buildings in Hong Kong aged 50 years or above and the number will increase by 580 each year. There are 20 000 buildings aged 30 years or above, and the number will reach 30 000 a decade later. Indeed, there is a pressing need for us to put in more resources to promote proper repair and maintenance of buildings.

It should not be neglected that there have recently been a lot of disputes in building repair works and even the serious problem of bid-rigging, incurring unreasonable expenses to be borne by small property owners. Since building repair works involve considerable amounts of money, they have become the coveted targets of criminals and this is worrying. Although these black sheep are in the minority, their impacts are great and many decent businessmen and professionals are deterred from taking up these projects.
The bid-rigging cases currently investigated by law-enforcement agencies reveal that some members of owners' corporations (OCs) or owners' committees and some contractors are involved in corruption or conspiracy to defraud. I believe that the law is impartial and offenders will definitely face legal sanctions.

Deputy President, building repairs are complicated and involve many stakeholders, including property owners, owners' committees, OCs, property management companies, consultant companies and contractors, and so on. In seeking a solution, we should suit the remedy to the case. While enhancing supervision to safeguard the property owners' interests, we should maintain suitable flexibility to create a fair business environment for the professionals, consultant companies and contractors concerned. The Competition Ordinance will come into effect on 14 December this year. It specifies that bid-rigging is a serious anti-competitive conduct and it may help ensure the fairness and impartiality of the market.

Deputy President, one of the roots of the problem is insufficient support provided to property owners, owners' committees and OCs under the prevailing system. Although the Government claims that it encourages the setting up of OCs, there are still around 6,000 "three-nil" buildings in Hong Kong, that is, those without OCs or property management companies and without adequate maintenance. In the review of the Building Management Ordinance on which public consultation was completed early this year, the authorities suggested lowering the threshold of the shares for OC formation. However, the Business and Professionals Alliance thinks that this issue must be handled with care and a balance must be struck between OC representativeness and practical operation. In addition, the Government should not only aim at setting up OCs, but neglecting the provision of practical operational support to small property owners in other aspects.

Concerning the suggestion of increasing the quorum of a general meeting for voting on the resolutions on large-scale repair works and raising the threshold for passing the relevant resolutions, I think that some necessary repair works in many buildings may not be able to commence if the threshold is set too high. Under the circumstances that property owners can hardly reach a consensus, some OCs may simply let the buildings become dilapidated. Yet, the disadvantages would outweigh the advantages. If an inspection order is received, it would be even harder to deal with the issue.
In addition, members of owners' committees or OCs are usually not familiar with building repair works and tendering procedures; therefore, it would be difficult for them to accurately determine if the technicalities of various items and the relevant expenses are reasonable. Generally, they can only appoint consultants to carry out evaluation. If disputes arise, the consultants will naturally become the source of conflicts between small property owners and contractors. Thus, many qualified professionals are unwilling to take up these projects, and this situation is very unsatisfactory. Even if small property owners are willing to actively participate in the supervision of the building repairs and maintenance works, they can hardly grasp the regulatory criteria of the relevant procedures and they are at a loss as to what they should do because the procurement and tendering procedures under the Building Management Ordinance lack sufficient transparency.

To encourage members of the public to participate in building repairs and maintenance, the Government, the Hong Kong Housing Society and the Urban Renewal Authority (URA) have recently introduced some support schemes such as the Integrated Building Maintenance Assistance Scheme and the Building Safety Loan Scheme. Moreover, the URA announced in June this year that the Integrated Building Maintenance Assistance Scheme would be consolidated and optimized to extend its services to all parts of the territory. However, these schemes put excess emphasis on financial assistance and they are of little help to small property owners in solving various technical problems involving works supervision and expense auditing.

In addition, with the support of the Hong Kong Institution of Engineers, the Hong Kong Institute of Architects and the Hong Kong Institute of Surveyors, the Home Affairs Department launched the "AP Easy" Building Maintenance Advisory Service Scheme in April 2014 to provide tailor-made professional advisory service free of charge to the OCs concerned, and this scheme has been extended to March 2016. I think this scheme should be optimized and regularized.

Regarding the proposal of setting up a building repair works authority in Mr WU Chi-wai's amendment, I have reservations because the authorities can deal with the related matters with the power conferred by the relevant legislation, especially when the effectiveness of the Competition Ordinance, which will take effect soon, remains to be evaluated. Therefore, there is no urgency to set up another independent body in order to avoid needless duplication.
Deputy President, in addition to enhancing law enforcement, I hope the Government would actively co-operate with the industry players to provide stronger technical and professional support for building repairs and maintenance and also set up a building repair works database to enhance transparency of the projects and tendering process. Hence, small property owners and ordinary people can really have a decent home and they can really live and work in peace and contentment.

Deputy President, I so submit.

MR SIN CHUNG-KAI (in Cantonese): First of all, I would like to thank Mr Christopher CHUNG for moving this motion. The original motion is quite simple, and it says, "That this Council urges the Government to adopt effective measures to combat illegal acts of bid-rigging in repair works of private residential buildings (including subsidized sale flats).". Mr WU Chi-wai has also moved an amendment to the motion, which includes a series of suggestions, specifically the demand for the setting up of a building repair works authority.

Secretary, under the prevailing political atmosphere, it is nothing short of a miracle that a proposal put forward by the Democratic Party or the pro-democracy camp could get the seal of approval from the Democratic Alliance for the Betterment and Progress of Hong Kong or the pro-establishment camp. Perhaps we can think of something if it is a populist demand. But as far as the subject of the present motion is concerned, even the professionals (including Mr Tong TSE) agree that actions must be taken by the Government to combat bid-rigging. We have here an initiative supported by the pro-establishment camp, the pro-democracy camp and even the professionals, and apparently there is also a consensus in the community, yet the Government is reluctant to take actions. I think it is something which only happens once in a blue moon, yet this textbook case is right before our eyes.

Secretary, a problem can be tackled from various levels. While Mr Christopher CHUNG has stopped short of making any recommendations, Mr WU Chi-wai has included some specific measures. Although these measures might not be ideal, we will still support the amendment.

Last week, Mr Tony TSE also suggested forming a committee to discuss the specific measures to be taken. Yet the Government turned down the
proposal, saying that it was unnecessary to do so as work was being done in this regard. But all along, we cannot see any positive effects from the measures adopted by the Government.

Secretary, with this motion, Mr Christopher CHUNG has given you an excellent opportunity to score a point. If you can follow up the relevant suggestions properly, you will score a point not only with the pro-establishment camp, but also the public at large because bid-rigging has become so rampant that it is now a major worry among property owners, both big and small.

To a certain extent, the Government has been increasing the owners' responsibility in the maintenance and repair of buildings over the past two decades, either by establishing the relevant funds or imposing statutory requirements. I fully support the imposition of such a responsibility because safeguarding building safety is equivalent to protecting one's own assets and the well-being of persons who might potentially be affected by dilapidated buildings, or even passers-by.

With the additional responsibility of property owners in the maintenance and repair of buildings, unscrupulous businessmen start exploiting the situation and resort to all means to rig the bids, including interfering with the operation of owners' corporations (OCs). In some cases, the professionals may collude with the unscrupulous businessmen and push up the tender price in a strategic and organized manner, and small property owners would suffer loss as a result.

This motion moved by Mr Christopher CHUNG is not only timely, but also powerful for it is demanding a positive and comprehensive response from the Government. If the Government really wants to ensure the proper maintenance and repair of buildings, it will require long-term efforts for results of any initiative it takes, say, by legislation or formulating new measures, or allocating additional resources, will only be seen in time. Any specific measures to combat bid-rigging will only achieve results after a long time. Yet many property owners are now in a panic, and I have not exaggerated when I say they are panicking.

Many OCs have been operating well in the past. But over the past few years, many disputes have occurred concerning the control of OCs. I used to be a member of the relevant advisory committee of the Independent Commission Against Corruption. Back then, most complaints were lodged against various
government departments, such as the Housing Department or the Police. But as shown by statistics in the past few years, the number of complaints involving the corruption of OCs, the tendering of repair works or bid-rigging has increased beyond our imagination. I dare not say this is an area with the highest number of complaints for I have not looked up the caseload of other categories of complaints. Some cases may involve false bid-rigging accusations against certain people, property owners or OCs. But of course there are also cases supported by hard evidence. As we all know, the offenders in a case concerning a housing estate in Sha Tin have been prosecuted.

Secretary, bid-rigging has become so serious that the Government must face it squarely on all fronts. Of course, the Under Secretary for Home Affairs who is sitting behind you must fight the first battle because the first obstacle is about strengthening the OCs through enhanced support. It is only after clearing the first obstacle that the second obstacle under the Secretary's purview will come into play. Secretary, although you are sitting in the front, the operation of OCs is in fact just as important.

