OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 29 March 2017

The Council met at Eleven o'clock

MEMBERS PRESENT:

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

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE LEUNG YIU-CHUNG

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

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

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

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

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

THE HONOURABLE CHAN HAK-KAN, B.B.S., J.P.

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

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

THE HONOURABLE WONG KWOK-KIN, S.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 LEUNG KWOK-HUNG#

THE HONOURABLE CLAUDIA MO

THE HONOURABLE MICHAEL TIEN PUK-SUN, B.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 MA FUNG-KWOK, S.B.S., J.P.

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN, J.P.

THE HONOURABLE LEUNG CHE-CHEUNG, B.B.S., M.H., J.P.

THE HONOURABLE KENNETH LEUNG

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

DR THE HONOURABLE KWOK KA-KI

THE HONOURABLE KWOK WAI-KEUNG

THE HONOURABLE DENNIS KWOK WING-HANG

THE HONOURABLE CHRISTOPHER CHEUNG WAH-FUNG, S.B.S., J.P.

DR THE HONOURABLE HELENA WONG PIK-WAN

# According to the Judgment of the Court of First Instance of the High Court on 14 July 2017, LEUNG Kwok-hung, Nathan LAW Kwun-chung, YIU Chung-yim and LAU Siu-lai have been disqualified from assuming the office of a member of the Legislative Council, and have vacated the same since 12 October 2016, and are not entitled to act as a member of the Legislative Council.
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 CHUNG KWOK-PAN

THE HONOURABLE ALVIN YEUNG

THE HONOURABLE ANDREW WAN SIU-KIN

THE HONOURABLE CHU HOI-DICK

THE HONOURABLE JIMMY NG WING-KA, J.P.

DR THE HONOURABLE JUNIUS HO KWAN-YIU, J.P.

THE HONOURABLE HO KAI-MING

THE HONOURABLE LAM CHEUK-TING

THE HONOURABLE HOLDEN CHOW HO-DING

THE HONOURABLE SHIU KA-FAI

THE HONOURABLE SHIU KA-CHUN

THE HONOURABLE WILSON OR CHONG-SHING, M.H.

THE HONOURABLE YUNG HOI-YAN

DR THE HONOURABLE PIERRE CHAN
THE HONOURABLE CHAN CHUN-YING

THE HONOURABLE TANYA CHAN

THE HONOURABLE CHEUNG KWOK-KWAN, J.P.

THE HONOURABLE HUI CHI-FUNG

THE HONOURABLE LUK CHUNG-HUNG

THE HONOURABLE LAU KWOK-FAN, M.H.

THE HONOURABLE KENNETH LAU IP-KEUNG, M.H., J.P.

DR THE HONOURABLE CHENG CHUNG-TAI

THE HONOURABLE KWONG CHUN-YU

THE HONOURABLE JEREMY TAM MAN-HO

THE HONOURABLE NATHAN LAW KWUN-CHUNG#

DR THE HONOURABLE YIU CHUNG-YIM#

DR THE HONOURABLE LAU SIU-LAI#

MEMBERS ABSENT:

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

THE HONOURABLE CHARLES PETER MOK, J.P.

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

# According to the Judgment of the Court of First Instance of the High Court on 14 July 2017, LEUNG Kwok-hung, Nathan LAW Kwun-chung, YIU Chung-yim and LAU Siu-lai have been disqualified from assuming the office of a member of the Legislative Council, and have vacated the same since 12 October 2016, and are not entitled to act as a member of the Legislative Council.
PUBLIC OFFICERS ATTENDING:

THE HONOURABLE MATTHEW CHEUNG KIN-CHUNG, G.B.S., J.P.
CHIEF SECRETARY FOR ADMINISTRATION

PROF THE HONOURABLE ANTHONY CHEUNG BING-LEUNG, G.B.S., J.P.
SECRETARY FOR TRANSPORT AND HOUSING

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

THE HONOURABLE LAI TUNG-KWOK, G.B.S., I.D.S.M., J.P.
SECRETARY FOR SECURITY

DR THE HONOURABLE KO WING-MAN, B.B.S., J.P.
SECRETARY FOR FOOD AND HEALTH

THE HONOURABLE WONG KAM-SING, G.B.S., J.P.
SECRETARY FOR THE ENVIRONMENT

THE HONOURABLE STEPHEN SUI WAI-KEUNG, J.P.
SECRETARY FOR LABOUR AND WELFARE

THE HONOURABLE ERIC MA SIU-CHEUNG, J.P.
SECRETARY FOR DEVELOPMENT

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

MS DORA WAI, 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:

Subsidiary Legislation/Instruments

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Other Papers

No. 80 — Self-financing Post-secondary Education Fund Financial statements and Report of the Director of Audit for the year ended 31 August 2016

No. 81 — HKSAR Government Scholarship Fund Financial statements and Report of the Director of Audit for the year ended 31 August 2016

Report No. 14/16-17 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments
Protecting the rights and interests of policyholders of medical insurance

1. MR PAUL TSE (in Cantonese): President, on 27 January this year, a large insurance company issued letters to private doctors, stating that policyholders of medical insurance who had undergone medical procedures (e.g. colonoscopy, oesophago-gastro-duodenoscopy and cataract surgeries) which were, albeit not "medically necessary", performed on them as inpatients, might not be eligible for reimbursement of such hospital confinement. The medical profession has reacted strongly to such a move, criticizing that company for interfering with doctors' professional judgment and putting patients in a difficult dilemma, thereby undermining patients' rights and interests, and stated that doctors may disregard that company's stance. In this connection, will the Government inform this Council:

(1) of the follow-up work undertaken so far by the Office of the Commissioner of Insurance in response to the move made by the aforesaid insurance company; whether it has assessed if such move involves unilateral narrowing of policy coverage by that insurance company, thereby undermining the rights and interests of the insured, and if this will result in a significant increase in the number of disputes over claims; if it has, of the details; in future, how the insured may lodge complaints about disputes with insurance companies over the terms of insurance policies and claims arising from the aforesaid move, and of the relevant complaint handling mechanism;

(2) as it has been reported that when selling medical insurance, quite a number of salespersons of medical insurance have claimed that the insured will be fully reimbursed of inpatient surgery expenses, whether the authorities have assessed if the insurance company's move of unilaterally imposing the "medically necessary" criterion in the conditions for claims is contradictory to the reasonable expectations of the insured, and if this has contravened the Trade
Descriptions Ordinance; if they have assessed and the outcome is in the affirmative, of the measures that the authorities have put in place to protect the rights and interests of the insured of medical insurance; and

(3) as it has been reported that about 4 million people in the territory have taken out medical insurance, involving a total premium of as high as $17.4 billion, and as some academics have pointed out that the medical insurance market is currently divided up by several insurance companies resulting in an oligopoly, whether the Competition Commission has uncovered any situation where various insurance companies have colluded to impose or have imposed one after another more stringent conditions for claims in respect of inpatient medical procedures, thereby reducing the public's choices of medical insurance or even making them decide to take out medical insurance out of no choice, and whether the Commission will closely guard against such situation?

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

(1) Insurance is a collective risk pooling arrangement that enables individuals within a larger group to tide over their difficulties when they encounter misfortunes or accidents. To sustain the healthy development of the insurance and health care systems, insurance companies must ensure the proper use of the "risk pool" made up of clients' premiums. If medical insurance claims are not effectively managed, policyholders may face steep premium hikes. The level of premium may become unaffordable and all policyholders will be affected. One of our principal regulatory objectives is to protect the interests of policyholders. As insurance policy is a private contract between a policyholder and an insurance company, the Office of the Commissioner of Insurance ("OCI") is prohibited by law to intervene with the wording and premiums payable in respect of any insurance policies. That said, insurance companies should make sure that the terms and conditions of the insurance policies are clear enough to enable policyholders to understand the products they bought.
There are many types of medical insurance such as critical illness insurance, hospital indemnity plans and outpatient plans. In general, "medically necessary" is a term commonly found in hospital indemnity insurance policies. Only claims relating to medical treatments or services that meet the "medically necessary" criterion will be indemnified.

An insurance policy is a private contract between a policyholder and an insurance company. The policy terms are binding on both parties. An insurance company must obtain the consent of a policyholder before making any changes to the policy terms. OCI has sought clarification with the insurer concerned. The insurer confirmed that the purpose of its letter to doctors is meant to communicate with them and clarify the terms and conditions of its existing policies. There are no amendments to the terms and conditions.

As the matter does not involve amending the terms and conditions of existing policies, OCI considers that the incident will not give rise to a significant increase in the number of disputes over claims or adversely affect the interests of policyholders. For any claims-related dispute, the policyholder may lodge a complaint with the Insurance Claims Complaints Bureau ("ICCB"). Led by an independent Chairman, the Insurance Claims Complaints Panel ("Complaints Panel") under ICCB is tasked to handle complaints arising from personal policies for a claim amount of less than $1 million.