Of course, resources have been allocated by the Government previously to strengthen the operation of OCs. But what about our long-standing proposal of providing OCs with basic or independent legal advice? Surely, many OCs can obtain their own legal advice, but what about small property owners? Most of them can hardly afford the costs of litigation or hiring a lawyer. Hence, the two Directors of Bureaux are jointly responsible in this matter. One Director of Bureau is responsible for the repair of buildings, while the other for supporting OCs.

Last but not least, I think there are other initiatives which can be undertaken by the authorities. Simply put, if OCs that have completed the repair works are willing to share their experience, the authorities can gradually build up a depository for reference by other owners. Of course, the premise is that OCs that have completed the repair works are willing to share their experience with others. If information about actual repair costs or project cost trend is kept so that other people can make reference to it, it would also be another form of support. Of course, law enforcement is still the most effective way to combat bid-rigging, but other than that, the authorities can still provide support in many ways.
Secretary, lastly, I would only say a few more words, that is, it is the common aspiration of the pro-establishment camp, the pro-democracy camp and the professionals that you can do something to combat bid-rigging. I hope the Secretary can give us a positive response later.

MR JAMES TO (in Cantonese): Deputy President, considering the prevalence of bid-rigging, I think the Government should regard it as a kind of syndicated and organized crimes and take actions against them accordingly.

Surely, one cannot help but ask whether all bid-rigging cases are related to the triads in one way or another. But let us bear in mind that the focus is not whether the triads are involved or not, and organized crimes are not necessarily triad-related. Organized crimes are characterized by team work, forward planning and division of labour. Moreover, organized crimes invariably involve a large sum of money so that members of the racket can act as a team under detailed planning. In fact, all these critical elements can be found in acts of bid-rigging.

Let me talk about money first. These building repair projects can easily cost up to millions of dollars, tens of millions of dollars, or even hundreds of millions of dollars for large housing estates.

Secondly, the offenders can afford to pay large sums of bribes. In a recent bid-rigging case, an offender has been prosecuted — of course, I will not discuss details of the case here — for offering bribes amounting to several ten million dollars. And I am just talking about the amount of bribes being offered. To illustrate my point, let us compare it with a robbery case. Supposing a thief has robbed a goldsmith shop, what is the chance of him getting away with booty worth tens of millions of dollars? At present, if criminals sell off their stolen goods such as expensive watches, they can only receive 20% of the original price at most. How many watches must this thief steal? Is he going to risk his life for it? Hence, these organized crimes are in fact "intelligent" crimes, and the syndicates might also have members who are lawyers or accountants. If the focus is to interfere with building management, the syndicate will buy a flat and designate a member to be the owner. This person must be capable enough to be the chairman of the owners' corporation (OC) or the tender committee. The syndicate will also send other people to penetrate into the OC so as to manipulate the tendering process.
Buying a flat will at least incur a cost of several million dollars, but considering the gains from bid-rigging as well as the rising property prices, bid-rigging is indeed a profitable crime, unless the price of the flat has fallen to zero. That is exactly why bid-rigging has become so rampant these days.

After becoming an owner, the offender must spend a long time to make contacts with other owners and spread information around. It takes time to build up relationships gradually, which is similar to the Government's lobbying work in the Legislative Council. How can he befriend other owners? How can he create an impression of being a sincere person? That is why the bogus owner must have high EQ, good looks and looks as if he is a nice and sincere person. It is not easy to find such an "actor", and the relevant work must continue for at least one year because it takes several OC meetings for news to get around. Meanwhile other more discerning owners might become suspicious, and he would need to do more work to smear those owners.

Can you imagine how much money is required to do those things? How many people are involved? How meticulous is the planning work? Such organized crimes are actually very complicated as they must work from both inside and outside the OCs. At which stage should actions be taken quickly, instead of waiting? Or should the tactic of lobbying individual owners be adopted? How to buy the proxies? Many complicated decisions are involved, and the whole operation is nothing but easy.

Deputy President, that is why I find the Government's reply ridiculously interesting: No worry! Leave it to the Competition Commission! Should the Competition Commission be counted on to curb bid-rigging, does it mean that we would probably die before seeing that day? I almost cry with tears in my eyes just contemplating the possibility — or should I say "the impossibility" — that someday the Competition Commission may match the meticulous planning of the criminals and combat bid-rigging effectively.

Even the Government should concede and cite the Independent Commission Against Corruption (ICAC) as its trump card, the problem is: How do small property owners know when the right time to lodge a complaint is? Should they do so when the relevant decision is about to be made by the OC? But what if a quorum is present at the general meeting, and the offender has obtained a large number of proxies? Moreover, many owners are "under his spell", or so to speak, and would dance to his tune in the selection process; not to mention that the offender is holding certain key post in the OC himself. Under
those circumstances, even if discerning owners who have doubts about the tender process lodge a complaint with the ICAC, there is nothing much it can do. In addition, if other owners act differently or want to verify some information, the bid-rigging syndicate would be tipped off immediately. As two contracts are involved, it would be very difficult to differentiate between the good guys and the bad guys in the selection process.

What is the cleverest bid-rigging practice I have ever encountered? In this case, the bid-rigging syndicate first sent some members to infiltrate the OC and then identified a gullible and egotistic elderly person who succumbed to flattery easily — the target is not necessarily elderly persons, but it happens to be an elder in this case — to be the chairman of the tender committee. Then the old man was brainwashed or became internalized with the self-righteous notion that he would select the best tender in a just and proper manner. It is really the cleverest tactic, just like LEUNG Chun-ying's plan to appoint Arthur LI as the Chairman of the Council of the University of Hong Kong (HKU) because given LI's hatred for HKU, he would "shake it up" without being told. In the said bid-rigging incident, the criminal syndicate identified a self-righteous elderly person who was seemingly impartial. In fact, the old man was acting in a most unselfish way and did not receive any benefits at all. But the criminal syndicate was willing to spend a long time working on him and coaching him so that he was brainwashed to believe that he would make the best choice. The tactic is really phenomenal.

That is why the authorities must set up a dedicated inter-departmental team to deal with these bid-rigging cases. Sometimes, it may be necessary to spend a large sum of money to launch undercover actions, so that detailed analysis can be conducted on various bid-rigging practices as well as precedent cases. Of course, large criminal syndicates should be targeted first. By busting some large criminal syndicates, a deterrent effect would be created, and it could be conducive to curbing bid-rigging effectively.

Separately, if actions taken by the authorities are successful in penetrating the leading ranks of the bid-rigging syndicates, so that enough evidence is collected to institute prosecutions, all proceeds of crime obtained by the syndicates in the preceding six years can be recovered under crimes relating to money laundering. Hence I am afraid that without the dedicated team I just mentioned to combat bid-rigging with counter-measures through strategic planning, efforts made the authorities would only be futile.
MS CLAUDIA MO (in Cantonese): Deputy President, anyone who reads this motion will hardly raise any objection. Just like statements such as "the sun rises in the east", "maternal love is very great", who would possibly object? Yet the Government is still very hesitant, I do not know why. Perhaps because money and manpower are involved; or perhaps LEUNG Chun-ying's Administration is constantly facing public complaints in every policy initiative. As it takes a long time to tackle the issue of bid-rigging in repair works of private residential buildings, LEUNG Chun-ying wants to delay in addressing the issue until he can be re-elected. Is this the mindset of the Government?

I have served as a member of an Owners' Corporations (OC) and have also helped to settle a lot of arguments or disputes involving OCs. These cases were very disturbing. A private building at Waterloo Road, which used to be a very nice building some 30 to 40 years ago, was now quite dilapidated over time. So the property owners decided to carry out major repair works. Although the bidding price did not amount to hundreds of millions of dollars, and thus had not been reported in the press, the cost involved was still as high as $40 million, and each household had to share over $200,000. When some elderly couples came to me to lodge a complaint, I really did not know how to help them.

An elderly couple told me that the property was the greatest asset of their lifetime. They relied on this property to enjoy their twilight years. The $200,000 maintenance fee had to be paid in two instalments within a short interval. Otherwise, an encumbrance would be imposed on their property. I advised them to ignore the encumbrance if they did not intend to sell the property. However, the elderly couple upheld to integrity. The property was actually their private asset, but they were forced to pay a large sum of money in two instalments within a short period of six months. Otherwise, an encumbrance would be imposed on their property. How could they live in peace? They felt as though there were dark clouds above their head every day. Ultimately, this case was settled after the reorganization of the OC.

However, many of the details are related to the OC. I do not know how the Government regulates OCs. Very often, the OC tells property owners that repair works relating to water, electricity or elevator, and so on, are very urgent, and they just engage the companies that they have been patronizing to carry out the works without convening any meeting. Then they would collect money from the property owners after the jobs are done. As no major repair works has
been carried out in that building over the years, a comprehensive repair was required in one go. Though the Fire Services Department advised that the smoke lobby doors have no problem and could still be used, the OC insisted to replace the smoke lobby door on each floor, adding a lot of garbage to the landfills. The OC said the resolution was passed and further arguments were pointless. To cite another example, the concrete rear staircases were clean and tidy though not appealing. Nonetheless, the OC wanted to lay mosaic tiles. Initially, the external walls would be whitewashed with better quality paint, but the OC preferred laying mosaic tiles, resulting in very high expenses.