Insurance companies must abide by the decision of the Complaints Panel. If complainants reject the decision of the Complaints Panel, they are free to seek legal redress and their legal rights are not affected by the decision of the Complaints Panel.

(2) According to Schedule 4 of the Trade Descriptions Ordinance (Cap. 362), that Ordinance does not apply to goods or services sold or supplied under the regulation of the Insurance Companies Ordinance (Cap. 41).
As mentioned above, "medically necessary" is a term commonly found in policies providing hospital indemnity insurance. The insurer's communication and clarification with doctors on the terms and conditions of its existing policies does not involve amending the terms and conditions of the existing policies. Whether claims for individual item can be indemnified as hospitalization treatment should be handled in accordance with the terms and conditions of the relevant policy.

The Hong Kong Federation of Insurers ("HKFI") has issued a code of conduct requiring that insurers "shall endeavour to ensure that all information contained in their sales materials and illustration documents is current, correct, expressed in plain language and not misleading to the public", and that insurance agents "shall explain the cover afforded by each policy recommended to ensure that the potential policyholder understands what he is buying." Depending on the seriousness of the misconduct, OCI may take regulatory actions against insurance companies for breaching the code.

When selling a policy, an insurance intermediary has the responsibility to clearly explain to a potential policyholder the contents of the policy, including the coverage and claims matter. If a policyholder believes that there have been misleading or improper sales practices on the part of an insurance intermediary, he can make a complaint to OCI or the relevant self-regulatory organization of the intermediary.

Furthermore, OCI communicates with the insurance industry from time to time and encourages them to promote consumer education on popular types of insurance policies. For example, HKFI has issued a booklet on "Tips on Taking Out Medical Insurance" which has been uploaded to its website.

(3) At present, there are 87 insurance companies in the line of medical insurance business. There is no oligopoly in the market.

The premium of insurance products is set according to the level of risks. To meet market needs, insurers provide different medical insurance products with different levels and scopes of coverage.
Potential policyholders may make suitable choice according to their own health condition, varied needs in different stages of life and financial situation. There are various products in the market which provide coverage for ambulatory treatments, including endoscopy examination, cataract surgery.

According to the Competition Commission ("Commission"), the Commission, an independent statutory body established under the Competition Ordinance ("Ordinance"), welcomes reports by the public and relevant sectors of suspected contravention of the Ordinance. If there is reasonable cause to suspect that a contravention of the Ordinance has taken place, is taking place or is about to take place, the Commission will determine whether or not to investigate the case having regard to its Guideline on Investigations. For effective investigations and to protect the interests of all persons involved, the Commission will generally not comment on whether it will investigate a particular case. In addition to enforcing the Ordinance, the Commission may, where appropriate, exercise its function of conducting market studies to inquire into matters affecting competition, or give policy advice on how to advance competition. The Commission will continue to liaise closely with the Government and relevant public bodies on issues of public concern relating to competition.

MR PAUL TSE (in Cantonese): President, we certainly understand that the Government will not intervene in private markets or contracts, but there might be millions of patients who have taken out the so-called CEO Plan insurance. President, I believe you might have taken out such an insurance policy, too. According to the usual practice in the past, people may undergo colonoscopy in hospital. Now, all of a sudden, the decision has to be made unilaterally by the insurance company according to the definition of "medically necessary", which is not even approved of by the medical profession. Such a move is tantamount to undermining the rights and interests of the insured, whereas there has been absolutely no reduction in the amount of premium. Will the authorities do nothing other than advising people encountering such a situation to lodge complaints, so that individual cases can only be dealt with on their own merits, rather than by a holistic approach that will reduce disputes to the minimum and ensure protection of the rights and interests of patients?
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, to our understanding of the developments, the incident actually stemmed from the attempt of the insurance company to seek clarification with doctors over the "medically necessary" condition and under what circumstances the insured can receive compensation for undergoing medical procedures in hospital. This approach is meant to enhance communication with the medical profession. As we are all aware, "medically necessary" has been adopted by the insurance industry over the years as the criterion for claims settlement. It is by no means a new practice. To our understanding, it is not the case that the insurer concerned will definitely not reimburse expenses on hospital confinement arising from colonoscopy, cataract surgeries, and so on. Should attending doctors consider that hospital confinement is necessary, coupled with the provision of a reasonable and detailed explanation, compensation will be made by the insurer according to the terms of insurance policies.

MR STEVEN HO (in Cantonese): President, the problem now is that disputes will inevitably arise no matter whether it is the insurance company or the medical profession that determines the appropriateness of the relevant procedures. If the insurance company is to make a judgment at discretion, some doctors—I have once encountered a similar situation—will advise their patients to be hospitalized because they have already taken out an insurance policy. As a result, the burden of the insurance company will increase, and the premium will also rise in tandem because, from the angle of business operation, the insurance company will definitely increase the premium.

I would also like to discuss with the Government the problem of disparity in fees and charges arising from insurance purchases. If I seek treatment from a clinic without taking out any insurance, the fee is usually around $250. However, it will be increased to $500 if I say that I have taken out an insurance policy. The same goes for such examinations as colonoscopy. Although the usual fee for colonoscopy is $5,000, I will be charged $20,000 if I indicate that I have already taken out an insurance. How can the insurance company as a business operator curb such situation? What specific proposals will the Government put forward? Is the Government aware of the occurrence of such problems in society? The desire of the people of Hong Kong to take out an insurance will also diminish should there be a premium hike.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Regarding this supplementary question raised by the Honourable Member, I believe there is considerable concern in society. Certainly, the Government will also pay attention to the overall operation of the insurance industry and its sustainable development in general and problems. Certainly, insofar as the Government's regulation of the industry is concerned, particularly medical insurance, it is most important to ensure that the industry and policyholders have a clear idea of the contents of policy terms. Under certain circumstances, the industry should also offer reasonable explanations with respect to premium hikes in individual cases. This we do understand.

MR STEVEN HO (in Cantonese): The Secretary has not answered my question about the disparity in fees caused by the purchase of insurance or otherwise. Has the Secretary taken note of this problem?

PRESIDENT (in Cantonese): Mr HO, you can raise one supplementary question only, but you have raised a number of questions. Secretary, do you have anything to add?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): We appreciate the discussions conducted in society about these circumstances. As I mentioned just now in the main reply, the insurance industry will also handle the matter according to the agreements between the insurance company and policyholders. Meanwhile, the Government will also note if the industry as a whole can sustain its operation in the long run.

MR CHAN KIN-POR (in Cantonese): President, the background to this incident is actually attributed to the significant departure in recent years of "non-medically necessary" hospital confinement and some claims from the normal standard. As in the examples cited by the insurance company, the claims for cholecystectomy, which costs between $50,000 and $80,000, and colonoscopy, which costs $10,000 or so, amount to $40,000 and $170,000 respectively. Such a situation, if remains not checked, will only lead to steep premium hikes which will go beyond the affordability of the public. Now, the insurance company merely wishes to communicate with doctors and reiterate the
"medically necessary" term which has existed for many years. I hope Members can understand that the purpose of the insurance company in communicating with doctors is to work out a solution to a major crisis, with a view to protecting consumers in Hong Kong. We should absolutely not look at this matter in a negative light. This supplementary question of mine should actually be directed to Secretary Dr KO Wing-man, but he is not present at the moment. Is Secretary Prof K C CHAN aware that the discussion between the insurance company and the doctors was actually conducted among doctors, not non-professionals? Instead, it was conducted between two professionals. If the doctor concerned can convince the insurance company that the situation of the person concerned was so special that hospital confinement is necessary, then he will receive full compensation. Is the Government aware of this? I hope the Secretary can give me a reply.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): We certainly appreciate the situation mentioned by the Honourable Member. Insofar as I am aware, the "medically necessary" concept is also a standard that has been observed by the industry for many years. Moreover, according to the usual practice, the attending doctor should make a judgment on whether a procedure is "medically necessary". Should the insurance company consider it necessary for the relevant party to furnish an explanation, the doctor concerned will be required to provide reasonable and detailed information for confirmation of whether or not the relevant case is "medically necessary" and covered by the policy.

DR PIERRE CHAN (in Cantonese): I disapprove of some extreme examples cited just now by Members in relation to medical fees. For instance, the market should be allowed to decide whether a meal should cost $30 or $800. The Hong Kong Medical Association has learnt that in its letter issued to private medical practitioners early this year, the AIA Group Limited indicated that its approval of insurance compensation hinges on whether the relevant medical procedures are "medically necessary", and it is decided not by doctors, as stated by the Secretary, but by the insurance company. Hence, I have to thank Mr Paul TSE for raising this question. My supplementary question is: Will OCI intervene and conduct an investigation on the premise of protecting the interests of patients? As stated by the Secretary, doctors should decide whether a medical procedure is "medically necessary", but now such decisions are obviously made by the
insurance company. As such, will OCI intervene and conduct an investigation? Furthermore, if a malpractice is found on the part of the insurance company, what sanctions will be imposed?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Certainly, the insurance company has its own points of view or reasons. However, when its points of view differ from those of the attending doctors, a third party may be invited to make a judgment. Judging from the contents of the document provided by the company, its main purpose is to clarify the terms and conditions in question. I do hope that its purpose is to clarify the understanding of the terms and conditions by the person concerned. Moreover, we have not seen any changes made to the policy contents.