The Government might say OC and Liaison Officers of the Home Affairs Department (HAD) will attend every meeting. I have come across many dedicated Liaison Officers and I think they have done their best. But as pointed out by the Government in response to a number of complaint cases, Liaison Officers basically play the role of facilitator in the affairs of OCs and building management. They cannot adjudicate when both sides disagree. Since Liaison Officers cannot adjudicate, HAD officials very often ask property owners to file an application to the Lands Tribunal. Buddy, if the issue is handled by the Lands Tribunal, the elderly have to go to court. They immediately ask if they have to hire a lawyer. In fact, hiring a lawyer is not obligatory. However, the elderly are very worried and frightened.

There was also another funny case. Some small property owners wanted to replace the Chairman of the OC because they believed the person was corrupt or mean. They moved a motion with such wordings "They cast a vote of absolute no confidence in the Chairman" and asked him to withdraw from the Management Committee. Although the motion was passed, the Chairman could not be replaced as only the words "no confidence" were used without stating specifically that the Chairman should be replaced. It served no purpose to pass the motion. Isn't this ludicrous? Nonetheless, small property owners are not lawyers and they seldom pay attention to such wordings.

The Government says that property owners should seek assistance from the HAD, but can the HAD really handle the work? There are many units in a building, and the total number of private residential buildings in Hong Kong, Kowloon and the New Territories is enormous. Even if the HAD tries to help property owners, it still cannot give assistance to each and every owner. I had once attended a meeting of an OC. Although not being a member of the legal
profession, I noticed that the barrister representing the other party was very shameless. He did not talk about the spirit of the rule of law, but only cared about making money, and the legal advice provided was of no use.

Despite the assistance provided by the HAD, the Government should adopt Mr WU Chi-wai's proposal and set up another regulatory authority and provide online quotations and some basic information, such as the approximate market price of different materials, the price of elevators of different sizes in different projects, so that members of the public can have a rough idea. I support the motion. Thank you.

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

MR CHAN CHI-CHUEN (in Cantonese): Deputy President, it is tragic that the Legislative Council has to debate this motion today. Certainly, bid-ridding is a nightmare for small property owners. Yet the content of Mr Christopher CHUNG's original motion is simple and uncontroversial. The proposed measure should be the responsibility of the Government, but it has become an initiative that this Council urges the Government to take. The five proposals mentioned in Mr WU Chi-wai's amendment have also been mentioned many times.

We do not have new initiatives to propose to the Government, we also find that the Government is now at its wit's end. I hope that after today's debate, the Government would deeply reflect on what actions should be taken but have not be taken, and what actions that the Government does not want to take. Although Members' comments are platitudes, we still have to voice them for we want to inform the Government, through the experience of different Members and different members of the public, how serious the problem is.

The Mandatory Building Inspection Scheme (MBIS) fully implemented by the Buildings Department in 2012 was supposed to a benevolent policy. It aimed to safeguard personal and building safety. However, has the Administration ever envisaged that this policy would turn into a catastrophe? In fact, I should not say a catastrophe; the apt description is numerous catastrophes as some ill-intended engineering consultancy firms and members of owners' corporations (OCs) have taken advantage of this opportunity to reap personal gain.
Two years ago, a group of owners from Garden Vista in Sha Tin came to us for assistance. They complained that when the repair works project was put to vote at the general meeting of the OC, neither the OC nor the engineering consultancy firm had informed the property owners about the total costs of the project, the breakdown of various items and the amount to be shared by each household. Under the circumstances of incomplete information, the attendees passed the refurbishment works for six blocks of the estate with a total of 11 projects. Later when the owners received the demand note for management fees, they found that the repair cost was as high as $260 million. Each household has to bear $200,000 to $300,000 on average.

(THE PRESIDENT resumed the Chair)

In the past two years, this group of small property owners has been suffering from mental distress. To be honest, even if we Members said we would help them, we could not in fact offer much help. It was primarily due to their perseverance that they managed to "survive" up till today. Last year, a property owner who could not withstand the stress attempted to jump down from the Lion Rock Tunnel flyover to make a protest in death. Besides, 80 small property owners considered the repair cost too high and refused to pay; as a result, an encumbrance was imposed on their title deed by the OC. There were also some owners who were served with distress warrants applied by the OC requesting to have their flats sold on auction. It was not until April this year that the ICAC launched a large-scale operation and arrested about 10 persons, including people from the property management company and consultancy firm, senior staff of the contractors and members of the OC. It was reported that someone was suspected to have accepted bribes of over a million dollars to promote the repair works project which charge astronomical fees. In the wake of this, the property management company in question had also terminated its management contract with Garden Vista.

However, many of the problems faced by small property owners that I have just mentioned have not been fully resolved. They are still greatly distressed and cannot eat well or sleep well. The Government may say that property owners should bear the greatest responsibility of their own property. However, management of a property and the operation of an OC involve a substantial cost
of information. Ordinary citizens or even professionals — I know some property owners of Garden Vista who are very capable, even smarter than us — can hardly cope with such kind of organized and premeditated bid-rigging act.

The crux of the problem is, small property owners fail to grasp sufficient information to well manage the estate. In the coming decade, more than 280,000 private residential units in Hong Kong would reach the building inspection threshold of 30 years. Therefore, the Government is duty-bound to improve the voting system and ancillary work related to major repair works.

To solve this problem in the long run, the Government (including the Development Bureau, the Home Affairs Department) cannot leave OCs to survive on their own. At present, when disputes arise between property owners and OCs, or between property owners and OCs and management companies, small property owners very often take their case to court. This situation is unsatisfactory. The Administration should consider setting up a Building Affairs Tribunal expeditiously to hear cases related to disputes in building matters, so as to reduce the time and costs incurred in handling such cases by the Small Claims Tribunal, the Lands Tribunal and the District Court. This proposal will also help reduce the internal conflicts of residential estates and avoid scenes of confrontation between both parties.

A number of Members have mentioned that Hong Kong people are busy and have no time to participate in the management of their residential estates. However, the situation has changed now, especially after the incident of Garden Vista. Many small property owners are more alert now though the awareness may come a bit late. Even so, they may still not be able to grasp enough information or get adequate assistance in preventing bid-rigging.

Owing to the extensive scope involved in this issue, small property owners lack the professional knowledge to monitor and evaluate the project price. Once the problem of bid-rigging or corruption emerges, what can small property owners do? If they want to overturn the decision of the OC or take the case to the Lands Tribunal, pretty high costs are involved.

Therefore, many Members have in their speeches today urged the Government to take the initiative to move one step further and do more, such as avoid giving birth to OCs but shrink from bringing them up. A regulatory body should also be established to monitor building repair works. In this regard, the
Ombudsman had also once criticized the Home Affairs Bureau for failing to take effective law-enforcement actions to intervene in the management disputes between property owners and OCs. Many property owners said they have sought assistance from the Home Affairs Department (HAD) over disputes like excessive building repair costs or black-box operation of the OC, but the HAD is quite indifferent, indicating that nothing can be done to help them. The owners are thus very disappointed. As the problem of bid-rigging has become increasingly serious, I hope the Government can take today's opportunity to face the situation squarely and urge various government departments to take concerted efforts to solve the problem. Hence, Hong Kong people can really live and work in peace and contentment. I so submit.

MR ANDREW LEUNG (in Cantonese): President, I speak to supplement the content of speeches made by my colleagues of the Business and Professionals Alliance for Hong Kong. Today in this Council, we have heard very clearly that bid-rigging is a very serious problem, and the community also thinks that the Government should do more to solve the problem. Of course it is desirable to refurbish old buildings and improve the dilapidated facilities, but if the good will of the Government is not supported with any policy, it will give rise to issues such as bid-rigging and fraud, as in the present situation.

I declare that I am a member of the Competition Commission (Commission). The Competition Ordinance will come into effect on 14 December, 2015, that is, about two weeks later. The Commission is ready to carry out its duties, one of which is to combat bid-rigging. Bid-rigging is a serious act against the principle of competition. In the past, if the bid-rigging syndicates have not contravened the Prevention of Bribery Ordinance, big-rigging is not considered an offence. Nonetheless, when the Competition Ordinance takes into effect on 14 December, bid-rigging will become an offence. This can significantly crack down on such activities which violate the principle of competition and detrimental to the interests of consumers and enterprises, as well as overall economic activities.

According to the policy of the Commission, its priority task is to combat bid-rigging. We are conducting a large-scale market research on building repair works, so as to collect extensive data to analyse the performance of the market in the area of building repair works. We have also co-operated with the Urban Renewal Authority and the Hong Kong Housing Society to review the tendering
of past building repair works. Apart from observing whether there are systematic acts of bid-rigging in the building repair market, we also hope that through this research, we can identify policies that require amendment and areas where public education should be enhanced in order to combat bid-rigging activities. Although this study is only halfway through, the data collected so far indicate that bid-rigging activities are very rampant in Hong Kong.