MR TOMMY CHEUNG (in Cantonese): President, the questions raised just now by Members returned by functional constituencies were really an eye-opener for me. I would also like to say a few words about "medically necessary". Just now, an Honourable colleague mentioned the point about doctor-to-doctor discussions. I believe Honourable colleagues must have also learnt recently from newspapers that the doctor in question is Dr York CHOW. I have no idea for how long he has been not in practice. May I ask if Members know the answer? Can Honourable colleagues also tell me for how long Dr York CHOW has been in practice? I find it almost impossible for him to judge whether hospital confinement is "medically necessary". If I am invited by an insurance company to make a judgment, whereas I have no intention to pay the bill—if someone approached me, Tommy CHEUNG, not a doctor, and gave me money—I will say it is not "medically necessary", too. I have recently undergone colonoscopy in hospital and found that hospital confinement was absolutely unnecessary. Why is hospital confinement considered necessary? Secretary, insofar as this question is concerned, who should prevail? I hope you will understand that we have expectations on the Government, not just the relevant code of conduct issued by HKFI. I would like to let Members know the great difficulty I have encountered recently in finding a lawyer to sue a doctor and a hospital …

PRESIDENT (in Cantonese): Mr Tommy CHEUNG, it is now Question Time, no debate is allowed. Please raise your supplementary question.
MR TOMMY CHEUNG (in Cantonese): President, I am coming to my question … I have no intention to debate. However, I would like to point out that should the Government fail to intervene and leave insurance companies to do whatever they want—I have spent more than three weeks looking for a lawyer to sue a doctor and a hospital, but to no avail, since all the lawyers have already been engaged by insurance companies. Despite the Government's denial of the existence of an oligopoly, I am now telling the Government that there is a case of serious oligopoly. Will the Government do anything?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I would like to come back to the focus of discussion today, that is, the "medically necessary" criterion as mentioned by Members. Not only is this a standard which has been adopted by the industry for many years, but a mechanism has also been put in place to ensure that the contents drawn up by insurance companies and complainants or doctors comply with the agreements. Certainly, the Government is gravely concerned if the insurance industry in general can serve its due purpose and whether the interests of policyholders are injured. Insofar as the present situation is concerned, a complaint and claims mechanism is in place to handle disputes related to insurance policies.

MR TOMMY CHEUNG (in Cantonese): President, the Secretary has not answered my question.

(Mr Tommy CHEUNG spoke in his seat)

PRESIDENT (in Cantonese): Mr CHEUNG, please rise when you speak.

MR TOMMY CHEUNG (in Cantonese): Actually, President, I wish to tell the Secretary that the "medically necessary" criterion is unilaterally decided by insurance companies. It is also very difficult to sue them. Will the Secretary take any action to protect the interests of policyholders and prevent unilateral monopolization by insurance companies?

PRESIDENT (in Cantonese): Mr CHEUNG, please sit down. Secretary, do you have anything to add?
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, looking back at these incidents, I consider it very important to clarify and explain the circumstances. We will definitely take follow-up actions if more disputes arise in the future.

MR WU CHI-WAI (in Cantonese): President, more often than not, conflicts of roles arise in medical insurance policies because insurance intermediaries usually provide policyholders with information about designated medical centres. Moreover, policyholders are required to visit these medical centres to undergo certain "medically necessary" procedures and then make claims for compensation against insurance companies. Firstly, may I ask the Secretary whether the Government is actually aware of the prevalence of such a situation? Secondly, is this approach in breach of any code of conduct, thereby undermining the interests of clients or insurance companies?

PRESIDENT (in Cantonese): Mr WU, you have raised two supplementary questions. Secretary, please choose to answer one of them.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): The Government will take follow-up actions if a practitioner is found to have engaged in misconduct.

MR WU CHI-WAI (in Cantonese): The Secretary has not answered my question. My question is: Is this approach in breach of the code of conduct?

PRESIDENT (in Cantonese): You have raised two supplementary questions, and I have already called upon the Secretary to choose to answer one of them.

MR WU CHI-WAI (in Cantonese): President, I just want to ask the Secretary to answer the question related to this part. My question is: Is such conduct in breach of the code of conduct?
PRESIDENT (in Cantonese): Mr WU, please sit down.

MR WU CHI-WAI (in Cantonese): President, why did the Secretary not answer my follow-up question?

PRESIDENT (in Cantonese): Mr WU, you can raise only one supplementary question, but you have raised two instead. The Secretary will therefore only answer one of them.

MR WU CHI-WAI (in Cantonese): … I hope the Secretary can answer the question raised by me.

PRESIDENT (in Cantonese): You have indeed raised two supplementary questions. Please sit down.

MR WU CHI-WAI (in Cantonese): I have raised one question only.

PRESIDENT (in Cantonese): Mr WU, please sit down. You have already raised your supplementary question.

Second question.

Integrity management of the Hong Kong Police Force

2. DR CHENG CHUNG-TAI (in Cantonese): President, it has been reported that 43 police officers, including senior police officers, were arrested last year, and such number represented an increase of 23% as compared with that of the preceding year. The offences allegedly committed by such officers included common assaults, drink driving, thefts, fraud, indecent assaults, corruption and perverting the course of justice. Regarding the integrity management of the Police Force, will the Government inform this Council:
(1) as senior police officers are vested with the power to give orders to their subordinates, of the new measures that the authorities have put in place to ensure such officers' probity when they discharge their duties;

(2) whether it has reviewed the current police complaints system, which has been in operation for many years, to see if the system is generally trusted by the public; of the measures in place to enhance the credibility of the system, and to step up the monitoring of the conduct of police officers; and

(3) of the measures put in place to strengthen the integrity management of the Police Force and improve its public image?

SECRETARY FOR SECURITY (in Cantonese): President, with regard to Dr CHENG Chung-tai's question, I provide a consolidated reply as follows:

Hong Kong has all along been one of the safest cities in the world and the Police have made indispensable contribution. We attach high importance to the discipline and integrity of police officers and have very high expectations on them. All police officers, irrespective of seniority of their ranks, must maintain high standards of discipline and integrity at all times. They must also uphold the Police's core values regarding integrity, fairness, impartiality, professionalism, etc. The Police management resolutely adopts a zero-tolerance attitude to any acts of breach of the law by police officers. All cases of breach of discipline or even the law will be handled by the Police in a fair, just, serious and impartial manner.

Police officers, like all citizens, must abide by the law. Any officer suspected to have breached the law will be investigated, arrested and prosecuted by the relevant departments. In addition, the Police (Discipline) Regulations (Cap. 232A) and the Police General Orders regulate the discipline of police officers. Police officers must also observe relevant civil service regulations. If an officer is suspected to have committed a breach of discipline, the Police will conduct an investigation according to the established mechanism and decide whether to take disciplinary action in accordance with the investigation result.
The Police attach great importance to the integrity management of police officers. As early as 2009, the Police formulated the Integrated Integrity Management Framework promoting a character of integrity and honesty amongst officers through a four-pronged approach, namely, "education and culture-building", "governance and control", "enforcement and deterrence" as well as "rehabilitation and support".

Currently, the Police have three standing committees to implement integrity management. The Force Committee on Integrity Management, which was established in 2009 with the Deputy Commissioner of Police (Management) as Chairman and three Assistant Directors of the Independent Commission Against Corruption as members, is responsible for formulating and assessing integrity management strategies. The Integrity Management Coordinating Committee and the Formation Integrity Committees are responsible for coordinating the above work and implementing relevant measures in Headquarters units and various Police Districts respectively.

In 2009, the Police published a set of behavioural guidelines stipulating that police officers, whether on or off duty, are required to oppose and report corruption and other misconduct; avoid involvement in undesirable association; not to abuse their official positions; avoid conflict of interest; as well as be fair in all dealings, etc. Integrity management elements have also been incorporated into foundation and in-service training programmes, promotion selection interviews and "living-the-values" workshops, requiring that all officers should always be highly aware of the importance of personal integrity and ethics and be law-abiding.