I support what my colleagues have said. Although the Government may not necessarily set up a regulatory body, a department must be assigned to collect all information relating to building repair works for the purpose of setting up a vast database. With a database, we can easily observe whether acts of bid-rigging have occurred in building repair works. For example, if the names of engineering consultancy firms and maintenance companies often come together, one has to stay alert to see if bid-rigging has taken place. Therefore, if sufficient data can be provided for scrutiny by OCs, the situation of bid-rigging can be detected easily.

On the other hand, to successfully combat bid-rigging, we cannot merely rely on the Commission, the concerted efforts of the Police, the ICAC and some specialized government departments, as well as the co-operation of professional bodies are also needed. Nonetheless, in order to facilitate law-enforcement departments to join hands with other government departments to combat bid-rigging, the Government, especially the two Secretaries, must have the commitment and the strength to lead various departments to act together. Just now, many of my colleagues, especially Mr LO Wai-kwok, have already mentioned some of the serious problems that may arise when buildings are undergoing repair works in the future. The amount incurred in these works may reach tens or even hundreds of millions of dollars.

If the Government really cares about the public, the money allocated for the said purposes is far from adequate. The Government must allocate more money to alleviate public grievances and help more small property owners. This is precisely what the Government should do. The Hong Kong Government has a very robust financial position, I believe that spending a small amount of money to solve the problems faced by a majority of people is a worthy cause.

I support the original motion.
MS EMILY LAU (in Cantonese): President, I speak in support of Mr Christopher CHUNG's motion and Mr WU Chi-wai's amendment.

Just now, Mr Andrew LEUNG also said he gave his support. Yet I do not know what he exactly supports because Mr LO Wai-kwok has just expressed his opposition to the setting up of a building repair works authority proposed by Mr WU Chi-wai, even saying that there is no urgency in reacting.

President, I believe the public are already like a cat on hot bricks. This "urgency" is different from the "toilet need" that I mentioned earlier on in my speech. It is an anxiety against the indolence of the Government. In fact, whether they are property owners in the New Territories East Geographical Constituency where I come from, or in other areas, the person concerned really feels the pinch. Some hard-luck property owners have even lost hundreds of thousands of dollars. The building where I live is also undergoing repair works now. Each property owner has to share over $100,000. I also do not know if there is bid-rigging. Many companies had submitted tenders but only one met with the property owners in the end.

In fact, many of my colleagues have already spoken before me. Most of them support the setting up of a building repair works authority. As for the stance of Mr Christopher CHUNG, let us also lend our ears to him later. I hope this motion debate can send a clear message to the Government that the Council is, of course with the exception of Mr LO Wai-kwok, in favour of setting up the authority.

Just now, many Members have also pointed out that bid-rigging is a multi-layered criminal act, involving management companies, owners' corporations (OCs), consultancy firms, authorized assessors, bidding contractors and even the local community, because an OC is composed of local residents and many often take advantage from it. The question is: why the Administration does not want to take action? Do they also have interests in it? Are they protecting certain people? Poor OCs, they often fail to get assistance from the Administration when they come across a problem. For example, when a chairman resigns from an OC or refuses to call a meeting, the Administration would just say the problem cannot be resolved and ask the property owners to file their case to the Lands Tribunal. That is the only thing they can do so far because the Government refuses to amend the law or do something. The development so far has generated boiling resentment from the public. Even
today, many property owners have come to protest at the Legislative Council Complex. Some members of the public requested me to ask the Government why no action is taken? Who are the beneficiaries that need to be protected? Apart from triad members or criminal offenders just mentioned now, who else are behind the collusion?

President, I deeply hope that the Legislative Council would talk the same to the Administration regarding this matter. Yet I know things often turn out to be different from our expectation. As Prof YUEN Kwok-yung has said, Hong Kong has lost its ability to solve problems in recent years. Of course, everything happens for a reason. But in any case, we have to speak out on behalf of the public, making known their plight of living in dire straits.

Some property owners are not well-off, but for no reason they have to bear repair costs amounting to several hundred thousand dollars. Besides, the repair works are not done for their own unit, but the external facilities of the building. Sometimes, even the walls of their unit are damaged during the course. How come the Government have ignored the problem for years, yet still launched the so-called "Operation Building Bright"? The public want me to tell the Government: it is because the Government pushes forward the Scheme and demands mandatory building inspection, "a can of worms" is thus opened up, putting them into great trouble. In my New Territories East Geographical Constituency alone, I do not know how many residential estate property owners are grumbling.

President, I truly hope that the Administration would really do something because the vast majority of Legislative Council Members have given their consent and support. Stop making up excuses by saying that the establishment of a regulatory authority involves spending public money and so on, because, as Mr Andrew LEUNG has said, the Government has a very robust financial position. Why are they reluctant to do so?

I am also very angry about the Independent Commission Against Corruption (ICAC) because it could have done more. For example, people have been suggesting the ICAC to conduct more sting operations. The problem of bid-rigging is so serious, but the ICAC is still reluctant to take action even the issue has been under discussion for years. Isn't it strange? Is it that those with vested interests need to be protected?
Apart from Mr LO Wai-kwok, I hope all of you would support Mr WU Chi-wai's amendment because Mr Christopher CHUNG's original motion is too simple. I also hope that Mr CHUNG would not oppose Mr WU's amendment.

Mr WU Chi-wai's amendment only demands the Administration to step up law enforcement to combat bid-rigging syndicates and provide small property owners with support. What kind of support? Some small property owners are actually very committed, but they lack the relevant knowledge. Can the Administration, in conjunction with the Hong Kong Housing Society or the Urban Renewal Authority, provide professional help to small property owners, such as estimates of relevant repair costs? Hence, they can have an idea of the approximate price and avoid others pricing themselves out of the market. Can the Administration render help in these aspects?

As for enhancing public education to give publicity to the perils of bid-rigging, actually quite some people have been protesting against it by shedding blood. So the Administration should step up publicity, for example through Government's TV Announcements in the Public Interest (APIs), or even allowing some victimized small property owners to step forward and share their own experiences. There have been too many such examples in society. If publicity is stepped up, kaifongs still in the dark can heighten their alert and obligatorily attend OC meeting in the future. Admittedly, small property owners have to care more, but the Administration should also provide assistance to them.

Besides, Mr WU Chi-wai's proposal to set up a building repair works authority is equally important. Many Members (including some professionals) who have just spoken also expressed their support. Though Mr LO Wai-kwok is also a professional, he does not agree with this proposal. I hope he would not break the consensus in this Council today. I also hope the two Secretaries can implement the related work as soon as possible after hearing the cry for help from members of the public.

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

MR LEUNG KWOK-HUNG (in Cantonese): Mr Paul TSE refused to speak whatsoever.
President, this issue actually can be divided into two parts. Firstly, a basis for law enforcement is necessary because there are loopholes in the provisions related to owners' corporations (OCs) under the Building Management Ordinance. Hence, OCs can be easily manipulated. In fact, such provisions have been amended during my service as Member, only that little effect has been achieved. Legislative powers in Hong Kong are led by the Government. That is to say, if the amendable content is confined by the Government's policy intent or the long title, we cannot make changes beyond that even if we want to do so. There are constraints to the Legislative Council Members.

Secondly, if the subsequent consequences of our amendments to the Ordinance are not something the Government would like to see or something enforceable … Of course, the so-called unenforceable is a relative term. It depends entirely on whether there is such willpower because there is no shortage of money. As a Legislative Council Member, I think I have to bear part of the responsibility for the last revision of the "Building Management Ordinance" because that amendment was pretty "nondescript". Only that I could do nothing as this Government has turned a deaf ear to us. However, as we are now discussing this issue again, so I would like to ask — Of course, this does not belong to the policy area of Secretary Paul CHAN, as the corresponding Policy Bureau should be the Home Affairs Bureau, that is, the Policy Bureau headed by the "Honourable" LAU Kong-wah. Yet the "Honourable" LAU Kong-wah — should be Secretary LAU Kong-wah instead. I still often address him as "Honourable Member". However, I am not sure if he has sent representatives to this meeting? He has, right? I think this problem must be resolved. We should include in the Agenda the amendment of Cap. 343, and the Government should also listen to the views of the Members of the Legislative Council and the District Council (DC).

We now have six Members, including Mr IP Kwok-him, who are elected DC members nominated to the Legislative Council. In fact, this debate no doubt has slapped each and every District Council Member. I wonder if Mr Christopher CHUNG agrees with this comment. Frankly speaking, what livelihood issue is bigger than being made to pay repair costs of $30,000 to $40,000 when you wake up one day with no resistance allowed? What thing is more important than being "threatened to death" after you object to bid-rigging? This is also the responsibility of DC members. Unfortunately, the DC election was over, but who dares to talk big about practically resolving this problem? I am not just targeting at DAB, but all DC members as well. How can they "hang on"? There is simply no way. Either the Government is reluctant to carry out
their will, or there is no will to amend the law to enable OCs to truly represent the residents, since the counting method of proxy votes or number of shares is prone to manipulation. Frankly speaking, if the Legislative Council has proxy votes, maybe Mr IP Kwok-him will also appoint someone to vote on his behalf, or vote on behalf of everyone in one go. Isn't it terrible?

If the Government does not re-consider these two issues from a legal point of view, and by virtue of their governance, touch on the core part of the long title during the amendment of Cap. 343, there is not much change that Members of the Legislative Council can make even they desperately want to. They cannot do so because the Committee stage amendment proposed by Members may not be passed. The Government can well to impose its will on the legislature. Regarding this point, I do not want to talk further as many Members are compelled to support the Government. This is the first point I make. DC Members often cry aloud claiming they would work for the well-being of the residents. Yet no one has taken up this significant issue.

Second, the problem concerning law enforcement. Members, if bid-rigging and violence, intimidation and fraud practices are not organized crime, what are they? These cases should be referred to Organized Crime and Triad Bureau for investigation. But the workload of the Bureau is so heavy, how can they manage this as well? Therefore, if we are to enforce the law, we will have to increase the resources so as to ensure law enforcement is possible in the future. This is one aspect of the matter. The other aspect is that staff of the Home Affairs Department (HAD) should assist small property owners. Yet similarly, they have no legal basis. I once witnessed more than 10 people with gold-tinted hair taking pictures of ladies opposing bid-rigging one by one in Hin Keng Estate. This was blatant intimidating behaviour, but police officers could not take actions. I had expressed to a staff of the HAD that such behavior was very inappropriate, but his response was, "Mr LEUNG, we have no solution. There is nothing we can do." The most outrageous incident occurred in Quarry Bay. A bid-rigger was slapped by someone against bid-rigging before my naked eyes. The HAD staff present had also witnessed the scene. As the two of us were chatting at that time, we both witnessed the slapping incident. Then, the one who was slapped immediate complained. I said I also saw what had happened, but that HAD staff dared say he had seen nothing. What exactly is the problem? It is because Cap. 343 is not yet amended. That HAD staff dared not say a word even though he was at the scene for he was afraid that he would be held responsible for his words.
Thus, Mr WU Chi-wai's proposal is very correct. We should set up a special department to perform the work. The Government always says there are urgent tasks to deal with. This matter right deserves immediate attention (The buzzer sounded) … not the Innovation and Technology Bureau. At present, the Innovation and Technology Bureau …

PRESIDENT (in Cantonese): Mr LEUNG, your speaking time is up.

MR LEUNG KWOK-HUNG (in Cantonese): … cannot even manage to find land.


President, the SAR Government launched the one-off specific measure of Operation Building Bright in 2009, aiming at creating more job opportunities for the construction industry, as well as improving building safety. Securing employment for workers and safeguarding personal safety are the two major objectives of the Operation. Nonetheless, due to lack of adequate supervision and support, the reality is that many cases of illegal bid-rigging of building repair works are resulted. Victimized property owners have to bear astronomical repair costs. The repair works have become a means for some criminals to extort money, abuse and bully property owners.

In fact, whenever a bid-rigging case is disclosed, the property owners concerned are often already in dire predicament: Either works suspended before repair is done; or repair works are done but each household have to bear the high repair costs, with an encumbrance imposed in case of non-payment or threat of "settlement". This phenomenon is particularly serious in old districts (for example, in the Central and Western District where I am serving). We all share the feelings deeply.
Is bid-rigging an illegal act, we cannot make sweeping generalizations. It depends on the specific circumstances. If participation of triad societies and other criminals is involved, which might implicate acts of corruption, bribery, falsified bidding, harassment and intimidation with violence, then it is illegal. The occurrence of such cases often wreaks havoc to the peace and tranquility of the whole building and the whole community.

President, about two weeks later on 14 December, the Competition Ordinance would be in full force. By then, bid-rigging would be classified as unlawful. The Competition Ordinance prohibits all sorts of anti-competitive behaviours, including market allocation and bid-rigging. However, does it mean protection is fully adequate when the Competition Ordinance becomes effective? There is a big question mark. Throughout Hong Kong, private buildings are ageing, ongoing major repair works of old buildings are required. Besides, the repair costs involved each year are as high as several billion dollars. It is believed that the malicious syndicates would still covet it. On the issue of building repair, if government support is insufficient or regulation is inadequate, I am afraid the phenomenon of bid-rigging will continue. So taking precautionary measure is of utmost importance. The Government must continue to combat bid-rigging syndicates, offer professional support to property owners and make known to the public about the scourge of bid-rigging. The Government and the law-enforcement agencies should strengthen publicity and education on bid-rigging, otherwise property owners and OCs often have difficulty seeing through the malpractices of bid-rigging syndicates.

The DAB has all along shown great concern about the maintenance and management of private buildings in Hong Kong. In July 2015, we established the DAB Concern Group on Building Management and Maintenance to deal specifically with the issue. In late August and early September, the Group conducted a questionnaire survey on Maintenance of Private Buildings. It was found that a significant percentage (about 33%) of the public did not have a clear understanding of the details of the repair works. Building maintenance is a very complex task, involving expertise of different industries. As most property owners generally lack the relevant expertise and experience, and also have no time to discuss and engage in the issue, they do not really understand the details of major repair works. Therefore, they are vulnerable to contractors' illegal acts like bid-rigging and outrageous pricing.
The survey also found that 90% of respondents believed that the problem of bid-rigging was serious at present; 48% of the respondents believed that the Government was ineffective in combatting bid-rigging. In addition, most respondents (74%) said that they could not turn to any government department or law-enforcement unit for assistance even they suspected there was bid-rigging. Indeed, government department or law-enforcement unit cannot take up mere complaint on bid-rigging where evidence is unavailable. Nowadays, bid-rigging practices are often meticulously arranged which leave rare traces of evidence. From this, we can tell that the techniques of bid-rigging are becoming more and more sophisticated.

In addition, most respondents agreed that the Government should take the initiative to support repair works. So they believed that the Government should set up a database for building repair costs. When property owners input the number of floors and units of the building, they can figure out the basic repair costs and grasp the full information on repair price, thus minimizing the occurrence of bid-rigging.

President, Mr WU Chi-wai proposed the establishment of a regulatory authority in his amendment. We note that the Hong Kong Institute of Surveyors has also voiced similar comments. In this regard, the DAB has in fact been sharing similar views. This proposal is consistent with the concept of the DAB, so the DAB will support Mr WU Chi-wai's amendment. We certainly hope that the Government would take action.

Thank you, President.

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

MR PAUL TSE (in Cantonese): President, I believe that today, all my Honourable colleagues would basically support the original motion unanimously, urging the Government to take effective measures to combat this common act which affects the public. The only difference is that whether Members would totally agree with certain recommendations made by Mr WU Chi-wai in his amendment. President, Hong Kong people used to accept corruption as a fact of life until the notable breakthrough GODBER case. The public then realized that
even rampant corruption of the Police Force could be curbed by creating deterrent effects through detecting prominent cases and launching extensive publicity.

I hope that the upcoming trial of the Garden Vista case would serve as the GODBER case in curbing bid-rigging, so that society at large would have greater awareness about this complicated crime and become more determined to resolve the problem. So far, none of the existing measures taken by the Government or even the proposals raised by Members today can achieve any positive results because the Government lacks commitment. As many Honourable colleagues pointed out just now, bid-rigging cases are highly complicated, sometimes even involving the triads. Even in cases just involving disputes within the owners' corporations (OCs) — as I think people who have worked at the district level would know — it is always a difficult and thankless task to handle the affairs of OCs.

Most people hardly pay any attention to the matter until they suffer financial loss themselves, but then it would be too late. Moreover, given the general lack of awareness and low transparency, even lawyers or people conversant with such cases might find it difficult to account for all the costs items in repair projects or spot the potential loopholes, let alone challenge any irregularities. Bid-rigging cases or OC disputes may not only involve the triads; with political disputes becoming more common in our society in recent years, such cases always become an arena to battle for public support among individual District Council members or political groups and hence, further complicating the problem.

President, before any clearer policy direction or countermeasure is forthcoming, we can only count on the Government to take actions in this regard with genuine commitment. For example, actions can be taken to gather more evidence or even by conducting undercover operations to expose more bid-rigging activities similar to the Garden Vista case, in order to arouse greater public concern. Second, actions can be taken to enhance transparency. In the past, many unjust cases happened due to the involvement of unscrupulous solicitors' clerks or the inappropriate acts of middlemen. At present, the only practical solution is to enhance transparency so that members of the public have a fair knowledge of the costs involved in a repairs project, the scope of services to be provided, the circumstances of overcharging, the channels of complaint, and so on. Such enhanced transparency can at least help check, if not eradicate, these rampant bid-rigging activities. But at present, such a mechanism is unavailable,
and the Government has seemingly no intention to take up this responsibility as it has cited the role of consultation played by the Home Affairs Department as an excuse.