In order to further strengthen integrity management, the Police set up a "Special Working Group on Integrity Management" in February this year. The Special Working Group chaired by the Assistant Commissioner of Police (Service Quality) is responsible for reviewing the existing integrity management system and studying measures for enhancement. At the same time, the Police management has from time to time reminded supervisors at all levels to continue to emphasize the importance of integrity to all officers, monitor their subordinates as appropriate, as well as advise them not to adopt any lifestyle which may embarrass the Police and may result in disciplinary or criminal consequences against them.
Regarding the system of complaints against the Police, we have in place a well-established two-tier system with independent monitoring. The Complaints Against Police Office ("CAPO") of the Hong Kong Police Force has been handling every complaint impartially. The Independent Police Complaints Council ("IPCC") Ordinance (Cap. 604) came into effect in June 2009 and established IPCC as an independent statutory body with statutory power to monitor the Police's work in the handling and investigation of complaints.

Under the existing police complaints system, after completing the investigation of each reportable complaint, CAPO must submit a detailed investigation report to IPCC for examination. Should IPCC have any queries on the investigation or findings of CAPO, it may ask CAPO for clarification or more information, and may interview the complainants, police officers and witnesses concerned. IPCC may also ask CAPO to re-investigate the complaint or change the classification of investigation results, as well as advise and make recommendations to the Commissioner of Police and the Chief Executive. Besides, IPCC will arrange its members and observers to conduct surprise observations on the interviews and evidence-collection work for reportable complaints of CAPO. It will also make recommendations to the Police in accordance with its statutory functions with a view to improving existing police procedures. In fact, the number of complaints against the Police has dropped year after year from 2,421 cases in 2013 to 1,504 cases in last year. The existing police complaints system is operating effectively and is able to ensure that complaints against police officers lodged by the public are handled in a fair and just manner.

President, the overall crime figure of Hong Kong last year fell to a new low after 1978. The achievements of police officers in fighting and preventing crimes are obvious. However, recently some people have unscrupulously criticized the Police and disregarded the Police's contribution in maintaining law and order in Hong Kong. This is very unfair to most police officers who are outstanding and professional, possess excellent integrity and loyally serve their duties. I feel deep regret at such criticisms.

Let me give some examples. In an earlier case, a Pakistani police officer successfully persuaded, in Urdu language, a man dangerously standing on a crane lorry at a construction site to return to a safe position. Apart from winning praise of the public, the story of how he joined the Police Force was also reported by the British Broadcasting Corporation. In last year and the year before, two
police officers were verbally abused while issuing fixed penalty tickets to drivers. However, they managed to stay calm and completed their job professionally. Many people after viewing the video clips concerned commended them for their performance. In addition, in a wounding case involving the use of knives in Yau Ma Tei last year, police officers used firearms to successfully stop this serious crime and displayed decisive and brave performance, which was applauded by the public.

In recent years, the Police have rolled out a mobile application, a YouTube channel, a Facebook page and an Instagram page. Particularly, the Facebook page has attracted more than 100 000 netizens to give "Like". In addition, the Police have in place the Junior Police Call and Senior Police Call, and implemented the "Project HIMALAYA" and "Project Gemstone" which provide assistance to ethnic minorities. Also, the "Operation Breakthrough" voluntarily run by serving and retired police officers nurtures young people from disadvantaged backgrounds through sports.

All these initiatives show that the Police are determined to enhance communication with different sectors of the community and deepen the relationship with the public. The Customer Satisfaction Survey conducted by the Police in 2015 showed that 80% of respondents who had come into contact and communicated with the Police were either "Very Satisfied" or "Satisfied" with the Police; while the Public Opinion Survey conducted in the same year revealed that 62% of respondents continued to show confidence in the Police.

President, trust, support and cooperation by the public are of paramount importance to the Police in fulfilling their duties of maintaining law and order and protecting the safety of life and property. The Police serve the community and I hope all of us will continue to support the Police's work and cooperate with them.

**DR CHENG CHUNG-TAI (in Cantonese):** President, the Force Committee on Integrity Management mentioned by the Secretary just now has been established for eight years since 2009, and it will mark its 10th year shortly. However, why has there been an upward trend in the number of police officers, especially off-duty police officers, committing offences in recent years, with the number rising instead of dropping?
SECRETARY FOR SECURITY (in Cantonese): President, if any police officer breaks the law, especially criminal law, all the police officers in Hong Kong will feel heart-broken. However, would Members please bear in mind that our Police Force consist of 30,000 people, and the figure of last year involves only dozens of people. In comparison with that of the preceding year, both are two-digit figures. We attach importance to each and every case and will handle it in a fair and impartial manner with our utmost. Yet our greater concern is stepping up the training of our colleagues to raise their alertness and enhance their sensitivity for their own behaviour. We must maintain continued efforts in such work. As I mentioned in the main reply just now, the survey which the Police commissioned the University of Hong Kong ("HKU") to conduct last time has also reflected the views of the public on the Police Force.

MR CHRISTOPHER CHEUNG (in Cantonese): President, I have noted that the Police have all along attached great importance to the conduct of frontline officers and rolled out a lot of measures to step up training. However, given the present complexity and volatility in society where temptations abound, coupled with frequent deliberate challenges to the authority of the Police Force, some police officers have consequently breached the criminal law on the spur of the moment.

Apart from enhancing the existing "living-the-values" workshops, the internal communication within the Police Force and the training for strengthening the integrity and ethics of police officers, how will the Police strengthen the discipline and enhance the public image of the Force to prevent a "mouse dropping" from spoiling the whole pot of porridge? Will the authorities step up external publicity to demonstrate that the Police Force is a stringently law-abiding force so as to improve the Force image in the minds of members of the public?

SECRETARY FOR SECURITY (in Cantonese): I very much agree with the remarks and views raised by Mr Christopher CHEUNG just now. In recent years, the Police Force have been committed to maintaining contact with the wider community through various kinds of new platforms and social media. I can say that among the government departments in Hong Kong, the Police Force are one of those which exert great efforts in using new media. Apart from the
traditional media, they also use various kinds of new media, including YouTube, Facebook and Instagram mentioned by me just now. Take Facebook as an example. Since the Police Force commenced the relevant work, they have received "Like" from 110 000 netizens. Moreover, the Police have promptly released the latest news through these channels in many individual incidents. For example, immediately after the recent MTR arson case took place, the Police disseminated the information through these channels. Certainly, such work must be carried out on a long-term basis.

In addition, the work on the Junior Police Call, the Senior Police Call as well as the special services provided for ethnic minorities will continue. I very much hope that various sectors in society and members of the media will provide more opportunities of report on and make more coverage of the work of the Police in various aspects, thus facilitating the public in better understanding the work of police officers.

MR JIMMY NG (in Cantonese): President, the professionalism, integrity and capability of the Police Force are indisputable, for which I have to commend highly.

I have noted that 43 police officers were arrested. My rough calculation actually yielded some 0.1%. May I ask if the Bureau has the number of successful prosecutions of these arrestees? Because an arrest does not mean a conviction. Hence, I would like to find out if the Bureau can provide us with any figures in this regard.

Moreover, the Force Committee on Integrity Management established in 2009 …

PRESIDENT (in Cantonese): Mr Jimmy NG, you have already raised one supplementary question.

SECRETARY FOR SECURITY (in Cantonese): I have on hand the number of police officers convicted from 2014 to 2016, but I must first make it clear that the number of police officers convicted in a certain year does not represent the number of police officers arrested on suspicion of breaching the law in that year because the cases would span a period of time. From the occurrence of a case to the investigation, the decision to institute prosecution and even conviction in court or the lodging of an appeal, there would be a considerably long time span. According to the figures on hand, including the number of prosecutions instituted by other departments, there were 14 convictions in 2016 and 20 in 2014. The numbers have seen both up and down fluctuations.

MR CHAN HAK-KAN (in Cantonese): President, the Hong Kong Police Force are a disciplined service consisting of more than 30,000 people. Although the Secretary said there is black sheep in every flock, we absolutely cannot tolerate this minority of police officers who have breached the rules and violated the law. They must be subject to disciplinary actions and brought to justice.

On the other hand, Dr CHENG Chung-tai, who asked this question, has smeared and vilified the officers of the Correctional Services Department but shamelessly refused to tender apologies. I feel very angry about it.

Facing such situations of smearing, insulting and provoking police officers and driving a wedge between the Police and the public in an organized manner, what methods does the Government have to address the situations and enhance the image of the Police? Has the Secretary considered introducing the offence of insulting public officers?

SECRETARY FOR SECURITY (in Cantonese): I agree, as Mr CHAN said, that regarding each case of suspected breach of the law, irrespective of whether the suspected offender is a police officer or a public officer in another capacity, the Government must stand firm. We must work in strict compliance with the law. If any such case happens, all of us will feel heart-broken.

Yet regrettably, there are some other situations in society in which some news reports are at considerable variance with the facts. If we see any inconsistency with the facts, we will come forward without any hesitation to give a clear account of the actual situation grasped by us. Recently, the staff union of
a department has even issued an open letter to state the truth. I believe members of the public have discerning eyes. Most importantly, members of the public will definitely give a fair judgment if we place the facts right before them.