While there is great expectation about improving the situation with the establishment of the Competition Commission and the full implementation of the Competition Ordinance, I tend to agree with Mr James TO that it is tantamount to putting out a fire nearby with distant water to address the problem of bid-rigging through the Competition Ordinance and the Competition Commission. The crux is not whether we have the tool, the weapon or the legislation available. The laws are in place to deal with such crimes, but how can we get to that point? How can we obtain the evidence? How can effective actions be taken to combat these organized crimes? There is no other alternatives but through the genuine resolution on the Government's part to detect some high-profile cases, conduct more undercover operations or set up a special task force. Consideration might even be given to Mr WU Chi-wai's proposal of setting up a building repair works authority. All these are really last-ditch solutions, or so to speak.

With the Operation Building Bright, the Government has created numerous opportunities for the offenders to exploit the building owners, just like leaving a herd of sheep unattended under the watchful eyes of hungry wolves. Since such opportunities were created by the Government, it is duty-bound to mend the fences. In some cases, consideration might even be given to extending various deadlines under the Operation Building Bright, so as to provide relief to the affected owners or residents. In the event of highly controversial cases, the Government should even step in to tackle the problems, so that elderly owners and residents in old districts would not become too worried or desperate.

President, I am afraid that I am in the same predicament as my Honourable colleagues as our rhetoric can hardly help to tackle the problem at its root. As I said earlier, when building owners encounter these problems, it would be very difficult to sort out the matters directly and thoroughly, even for someone like me with legal expertise because too many complicated issues are involved. As the saying goes, where there is a will, there is a way. But the problem now is that the Government lacks the will to combat bid-rigging effectively.

Thank you, President.
PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr Christopher CHUNG, you may now speak on Mr WU Chi-wai's amendment. The speaking time limit is five minutes.

MR CHRISTOPHER CHUNG (in Cantonese): President, my response to Mr WU Chi-wai's amendment is as follows.

With the ageing of buildings in Hong Kong, building repair has become an issue which must be faced by every owners' corporation (OC). However, bid-rigging affects the quality of works and jeopardizes the interests of owners, and more importantly, it undermines the unity of owners.

I agree with Mr WU Chi-wai's proposal of "providing small property owners with appropriate and professional support", but I also think the Government should enhance the support given to OCs. It should spare no effort in assisting OCs to explain the details of repair works to owners to dispel their worries. It should also strengthen the unity of owners so that they can work together to do a good job in building repair.

Moreover, since the Government rarely held publicity and public educational programmes on bid-rigging in the past, it is often difficult for owners and OCs to notice the tricks of bid-rigging syndicates. Since the Competition Ordinance will formally take effect in the middle of this month, I hope the Competition Commission will make use of this opportunity to enhance public education, so that the public will understand bid-rigging and its perils and they will know where to seek help in case of suspected bid-rigging.

Regarding the proposal of setting up a building repair works authority, the Hong Kong Institute of Surveyors has actually put forward a similar suggestion in the past. This shows that the proposal has been discussed in society and gained some support. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) basically agrees that the Government should regulate the market of repair and maintenance service. As regards how it should be
regulated, we think studies should be conducted on whether it should be regulated by the trade itself or by a building repair works authority to be set up by the Government. The Government should conduct consultation on the proposal of establishing such an authority and should not reject the idea lightly.

Finally, let me say that I strongly agree with the proposal of commissioning statutory bodies with credibility to provide owners with professional building repair works services of authorized persons. In the past, the DAB had repeatedly asked the Government to provide works consultant service so that professional consultant service on building repair works could be given to residents on a self-financing basis. I believe this would not only give owners and OCs more options, but also foster greater competition in the trade and facilitate a healthy development of the market.

In conclusion, the DAB supports Mr WU Chi-wai’s amendment. President, I so submit.

UNDER SECRETARY FOR HOME AFFAIRS (in Cantonese): President, first of all, I would like to thank the 28 Members for their speeches as they have given us some invaluable and constructive views on how to combat acts of bid-rigging in repair works of private residential buildings.

My response will focus on work to combat bid-rigging through publicity and public education, and to foster better building management. Later, the Secretary for Development will give a detailed response on law enforcement and the provision of professional support, as well as other matters relating to building repairs and bid-rigging.

Publicity and education is an important element in preventing and combating acts of bid-rigging in building repair works. Hence, as mentioned earlier, the Home Affairs Department (HAD) has been collaborating with the relevant departments and organizations to step up publicity and education in recent years. We have been striving to provide property owners with the necessary information so that they can fully understand the procedures as well as market information relating to building management and building repair works. In addition, efforts have been made to provide property owners with suggestions about preventing corruption and bid-rigging.
Major features of publicity and education initiatives undertaken by the HAD and the relevant departments and organizations in the past few years are as follows:

(1) Last year, more than 80 thematic talks, workshops and seminars specifically on issues relating to building management and repairs have been organized by the HAD in co-operation with the Urban Renewal Authority (URA), the Independent Commission Against Corruption (ICAC), the Police and the relevant professional institutes;

(2) A new round of territory-wide major publicity and education campaign on building management and maintenance was launched by the HAD in September 2015 with the aim of further enhancing public education on building management and repairs, through a series of television promotional videos, thematic leaflets and talks specifically on building repairs. Moreover, property owners are encouraged to safeguard their own rights and to ensure that the consultants and building contractors are appointed in compliance with the requirements under the Building Management Ordinance;

(3) The ICAC published a new edition of the Building Maintenance Toolkit in December 2013, providing advice on effective corruption prevention measures, checklists on points to note and templates of documents for the reference of owners' corporations (OCs) and property owners;

(4) At district level, District Offices and the ICAC will organize education and publicity activities in all the 18 districts over the territory to promote integrity building management;

(5) Through the "RenoSafe Scheme", the Hong Kong Police Force provides OCs intending to carry out building maintenance works with an information package, listing crimes that may arise from improper handling of building maintenance works and offering advice on preventive measures. At the same time, posters or banners are displayed at conspicuous positions of the participating buildings for enhanced publicity and effective deterrence;
(6) In early 2014, the URA launched the "Building Rehab Info Net", a website on building maintenance resources, to provide useful information for owners who intend to carry out building maintenance works, including successful cases completed under the Operation Building Bright; and

(7) To tie in with the upcoming full implementation of the Competition Ordinance, the Competition Commission has already included bid-rigging as part of its publicity and advocacy work, with the main focus on highlighting the adverse impact of bid-rigging. In this regard, educational videos have been produced and can be viewed at the Competition Commission's website and YouTube.

The HAD will continue to work in concert with all relevant departments and organizations to enhance publicity and education, so as to provide property owners with more comprehensive and detailed information on building management and repair works, and to enhance their awareness about corruption prevention and bid-rigging.

Apart from publicity and education, the HAD has also rolled out a number of targeted support measures in recent years to help property owners (particularly those in old buildings or "three-nil" buildings) improve building management and arrange building repair works.

Under the Building Management Professional Advisory Service Scheme implemented by the HAD, professional property management companies would be engaged to provide owners of "three-nil" buildings with free one-stop support services. So far, 2 400 buildings (or over one third of the existing "three-nil" buildings) have benefited. The property management companies will encourage, assist and organize owners of target "three-nil" buildings in forming OCs and applying various subsidies to undertake repair projects, as well as following up tendering matters and maintenance works.

The scheme is well-received by property owners, local communities as well as District Council members. So far, the scheme has formed 159 OCs and assisted them in applying building maintenance subsidies to undertake repair projects. The scheme will continue to serve and assist more owners of "three-nil" buildings.
Given the pivotal role of building consultants in ensuring the smooth conduct of building repair works, the HAD has implemented the "AP Easy" Building Maintenance Advisory Service Scheme ("AP Easy" Scheme) in collaboration with the Hong Kong Institute of Surveyors, the Hong Kong Institution of Engineers and the Hong Kong Institute of Architects. Members of these professional institutes form expert teams to render, on a voluntary basis, tailor-made and in-depth professional advice to OCs intending to carry out building maintenance works on the appointment of appropriate consultants/authorized persons.

The "AP Easy" Scheme has met with overwhelming support. So far, 116 OCs have applied to join the Scheme, and 73 eligible OCs are receiving support services from the expert teams.

As far as I know, the Development Bureau and the URA are working together to take stock of the experience from various professional assistance schemes, including the "AP Easy" Scheme, and will examine the measures to strengthen the technical support offered to property owners. I think the Secretary for Development will give Members further details later.

It is just natural that disputes and disagreements might arise in the course of discussion by property owners on the repair works. In this regard, District Offices will assist all parties concerned in maintaining communication so as to attain a win-win solution.

If necessary, District Offices can refer dispute cases to the Panel of Advisor on Building Management Disputes (the Panel) set up specially by the HAD. The Panel, comprising members of various professional backgrounds including lawyers, surveyors, accountants and property managers, will provide free and neutral advice on the dispute cases. Property owners can also seek professional legal advice under the free legal advisory service jointly provided by the HAD and The Law Society of Hong Kong.