As regards Mr CHAN's question of whether we will introduce an offence of insulting public officers enforcing the law, I remember I replied in the Legislative Council last week that we are at the stage of exploring the matter, collecting information and conducting a study.

MR NATHAN LAW (in Cantonese): Mr LEUNG, a reduction in the number of complaints against the Police does not mean that the operation of the system is effective. On the contrary, it means that members of the public are disappointed with the system and think it will be futile to lodge complaints. According to the report of IPCC in 2015-2016, IPCC had raised 793 queries or suggestions, of which only 381 were accepted by the Police, thus showing that CAPO often negates the views of IPCC. In this connection, did the Police look into the reasons, and do they plan to draw reference from the practice of the British IPCC of vesting IPCC with the power to conduct independent investigations?

SECRETARY FOR SECURITY (in Cantonese): Mr LAW has raised several supplementary questions. First of all, I do not agree with his analysis that the drop in the number of complaints against the Police represents ineffectiveness of the system. Actually the figures can be read in the other way round. Moreover, we should look at long-term figures. We can also draw reference from other surveys, such as the one we commissioned HKU to conduct in 2015 as mentioned by me just now. Regarding the degree of satisfaction of members of the public receiving services of the Police, we should look at the overall picture. Otherwise, it will be a sweeping conclusion.

Mr LAW also said that IPCC had raised many suggestions and queries. Some were subsequently accepted and some were not. As a matter of fact, we can see from the whole operational procedure how serious both IPCC and CAPO are. We will look at the same matter from different angles, and after communication, we will be able to reach a consensus over certain aspects. We are also pleased to take on board suggestions offered by IPCC in those aspects which it considers warrant improvement.
The question of following the British system to vest IPCC with the power of independent investigation is actually an old topic which has been discussed for a long time. When the existing law was formulated in 2009, we already conducted a thorough debate. Now we still hold that the existing system is proven.

DR ELIZABETH QUAT (in Cantonese): President, the Hong Kong Police Force consists of more than 30,000 people. Only a tiny minority of police officers has committed offences. The exposure and investigation of and arrests and prosecutions in these cases were made by the Police, thus proving that the Police can take action impartially according to law. Only Dr CHENG Chung-tai, who keeps targeting and smearing the Police Force, will describe the matter as "shocking Hong Kong society". In fact, most of the people of Hong Kong appreciate the efforts of the Hong Kong Police Force in making Hong Kong one of the safest cities in the world, so they support the Hong Kong Police. On the contrary, I think such behaviour as hurling bricks at police officers in the Mong Kok riots has indeed shocked Hong Kong society.

President, actually, only the wastage rate and recruitment work of the Police Force can truly reflect its image in the minds of members of the public. If the Police Force are really so bad, certainly no one will be willing to join it and many people will leave the ranks. Hence, may I ask if the wastage rate of the Police Force has been high in recent years? Is recruitment difficult?

SECRETARY FOR SECURITY (in Cantonese): President, what Dr QUAT said happens to coincide with the reply I gave Mr LAW just now. An issue can actually be examined from various perspectives. What Dr QUAT said is a very good approach, which is examining the issue in light of the wastage and recruitment of incumbent police officers. The figures on hand indicate that the wastage rate of police officers has been rather steady over the past few years. I would like to talk about recruitment instead. For example, in January this year, the Police organized the Winter Recruitment Day to recruit three types of officers. The first one was Probationary Inspectors, the second one, Police Constables, and the third one, auxiliary police officers. The total number of applications received was 2,300, having increased by 10% over the same period last year. Among them, the number of applicants for the post of Police Constable was 1,329, hitting a record high over the years. The number of applicants for the post of Inspector was 1,003, also a record high. We also set
up a stall to receive applications in the Education and Careers Expo in February this year. The number of applications received was 1,343, hitting a record high again. I believe Members may also have noticed that the media have reported these situations and interviewed some people intending to join the Force. They stated the reasons for applying for the job. Among them, some applicants said they considered the job very meaningful.

PRESIDENT (in Cantonese): Third question.

Implementation of the arrangements for co-location of boundary control at the West Kowloon Terminus of the Express Rail Link

3. MS TANYA CHAN (in Cantonese): The Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") is expected to be commissioned by the third quarter of next year. The Special Administrative Region ("SAR") Government has all along been planning to conduct boundary checks for XRL passengers at the West Kowloon Terminus ("WKT") under the arrangements for "co-location of boundary control" ("co-location arrangements") upon the commissioning of XRL. On the 14th of this month, the Secretary for Justice ("SJ") and the Secretary for Transport and Housing went to Beijing to discuss with Mainland officials issues relating to the implementation of the co-location arrangements. SJ advised after the meeting that the current-term Government would explain to society the "broad direction" for the co-location arrangements at considerable time before the end of its term. On the other hand, the Under Secretary for Transport and Housing ("USTH"), when attending a subcommittee meeting of this Council held on the 10th of last month, advised that the current-term Government would put forward a "proposal" for implementing the co-location arrangements before the end of its term. In this connection, will the Government inform this Council:

(1) of the essential differences and similarities between the "broad direction" indicated by SJ and the "proposal" mentioned by USTH, as well as their respective specific meanings; in relation to the implementation of the co-location arrangements, of the work to be carried out by the current-term Government and the relevant timetable, as well as the work to be carried out by the next-term Government from its inauguration onwards until the commissioning of XRL and the relevant timetable;
(2) as it has been reported that recently some Mainland officials have been insisting on the adoption of a proposal under which Mainland personnel will be authorized to fully enforce the relevant Mainland laws within the Mainland port area at WKT, whether the SAR Government will agree to such proposal if certain conditions are met; if so, of the details; if not, whether the SAR Government will consider arrangements for boundary checks other than the co-location arrangements; and

(3) if the SAR Government has so far sought any independent legal advice to ascertain whether, in order to enable Mainland personnel to partially or fully enforce Mainland laws in the Mainland port area, it is necessary to amend the relevant articles in the Basic Law, or to add the national laws concerned to Annex III to the Basic Law for application in SAR, or to have an interpretation of the Basic Law by the Standing Committee of the National People's Congress; if so, of the details of the advice received; if not, the reasons for that; of the current stance of the SAR Government on whether an amendment to or an interpretation of the Basic Law should be sought for the implementation of the co-location arrangements?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the Government and the MTR Corporation Limited ("MTRCL") are pressing ahead at full speed with the works on the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL"), and the overall progress as at end-February this year is 88.7%. We are also taking forward various pre-commissioning preparation works, including the commencement of testing and commissioning as well as trial operation from the second quarter of this year as scheduled, with a view to commissioning the Hong Kong section of XRL by the third quarter next year.

The 26 km-long Hong Kong section of XRL will connect Hong Kong to the continuously expanding national high-speed rail network, substantially reducing the rail journey time between Hong Kong and various major Mainland cities. For example, the travelling time between Guangzhou and Hong Kong will be shortened from 100 minutes in the existing intercity through train service to 48 minutes in future. XRL will not only foster interactions at the community
level and economic ties by facilitating exchanges in various aspects such as commercial and professional fields, but also strengthen Hong Kong's role as a regional transportation hub and strengthen our overall competitiveness.

The Government has all along stated in public that it is the common goal of the Mainland authorities and us to implement co-location of customs, immigration and quarantine ("CIQ") facilities at the West Kowloon Terminus ("WKT") upon the commissioning of the Hong Kong section of XRL in order to maximize its transportation, social and economic benefits. Under the co-location arrangement, passengers will go through the CIQ procedures of both Hong Kong and the Mainland successively at WKT. Thereafter they may freely step aboard or alight the trains at any station along the route, reaching any Mainland city on the national high-speed rail network without having to get off the train midway to go through boundary control; the same applies to the reverse direction, in which passengers who get on Hong Kong-bound XRL trains from any city on the national high-speed rail network can go through CIQ procedures of the Mainland and Hong Kong after arriving at WKT in Hong Kong. This arrangement will save time and bring maximum convenience to XRL passengers, and is an instrumental measure to realize the features of high speed and convenience of XRL.

As a matter of fact, there have been precedents for co-location or similar arrangements in the international arena (e.g. between Britain and France, as well as between the United States and Canada). Hong Kong and the Mainland have also adopted the co-location arrangement in the Shenzhen Bay Port since 2007. The experience has been positive, and has been recognized by many travellers.

To implement the co-location arrangement at WKT of XRL, it would be essential to conduct requisite Mainland CIQ procedures in a designated Mainland Port Area therein. In this connection, we have reserved space at WKT for the relevant CIQ facilities. We are also conducting the construction works of CIQ facilities in full swing while discussing the legal arrangement for implementing the co-location arrangement to tie in with the target commissioning date of the third quarter of 2018. The quarterly reports submitted by the Government and MTRCL to the Subcommittee on Matters Relating to Railways of the Legislative Council on the construction progress of the Hong Kong section of XRL also cover the construction progress of the Mainland Port Area at WKT.
Our target is to give an account to the public on a recommendation or proposal for implementing the co-location arrangement before the end of this term of the Government. Whether it is the "broad direction" indicated by the Secretary for Justice to the media on 14 March after he and I met with relevant officials of the Central Authorities in Beijing, or the "proposal" mentioned by my Under Secretary during his earlier attendance at a meeting of the Legislative Council Subcommittee on Matters Relating to Railways on 10 February, both are referring to the overall arrangement in implementing co-location at WKT of XRL.

The relevant arrangement involves many complicated constitutional, legal and operational issues. Since it must be in compliance with the policy of "one country, two systems" and the Basic Law, as well as being operationally feasible, the Government needs to engage in lengthy, repeated and thorough studies and discussions with the relevant Mainland authorities. When it is mutually agreed between the Mainland side and us that there are feasible recommendations for the relevant arrangements, we will make an announcement to the public setting out the relevant principles and legal basis as early as practicable, as well as listening to the views from different sectors of society in order to form a basis for subsequent local legislative process.

At this juncture, it would be inappropriate for the Government to disclose more details on the co-location arrangement, or comment on the views or proposals from any individual or group on the co-location arrangement as well as any speculations on the related issue. Needless to say, we have been paying attention to the different comments and concerns in society. The Government fully understands that the Legislative Council and the community wish to know about the final co-location arrangement of XRL as early as possible. In this connection, the Department of Justice, the Transport and Housing Bureau, the Security Bureau and the Constitutional and Mainland Affairs Bureau have been pressing ahead the discussion with the relevant Mainland authorities at different levels, with a view to reaching consensus on various issues, including a proper legal arrangement, as early as possible. At the same time, we have been conducting preparation works for the commissioning and operation of the Hong Kong section of XRL in order to meet the target commissioning date of the third quarter of 2018.
MS TANYA CHAN (in Cantonese): President, I believe you and the Secretary should have watched a movie called Somewhere in Time. I may be a bit younger than you but I have watched this movie. Why did I mention it? President, this reply is saying that the "broad direction" was already made known to us in 2008. President, Secretary, I have in hand a paper dated 22 April 2008, and the "broad direction" is that space has been reserved for implementing the co-location arrangement. Then this is repeated again now in 2017 and it is said that there is a dedicated team, and in the paper it is also mentioned that the Department of Justice, the Secretary and other relevant departments are involved. This issue has been discussed for nine years and no detail whatsoever can be provided in relation to the co-location arrangement so far.

The Secretary is telling me today the "broad direction" and the "proposal" mean the same thing—President, we really should start learning Chinese all over again—the paper tabled at the Subcommittee on Matters Relating to Railways in 2015 was largely comprehensive, though I do not quite agree to its contents. But I wonder if the Secretary recalls that at least in paragraphs 14, 15, 16, 17, 18 and 19, issues relating to the Basic Law or issues relating to a high degree of autonomy of the Hong Kong Special Administrative Region were mentioned.

I really very much wish to ask …

PRESIDENT (in Cantonese): Ms Tanya CHAN, please ask your supplementary question.

MS TANYA CHAN (in Cantonese): I will, President. I surely will ask my question. I very much wish to ask the Secretary why there has been such a long delay with no detail being provided so far? But the Secretary told us that hopefully it would be commissioned in 2018 and that local legislation would be required but as at today, no proposal has been put forward. Is he actually trying to force Members of the Legislative Council to work according to his timetable?

President, I have asked a question specifically. Is he going to amend the Basic Law or bring in foreign laws by way of Annex III? Why is there not any specific information?
SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I know that Ms CHAN is very anxious. So am I, given that the Hong Kong section of XRL will be completed and commissioned conditionally in the third quarter of 2018. Our target is to implement the col-location arrangement at WKT upon the commissioning of XRL. But as the SAR Government has always said in its explanations to Members, the implementation of the co-location arrangement indeed involves complicated constitutional, legal and operational issues which absolutely cannot be resolved by brief discussions. Therefore, we think it is better to give a full account to society and the Legislative Council when we have forged a consensus with the relevant Mainland authorities on the proper legal arrangement and set out the arrangements clearly, rather than holding discussions specifically on certain views put forward in the community at different times.

As I have said, we hope to give an account of the overall specific arrangement within this term of the Government. By then, we will definitely give a full account of the complexities involved and the specific approaches for tackling them. Besides, if Members have questions about the relevant details then, the Government will give an account to Members of the issues covered in our discussions with the Mainland over the years since the establishment of the XRL project.

MR DENNIS KWOK (in Cantonese): President, no wonder Ms Tanya CHAN was so worked up. I am outraged, too. Because they have been discussing it for nine years and yet, not even a bit more information can be provided. The Secretary talked about the "broad direction" but, sorry, let me tell the Secretary that he actually does not have a broad direction at all. The Secretary stressed the need to act in compliance with the Basic Law. Article 18(2) of the Basic Law clearly provides that national laws shall not be applied in Hong Kong except for those listed in Annex III. I wish to ask the Secretary this: What national laws do the authorities want to bring in for application by Mainland law enforcement officers at WKT? Will the Secretary please reply what those laws are and what powers will be conferred on them?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I appreciate that Members are anxious but I hope they can be more patient because as I said in the main reply, our target is to give an account of the approach for handling the co-location arrangement before the end of this term of
the Government, which is actually just a short time away. Therefore, with regard to the various concerns raised by Members, they should be able to find the answers in the specific arrangements to be put forward by us then. There are many different comments and many different proposals for implementing the co-location arrangement in society. During the discussions between the SAR Government and the relevant Mainland authorities, the concerns raised in society or proposals considered to be viable have been studied in depth. As I said in the main reply, we have conducted lengthy, repeated studies and discussions. And, as I also mentioned in the main reply, in other countries, such as between Britain and France, as well as between the United States and Canada, actually they have their own specific practices for implementing co-location arrangement and we have made reference to these practices.

PRESIDENT (in Cantonese): Dr Helena WONG, please speak.

MR DENNIS KWOK (in Cantonese): President, the Secretary did not answer my supplementary question. I was asking him what national laws will be implemented at WKT.

PRESIDENT (in Cantonese): Mr Dennis KWOK, please sit down. Secretary, do you have anything to add?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I am sorry for not being able to explain the situation in greater detail because this will depend on the consensus ultimately reached between us and the relevant Mainland authorities on the overall legal arrangement for implementing the co-location arrangement.

DR HELENA WONG (in Cantonese): President, we understand that the next Chief Executive often stresses the need for public discussion. What I find most incomprehensible is, in his main reply the Secretary said that at this juncture, it would be inappropriate for the SAR Government to disclose more details on the co-location arrangement, but actually it is only three months before the time of announcement or the end of the current-term Government. What I do not understand is whether the Government wants to do the same as it did in handling
the Palace Museum in the West Kowloon Cultural District or the Hong Kong/Shenzhen Innovation and Technology Park in the Loop by informing Hongkongers of everything only after the Hong Kong Government has completed discussions, made a decision and signed a Memorandum of Understanding with Beijing and proceeding to conduct consultations only afterwards? If you have made a decision and as what was done could not be undone, what point is there in further conducting consultations? Is it possible to overthrow the decision and start discussions all over again? That is just impossible, for the construction of XRL and the terminus will have been completed. May I ask if this is what public discussion is all about? Are such consultations not bogus consultations? Has the Secretary shown any respect to the views of Hongkongers and the opportunity for the Legislative Council to participate in the discussions?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, as I said in the main reply, the SAR Government has been paying attention to the different comments and concerns in society, including those of the Legislative Council, and some of these views and proposals have been thoroughly studied during our discussions with the relevant Mainland authorities. However, before we can reach a consensus with the relevant Mainland authorities, I think there is not much meaning in putting forward any view for discussion in society because members of the community may question whether the consent of the Mainland authorities has been sought. Therefore, we think it is better to give an account of the details after we have reached a consensus with the relevant Mainland authorities. In fact, as I said in the main reply, there will be time for us to listen to the views in society. Certainly, I believe Members of the Legislative Council will not refrain from holding discussions on the proposal, and they will definitely engage in discussions enthusiastically. Furthermore, the relevant arrangement will require a process of local legislation and so, the scenario of the community not being afforded any opportunity of discussion will not arise.