If the parties concerned are willing to resolve the dispute through mediation, the HAD will refer both disputed parties to the Free Mediation Service Pilot Scheme for Building Management launched by the HAD in collaboration with the Hong Kong Mediation Council and the Hong Kong Mediation Centre. Free professional mediation service will be provided by accredited mediators in order to help the disputed parties reach a settlement through mediation.
Just now, Mrs Regina IP remarked that the Authority may issue codes of practice under section 44 of the Building Management Ordinance (the Ordinance). In fact, the Code of Practice on Procurement of Supplies, Goods and Services, as well as the Code of Practice on Building Management and Maintenance were issued by the Secretary for Home Affairs in 2007. Hence, OCs should comply with the relevant requirements when engaging consultants and building contractors to undertake the repair works by tender. Separately, some Members suggested that the requirements relating to the passage of resolutions on large-scale repair projects at OC meetings should be tightened to minimize the occurrence of bid-rigging.

We share the view that by enhancing the transparency of OCs during the preparation stage of building repair works and increasing the participation by property owners, it can help minimize the disputes among owners or reduce the chance of manipulation by a handful of people with ulterior motives.

Hence, we have proposed a number of targeted legislative amendments in the public consultation document on the Review of the Building Management Ordinance published last year. These proposals include:

(1) imposing a higher threshold for passing resolutions on building repair works;

(2) extending the notice period of OC meetings;

(3) displaying a copy of the invitation to tender at a prominent place of the building and allowing inspection of the tender documents by owners; and

(4) tightening the requirements on various arrangements relating to proxy instruments.

The above proposals are generally welcomed by all sectors in the community. But given the time needed to amend the Ordinance and for the sake of responding to the public's concern as soon as possible, the HAD is studying and considering that certain proposals, such as the arrangements for collecting proxy instruments and improving OC meetings, be incorporated into administrative guidelines for the adoption by OCs voluntarily. We will brief the Legislative Council of the details in due course.
President, the problem of bid-rigging can only be effectively addressed through a multi-pronged approach with concerted efforts from all sectors in the community. Once again, I would like to thank Mr Christopher CHUNG, the mover of this motion today, as well as other Members for they have given us many invaluable views and suggestions. Moreover, outside this Council, Members have also reflected the concerns and demands of property owners to the Bureau from time to time. We will continue to listen to these views in a humble manner. We will study all suggestions carefully and adopt those that are considered feasible and effective.

As regards publicity and public education, the HAD will keep up our efforts in collaboration with all relevant organizations to provide OCs and owners with sufficient and up-to-date information in order to enhance their understanding on building repair works and minimize the risk of bid-rigging.

Owners' participation in this matter is critical. May I take this opportunity to call on property owners to work in concerted efforts and take an active part in the management of their buildings. By obtaining early information about details of repair works involved, it would help them forge a consensus through discussion. The HAD and its District Offices will continue to make the best efforts in providing property owners with suitable support, so that they can perform their responsibility in building management.

President, I so submit.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, once again, I thank Mr Christopher CHUNG for moving this motion today and I also thank Mr WU Chi-wai for proposing the amendment. I also have to thank the 26 Members who have spoken. They mentioned the problems faced by owners when carrying out building repair works, and they made valuable comments and suggestions on how to prevent and combat bid-rigging. The Under Secretary for Home Affairs has just explained how the Government will assist owners in the management of buildings and what the departments concerned have done to strengthen publicity and education. I would like to respond to the views of Members on other aspects.

First of all, I must reiterate what I have mentioned in my opening remarks, that is, the Government is very concerned about acts of bid-rigging in building repair works. Considering the harm done by bid-rigging to society, the
Government will proactively take measures to prevent and combat bid-rigging. In fact, on Mr CHUNG’s motion and Mr WU’s amendment, except having reservations about the content of item (4) in Mr WU’s amendment, we fully agree with the rest of the amendment. Why do we have reservations about item (4) on setting up an independent authority? I will later explain the process of our consideration. President, I also notice that Ir Dr LO Wai-kwok and Mrs Regina IP have also expressed reservations on this point in their speeches.

President, I would like to talk about law enforcement first. Mr WU Chi-wai proposes to step up law enforcement to combat bid-rigging syndicates. I believe Members would understand, the law-enforcement work of the Police and the Independent Commission Against Corruption (ICAC) mainly target criminal and corruption offences in connection with building repairs, and it is not easy to conduct work on investigation and evidence collection. Even so, the Police and the ICAC are very concerned about the offences related to building management and repairs, and they will step up law enforcement to curb these illegal activities.

The Organized Crime and Triad Bureau of the Police set up an inter-departmental working group and launched the "RenoSafe Scheme" in September 2013. The Anti-triad Squad of the respective Police District will directly contact OCs and the owners concerned, inviting them to provide crime information to the Police and strengthen the work on intelligence collection. The Police will step up the exchange of information with the departments and agencies concerned to identify higher risk buildings in which illegal activities may take place, so as to concentrate resources on preventive efforts.

Just like the Police, the ICAC has a permanent group tasked to investigate all corruption cases related to building management and repairs, including suspected bid-rigging cases. In view of the fact that bid-rigging has aroused extensive public concern, the ICAC established in April this year an ad hoc group to strengthen the combat against corruption activities connected with bid-rigging. It has investigated several inter-related complaint cases and detected a few cases of corruption in the tender process of contracts on building renovation works. The bribes involved in these cases totalled $45 million. The ICAC will regularly review the trends of the related complaints, as well as the severity and complexity of the cases, so as to deploy resources and manpower to handle such cases as required.
Apart from the Police and the ICAC, the Competition Commission will, after the commencement of the Competition Ordinance on 14 December this year, also make law-enforcement efforts against bid-rigging. Bid-rigging is a serious anti-competitive activity under the Competition Ordinance and the Competition Commission will accord priority to handling such cases after the commencement of the Ordinance. The Competition Commission is well aware of the public concern about suspected bid-rigging cases in the building repair works market, and has launched relevant market research to increase the understanding of the competitive environment in the market.

We will convey to the law-enforcement agencies Members' views on the work related to law enforcement. We will also maintain contact with the law-enforcement agencies and examine with them how to improve the effectiveness of law enforcement.

President, regarding the proposal on the establishment of an independent authority, quite a number of Members have mentioned the establishment of an independent building repairs works authority. Some Members considered that the service providers should be monitored by an independent authority while some other Members proposed that an independent authority should appoint consultants on behalf of property owners. As pointed out by us last week in response to Mr CHAN Han-pan's oral question, the establishment of an independent authority to monitor building repairs involves various considerations. First, we believe that owners have the rights and responsibilities to maintain and repair their buildings and it may not be appropriate to establish an independent supervision authority to select on behalf of owners suitable consultants and contractors to carry out the works, and this will also give rise to a lot of disputes. Furthermore, in the course of building repair works, many owners may incidentally want to carry out works to enhance the quality of some facilities or carry out face-lift projects such as lobby renovation and exterior wall beautification. There is no specific standard of how these projects should be carried out and it all depends on factors such as the owners' preferences and budgets. Hence, it is inappropriate for an independent agency or other persons to select on behalf of the owners consultants and contractors to carry out these projects.

On the regulation of service providers, at present we have imposed various regulations on the building repairs sector. If illegal acts are involved, as I have
just said, the Police, the ICAC and the Competition Commission will handle such cases with the powers conferred under the relevant legislation. As regards the standards of professional expertise, the Building Authority has established a registration system for professionals and contractors under the Buildings Ordinance to ensure that their work complies with professional standards. In addition, we understand that various professional bodies have requirements on the conduct of professionals and there are mechanisms to deal with non-compliance cases. We do not think a separate independent body would be more direct and effective than the above bodies in handling the related matters. In addition, since building repairs mostly involve building management matters, the establishment of an independent body can hardly intervene in the disputes among owners associated with repairs or other building management matters.

Some Members considered that an independent supervisory body may establish a register of consultants and contractors, and encourage or compulsorily require owners to select these consultants and contractors to carry out building repairs. In my view, to establish the relevant register, the authorities must first have some fair and objective registration criteria, as well as effective mechanisms and penalties to deal with misconduct. In light of the complexity of building repairs and bid-rigging, and the difficulty in gathering evidence, it is not easy to establish the relevant body to exclude from the register the consultants and contractors involved in improper business practices. Unless there is conclusive evidence, these consultants and contractors cannot be excluded from registration even if there are doubts. I believe this is an obvious point. If the proposal mainly targets the conduct of service providers such as the repairs consultants, the professional bodies concerned already have certain mechanisms in place. Yet, we will follow up with the professional bodies concerned and explore how to further improve the supervision of their members' professional standards and conduct.

Based on the above considerations, the Government does not have plans to establish an independent regulatory body on building repair works. President, this does not mean that we do not attach importance or do not care about bid-rigging. This is absolutely not the case. However, we opine that the proposal may not be practicable and may not be able to thoroughly resolve the problem of bid-rigging. We do not agree that this is the most appropriate approach and we will explore other more effective ways to deal with bid-rigging.
President, providing small property owners with professional support is mentioned in the amendment. I would like to tell Members that the Chief Secretary for Administration, the Secretary for Home Affairs and I visited an old building some time ago where large-scale repair works had recently been completed. The building received financial subsidies under the Operation Building Bright and technical support from the Urban Renewal Authority (URA) for completion of the repair works. The repair works had been very successful and the residents are delighted to see their living environment, building safety and hygiene conditions improved. The success of this case depends mainly on the devotion and commitment of the OC in making preparations for the repairs works while the URA's technical support also has a role to play. Under the relevant scheme, the URA arranged an independent professional consultant to assess the prices for the repair items, so that owners can draw reference from the assessment in considering whether the tender prices comply with market prices, and thus select the suitable tender. Under the scheme, the tender process can be carried out in an open and fair manner without subjecting to interference. The bidders thus have more confidence to submit tenders and owners can identify suitable tenders from among many competitive tenders.

As I mentioned earlier, we are now summing up the relevant experience with the URA and considering the introduction of measures to strengthen the provision of technical support to property owners, in order to reduce the opportunity of bid-rigging in building repairs projects. In fact, so far, no bid-rigging has occurred among the many projects carried under Operation Building Bright. President, we already have some ideas in this connection and we will announce them when they are mature.

In passing, Mr LEE Cheuk-yan said that the Government's provision of subsidies for building repairs has flamed bid-rigging. As I have just pointed out, Operation Building Bright includes government subsidies and technical support from the URA and the Hong Kong Housing Society. We have not found any bid-rigging case in the projects under Operation Building Bright so far. Therefore, we should sum up the experience and consider whether certain experiences can be applied to help other owners.

President, some Members have suggested providing owners with information on building repair prices. As we have previously explained to Members, the costs of building repairs and maintenance projects are affected by a number of factors, including building design, building conditions, repair items
required, materials selected and construction methods, as well as whether facility enhancement or interior and exterior beautification projects are simultaneously carried out. Thus, the project costs can be very different. It will be difficult for the Government to collect comprehensive information and list out accurate, detailed and comprehensive pricing information. Moreover, complex legal and technical issues are involved.

We know that the University of Hong Kong launched in March this year a repair cost estimation website for public reference based on the data on various repairs expenses. The URA also shares with the public through the "Building Rehab Info Net" information on the contract prices of repairs works and information on other cases for owners' reference. The URA will later upload to the Info Net information on similar cases under the Integrated Building Maintenance for public inspection and reference. President, we will continue to work in this direction and consider how we can provide the public with more useful market information.

President, Mr CHAN Han-pan has made an impromptu proposal. I need some time to study his proposal before responding. The focus of Mr CHAN's proposal seems to suggest that the advance works consultant should merely be responsible for preparing the tender document and should not get involved in works supervision and acceptance in the future. Some complexities are involved in operation and the costs will certainly be higher. This may not necessarily be a cost-effective approach to some relatively simple repair works. Furthermore, the focus of Mr CHAN's proposal remains requiring independent consultants to provide professional advice to owners. From this perspective, it is similar to the provision of independent consultant services by the URA to the owners under Operation Building Bright at present.

As I said earlier, we are summing up experience with the URA and considering the introduction of measures to strengthen technical support for general property owners and provide information on the expenses on the repairs works, in order to reduce the opportunity of bid-rigging in building repairs works. We are happy to maintain communication with Mr CHAN after the meeting to explore how the conceived measures can better meet people's needs.

President, as I mentioned in my opening remarks, to effectively deal with bid-rigging, the Government and various sectors of the community must work together and owners of the buildings prepared to carry out repairs must put in
time and energy and participate personally. We will maintain contact with various sectors of the community and listen to their views and suggestions on the matters. If necessary, we will also improve the measures already introduced or introduce new measures to tackle bid-rigging. I so submit, President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mr WU Chi-wai to Mr Christopher CHUNG's motion, be passed. Will those in favour please raise their hands?

(Member raised their hands)

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

(Member raised their hands)

**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 Christopher CHUNG, you may now reply and you still have four minutes 34 seconds.

**MR CHRISTOPHER CHUNG** (in Cantonese): President, the motion today on "Combating acts of bid-rigging in repair works of private residential buildings" has been amended by Mr WU Chi-wai and is supported by 26 Members who have spoken. Members have expressed many different views, but we share the common goal of combating bid-rigging.

President, we have spent four hours in discussion and Members have strongly complained about the perils of bid-rigging with many examples. We have put forward many options in the hope that the Government would heed good advice. Unfortunately, the Government's response shows that it has not taken a
proactive attitude at all. We suggested to set up a building repair works authority, the Government said it could not be done; we proposed to provide works consultant service with credibility, the Government also said it could not be achieved. What then can the Government do? In the Secretary's earlier reply, he only said that he would continue with what he has been doing, for example, holding workshops and doing a lot of publicity and public education work. But, if these measures had been effective, we would not have spent four hours asking the Government in unison to heed good advice.

President, both the Secretary for Development and the Secretary for Home Affairs were once the people's representatives. They sat in the Members' seats (although I do not know their exact seats) and they pleaded for the people. Today, having assumed the honourable positions of Directors of Bureaux, they are now sitting in the seats of public officers. We hope that they would uphold the people-oriented spirit and listen more to our views. We hope that they would study our proposals more carefully and not reject them so quickly. We hope that they would formulate effective policies to combat bid-rigging and protect the interests of small property owners.

I so submit in the hope that Members will continue to support my original motion. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Christopher CHUNG, as amended by Mr WU Chi-wai, 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.

(Members raised their hands)
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.

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): I now suspend the meeting until 9 am tomorrow.

*Suspended accordingly at 8.11 pm.*
REQUEST FOR POST-MEETING AMENDMENT

The Secretary for Home Affairs requested the following post-meeting amendment in respect of his reply to a supplementary question to Question 2

Lines 1 to 3, fifth paragraph, page 24 of the Confirmed version

To amend "In this connection, we very much hope to continue with our promotion efforts in the future, so the ICHO, which is supported by six full-time staff members to undertake this area of work, has been established this year." as "In this connection, we very much hope to continue with our promotion efforts in the future, so the ICHO, with the addition of six full-time civil servants to undertake this area of work, has been established this year." (Translation)

(Please refer to lines 2 to 4, fourth paragraph, page 2386 of this Translated version)
REQUEST FOR POST-MEETING AMENDMENT

The Solicitor General requested the following post-meeting amendment in respect of his reply to a supplementary question to Question 5

Line 2, sixth paragraph, page 48 of the Confirmed version

To add "[post-meeting note: the Review of Sexual Offences Sub-committee of the Law Reform Commission was set up in 2006, and the first-stage consultation on rape and other non-consensual sexual offences was conducted in 2012.]" after "should have started in 2006." (Translation)

(Please refer to line 3, fourth paragraph, page 2419 of this Translated version)
Appendix I

WRITTEN ANSWER

Written answer by the Department of Justice to Ms Emily LAU’s supplementary question to Question 5

As regards protection for victims of sexual offence cases, the reply is as follows:

(1) "One-Stop Service" model facilities are available at all public hospitals with Accident and Emergency Departments; and

(2) The Hong Kong Police Force attach great importance to police officer's professional handling of sexual violence cases. To ensure that all sexual violence reports are handled professionally, new recruits and serving police officers are required to undertake specific training sessions, including "Sexual Violence", "Victim's Charter", "Victim Psychology", "Empathetic Listening", "Conflict Management" and "Understanding Aggression, Violence and Handling Techniques", and so on. The above topics have been included in the Recruit Police Constables Foundation Training Course, Probationary Inspector Foundation Training Course, various Development Courses, Promotion Courses and Criminal Investigation Course.

To further enhance the skills and knowledge of front-line officers in the handling of sexual violence, starting from March 2015, all recruit police constables and probationary inspectors are required to undertake an additional training session on professional sensitivity for handling victims of sexual violence. The session aims to help trainees understand the situation and psychological needs of victims, teach them how to communicate with victims with sympathy and empathy and how to provide the most appropriate services in accordance with the needs of victims. Dedicated social workers from the Social Welfare Department also attend the training session to introduce to trainees the services for victims provided by the Department.
WRITTEN ANSWER

Written answer by the Secretary for Innovation and Technology to Mr LEUNG Kwok-hung's supplementary question to Question 6

As regards provision of land for developing technology industries, under the Option Deed for the site for the Phase 2 development of the Hong Kong Disneyland (HKDL), the Hongkong International Theme Parks Limited (the joint venture between the Government and The Walt Disney Company for developing the HKDL) is given an Option to buy the site for the Phase 2 development. The Option is valid for 20 years, with two further opportunities of extension by a total of 10 years up till 2030.

As announced in the 2015 Policy Address, the Government would commence discussion on the Phase 2 development of HKDL with The Walt Disney Company. The discussion is currently underway.