DR PRISCILLA LEUNG (in Cantonese): President, a separate-location model is not an option and let us not waste time thinking about it. The problem currently faced by the co-location arrangement is mainly not a question of law, but a question of impression in politics. I wish to ask the Secretary this: Last month I had discussions with some experts who held that consideration would not be given to applying national laws through Annex III; nor would there be any amendment made to the Basic Law. They pointed out that the main direction of
consideration is definitely the Shenzhen Bay model. Whether it be the model adopted by Britain or the United States, or that adopted between the United States and Canada or Britain and France, actually they all eventually revert to the Shenzhen Bay model under "one country, two systems". Insofar as the Shenzhen Bay model is concerned, we have different proposals on it, some of which suggest partial jurisdiction under which the two places will co-operate with each other in terms of CIQ facilities. But I understand that this seems to be not easy. They may insist on fully following the Shenzhen Bay model under which jurisdiction can be exercised fully. May I ask the Secretary if this is the difficulty now? Will partial or full jurisdiction be adopted in the future?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, as I mentioned in the main reply, at this juncture, it would be inappropriate for the Government to comment on the various speculations on the overall arrangement for implementing the co-location arrangement to be agreed on by the SAR Government and the relevant Mainland authorities in the future. There have been many views in society and we are aware of them, including the view mentioned by Dr LEUNG just now. We and the relevant Mainland Authorities have also studied these views respectively and made concerted efforts to address the relevant legal issues with a most serious and professional attitude.

PRESIDENT (in Cantonese): Ms Tanya CHAN, please speak.

DR PRISCILLA LEUNG (in Cantonese): The Secretary did not answer my question at all …

PRESIDENT (in Cantonese): Dr Priscilla LEUNG, which part of your supplementary question has not been answered?

DR PRISCILLA LEUNG (in Cantonese): Will it be full or partial jurisdiction? How will the Government handle it? Actually the Government cannot put this off for too long. It is time for both sides to start discussing …
PRESIDENT (in Cantonese): The Secretary has already answered your supplementary question.

MS TANYA CHAN (in Cantonese): President, may I ask the Secretary if he finds this fair at all? You have spent nine years on it and yet you cannot present any proposal. Now you are forcing the community of Hong Kong to spend one year discussing it and completing the process of local legislation altogether. Do you consider this fair? Assuming your proposal will bring forth some consequences in law, will you shift all the responsibility to the other party then?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, if the SAR Government or the relevant Mainland authorities have taken a frivolous attitude to come up with a proposal for implementing the co-location arrangement, that would definitely give rise to a lot of contentions in society and create a lot of uncertainties in the relevant discussions of the Legislative Council or the local legislative process. This is precisely why, with regard to the legal arrangement for implementing the co-location model, we need to spend ample time on finalizing a sound proposal and this will enable a consensus to be readily reached in society. I believe an overall arrangement supported by the community will be more helpful to the Legislative Council in enacting local legislation.

DR PRISCILLA LEUNG (in Cantonese): President, with regard to the proposal, certainly we wish to strive for partial jurisdiction but if the Shenzhen Bay model allowing full jurisdiction is really adopted in the end, I hope the Government will cease to be evasive and should act in an open and transparent manner. As Members can see, few Members have asked questions on this issue today, for it is all about legal issues which may be even more complicated to members of the public, and some people may even develop fears for political reasons and this will be counterproductive.

The Government must act in an open and transparent manner because neither partial nor full jurisdiction will contravene the Basic Law. Will you properly prepare a set of arrangements and then explain it to the public? You said that an announcement would be made before the end of this term of the
Government but prior to the announcement, it is necessary to make full preparations, for there is definitely no question of either option contravening the Basic Law and "one country, two systems". You got to have confidence and must not be evasive. The delay has been too long indeed, and we think that the Government should not be evasive.

PRESIDENT (in Cantonese): Dr Priscilla LEUNG, you have asked your question. Secretary, do you have anything to add?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the SAR Government, including myself, has never been evasive. We have been handling this issue positively, for we know that high-speed rail, which is a global trend, provides passengers with a more efficient, convenient and environmentally-friendly way to make contact. We also understand that in order for the Hong Kong section of XRL to maximize its transportation, social and economic benefits, the co-location arrangement is a key matching facility of importance. Moreover, there are also international precedents or the example of Shenzhen Bay to follow. Having said that, in finalizing the specific arrangements there are indeed legal issues to be sorted out and what is more, they must be handled properly. Therefore, we will certainly act in an open and transparent manner by giving an account to the community of the overall arrangement that we will come up with in future, as well as the legal basis and the operational details, in the hope that the public will appreciate the importance of XRL and the proper arrangements we endeavour to put forward for the co-location arrangement in future.

PRESIDENT (in Cantonese): Fourth question.

Assisting enterprises and individuals in opening bank accounts

4. MR KENNETH LEUNG (in Cantonese): It is learnt that as a result of the enhanced controls (including the customer due diligence ("CDD") processes for existing and new customers) implemented by banks in recent years to combat money laundering and terrorist financing, quite a number of enterprises have
encountered difficulties in opening and maintaining bank accounts. The responsible persons of some startups have pointed out that Hong Kong is the most challenging place in the world to open a bank account, causing quite a number of enterprises to set up businesses in other places instead. There are views that the difficulties encountered by certain groups of persons in opening bank accounts have also rendered them unable to access the financial services and products they need, and they are hence unable to lead a normal life. To address the aforesaid issue, the Hong Kong Monetary Authority ("HKMA") issued in September last year a circular entitled "De-risking and Financial Inclusion" to authorized institutions, emphasizing that the CDD measures adopted by banks must be proportionate to the risk level, and they are not required to implement overly stringent CDD processes. In this connection, will the Government inform this Council:

(1) whether HKMA knows the respective numbers of account opening applications from new customers received, approved and rejected by banks each month since the issue of the aforesaid circular, and the average time taken for vetting and approving the applications; how the success rate and the time for the vetting and approval of such applications compare with those in the preceding year;

(2) of the number of complaints received by HKMA about banks rejecting account opening applications since the issue of the aforesaid circular; whether HKMA has compiled statistics on the types of enterprises mainly involved in such applications and the reasons for rejection; and

(3) whether HKMA has studied how the controls implemented by banks in Hong Kong compare with those implemented by their counterparts in places such as the United Kingdom, the United States, Australia and Singapore; if HKMA has studied and the outcome is that those in Hong Kong are more stringent, of the impact of such situation on the business environment of Hong Kong?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, over the past few years, with the progressive tightening of requirements and standards in combating money laundering and terrorist
financing internationally and in Hong Kong, the banking industry has been stepping up their anti-money laundering and counter-terrorist financing controls in general, including the adoption of more stringent CDD process for existing and new customers. Apart from meeting local requirements, some international banks also need to apply different account opening processes in order to comply with the requirements or standards mandated by their head offices or overseas authorities.

HKMA has been working closely with the banking industry and has taken various measures to address the issue. HKMA has engaged various stakeholders, including chambers of commerce, to gather details of specific incidents and followed up with the banks concerned. The information collected has been incorporated in the Circular issued by HKMA to all banks last September. The Circular explains how the risk-based approach should be applied to CDD process for account opening and maintenance. It underlines that the risk-based approach is not meant to be a "zero failure" regime, and hence banks should not implement overly stringent CDD process with a view to eliminating, ex-ante, all risks. The Circular also emphasizes the importance of banks' engagement with customers to ensure that they are treated fairly, particularly with respect to transparency, reasonableness and efficiency of the process.

To enable more comprehensive provision of information relating to bank account opening and maintenance, as well as more proactive collection of views and response to enquiries from members of the public, local and overseas business community and other stakeholders, HKMA launched last week a dedicated web page on its website and provided a dedicated email account <accountopening@hkma.gov.hk> to gather feedback from the public. The HKMA web page provides information on procedures for bank account opening and maintenance, documents required and contact information of banks. It also covers latest measures adopted by banks, information on what banks should not do, and useful tips for reference of the public.

My response to specific questions is as follows:

(1) In response to the HKMA guidance, banks have taken a number of measures to improve the account opening process, such as shortening the turnaround time, providing interim updates about the progress of applications, establishing review mechanisms for
unsuccessful applications, and strengthening training of front line staff. Based on the feedback HKMA received recently, customer experience in the account opening process has improved. Currently, an average of about 10 000 new business accounts opened per month, with 70% of them relating to small-and-medium enterprises ("SMEs") and start-up companies, and 20% relating to overseas SMEs and start-ups companies. For the successful cases, 90% have their scrutiny completed within one month, and two-thirds within 15 days.

(2) HKMA received five complaints about rejection of business account opening by banks in the first two months of this year, as compared with 31 and 59 complaints last year and in 2015 respectively. We understand that the review mechanisms set up by individual banks are operating smoothly in general, with a fair proportion of applications finally accepted after review.

HKMA has conducted reviews on some of the rejection cases to assess whether a risk-based approach was applied in the CDD process. Based on the information provided by the banks, the major reasons for unsuccessful account opening include: (i) an applicant's failure to provide the requisite CDD information or documentary proof (e.g. business plan, source of wealth/fund, or business proof), which prevents the bank from having a reasonable understanding of the applicant's business nature and operation as well as the purpose of opening a bank account in Hong Kong; and (ii) the identification of risks of financial crimes during the CDD process (e.g. concerns relating to money laundering or financial sanctions).

(3) We keep under regular review Hong Kong's legal and regulatory regime for anti-money laundering and counter-terrorist financing purposes to ensure that it is in line with the latest international standards and practices, including drawing reference from other jurisdictions. However, due to different market conditions of individual jurisdictions, such as the varying composition or risk profiles of their banking sectors, it is inappropriate to make a direct comparison.
Nevertheless, HKMA understands from banks operating in different financial markets that the account opening processes and requirements in Hong Kong (especially for corporates) are comparable to those adopted by other international financial centres. Following its issuance of the circular on "Frequently Asked Questions on Customer Due Diligence" in September last year to clarify certain requirements which are often misinterpreted by banks, HKMA plans to commission a mystery shopping programme in the latter half of this year to assess the effectiveness of measures adopted by banks to improve customer interfacing, and to conduct thematic on-site examinations to test actual implementation of the risk-based approach.

I would like to stress that, while there is no easy quick fix, we will continue to work with the banking industry, business community and relevant stakeholders to handle this global and complex issue. Our aim is to maintain a robust anti-money laundering and counter-terrorist financing regime in Hong Kong which does not hinder access by legitimate businesses and members of the general public to basic banking services.

MR KENNETH LEUNG (in Cantonese): President, the crux of the Secretary's main reply lies in a sentence in part (2), that is, "whether a risk-based approach was applied in CDD process". I also learnt from part (3) of the main reply that HKMA planned to commission a mystery shopping programme, that is, undercover operation, in the latter half of this year to access the relevant measures.

My supplementary question is whether there is discrepancy in the interpretation of the term "risk-based" between the frontline staff and risk management echelon of banks and HKMA. What methods have HKMA adopted to regulate or monitor whether CDD process conducted by banks are risk-based? Have HKMA ensured that bank staff have received proper training? President, this is the crux of the problem.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): HKMA has maintained communication with banks on various fronts on the "risk-based" principle. I have mentioned a number of improvement measures in the main reply, including the guidelines issued in the form of
"Frequently Asked Questions" in last September and the review mechanisms set up by banks. Moreover, I have mentioned the inspection to be conducted under the mystery shopping programme and the many theme inspections to be conducted in the future. These arrangements seek to allow the banking sector to gain a better understanding of the prevailing problems and scenarios they may encounter in reality, so that they can be sure about whether they have implemented the "risk-based" principle correctly and identify room for improvement. I understand that it takes a process for banks, frontline staff in particular, to understand "risk-based" operation. We notice from the figures that the situation has improved now. Yet, we will not stop here. We will continue to spend more time and effort to improve the present situation.

MR MARTIN LIAO (in Cantonese): President, I have been given to understand that on 17th this month, the Hong Kong Applied Science And Technology Research Institute Company Limited ("ASTRI") and the credit reference agency TransUnion entered into a cooperation plan to jointly develop digital identity verification technology and provide blockchain solution to facilitate financial institutes in conducting the "know your clients" process. The development will speed up the account opening process and enhance efficiency, thereby helping banks to save costs.

Apart from this, the platform can also cater for the demand of the industry in identity management and prevention of financial crimes. Regarding the whole solution for digital identity verification with the support of blockchain, what is the earliest time the Government expects the solution to be applied extensively in the finance and banking sectors?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): The question just raised by Mr Martin LIAO is also my concern. As the Chairman of the committee on financial technology, I wish to promote the Know Your Customer process and the application of financial technology in this aspect.

In this connection, HKMA is examining the provision of a third party platform by professional information service organizations, which will be used for information management and collection. The main objective is to streamline
data collection and exchange procedures between banks and customers, so that customers do not need to resubmit a whole set of documents in opening accounts in different banks and that the procedures involved in account management can be streamlined in future. HKMA is promoting the work in this aspect.

Regarding the future development of financial technology, such as the application of blockchain technology, we are at the initial research stage at present, and I hope that more technology will become available for application in the financial technology field, fulfilling the requirements of CDD process and streamlining the entire process.

PRESIDENT (in Cantonese): Mr CHAN Chun-ying, you may speak now.

MR MARTIN LIAO (in Cantonese): President …

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

MR MARTIN LIAO (in Cantonese): I would like to follow up the question I raised just now.

PRESIDENT (in Cantonese): You cannot follow up your question. Please be seated.

MR CHAN CHUN-YING (in Cantonese): I believe banks are glad to hear that "Based on the feedback HKMA received recently, customer experience in the account opening process has improved". The latest statistics indicate that for the successful cases of account opening, around 90 % have their scrutiny completed within one month and two thirds within 15 days.
However, may I ask the Secretary whether the authorities plan to set a measurable target to assess if difficulties in opening bank accounts have been addressed generally and how the authorities will share the information on account opening to outsiders so as to change the latter's impression that it is difficult to open bank accounts in Hong Kong?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): At present, I think it may not be particularly helpful to set a specific figure as the mandatory target. For the past year or a longer period, HKMA has established a good cooperative relationship with banks. We hope to enhance the communication mechanism continuously to let banks know how to conduct CDD assessment in the most efficient manner. We hope to collect more information to support our communication with the public and banks, so that all parties can see the progress. As for the setting of mandatory targets, I think it may not be necessary for the time being. Yet we consider the situation requires further improvement and we hope to work more on enhancement.

MR CHUNG KWOK-PAN (in Cantonese): In respect of account opening, people who have political background like us will encounter more difficulties. President, recently, I wanted to set up a company. When I talked about this with a staff member from a bank, he said, "Mr CHUNG, you are a political figure, and if you have a share in the company, it may take several months to open a bank account." May I ask the Secretary whether the so-called CDD process will adopt a more stringent standard for people with political background and whether there is a name list stating who should be subject to more stringent examination in account opening?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, regarding the regulatory requirements for political figures under domestic law, they are set out in section 10 of Schedule 2 to the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance and paragraph 4.13 of the Guideline on Anti-Money Laundering and Counter-Terrorist Financing, and the criteria therein are based on international standards. It is also acknowledged in the relevant international standards that certain political figures may be involved in corruption or bribery and thus present a higher risk of money laundering.
However, according to international standards and practices, the risk levels of political figures overseas and that of local political figures are different, and thus the two are subject to separate regulatory requirements in Hong Kong. The risk levels of overseas political figures are usually higher, and banks have to obtain approval from the senior management and adopt reasonable measures to verify the source of information and source of income of the customer concerned.

Yet, the risk levels of domestic political figures are usually different from that of overseas political figures, for the risk levels of local political figures are relatively low. Hence, banks should conduct risk assessments to confirm whether the person concerned presents a higher risk of money laundering. After assessing the risk level involved, banks should decide whether additional CDD measures should be conducted and the degree to which the measure should be implemented.

MR CHRISTOPHER CHEUNG (in Cantonese): President, may I ask the Secretary whether the authorities rely solely on account opening control measures in combating money laundering, and should not we play more attention to the daily capital flow and cheques exchanges of these accounts? I think the latter will be more effective? Though HKMA said that the difficulties in account opening have been solved, the business sector still considers it most difficult to open bank accounts in Hong Kong among other places around the world. Since it usually takes a month or two to open a new account, the business sector considers it very inefficient. Besides, this will impede the normal business operation and economic development, thereby undermining the competitiveness of Hong Kong.

May I ask the Secretary whether the authorities will instruct banks to make a performance pledge stating that the account opening process can be completed within a specific time, say a week or two, barring special circumstances, so as to facilitate business operation?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): I thank the Honourable Member for the supplementary question. As I mentioned in the main reply, among the successful cases of account opening, around 90% can be completed within one month and two thirds within 15 days. In fact, it depends on whether the customers can provide sufficient information. Basically, for simple cases with sufficient documents, the opening process can be completed in a few days. In this regard, we think it is achievable.
PRESIDENT (in Cantonese): Fifth question.

Tap water supply for residents in remote areas

5. MR HOLDEN CHOW (in Cantonese): President, while tap water supply is at present available to 99% of the population in Hong Kong, quite a number of residents in remote areas (including Tai Long Village and the Sea Ranch on Lantau Island) are not yet supplied with tap water. They need to rely on stream water or well water in their daily lives, which will be affected whenever the water source is contaminated or dries up. In this connection, will the Government inform this Council:

(1) of the names of the villages yet to be supplied with tap water, and the number of households and population of each of such villages, and set out the information by District Council district;

(2) of the number of times that the authorities transported, on an ad hoc basis, potable water to such remote villages in the past three years and the expenditures involved, broken down by village name; and

(3) whether it has plans to provide tap water supply systems for Tai Long Village and the Sea Ranch; if so, of the timetable; if not, the reasons for that?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, at present, the treated water supply networks cover about 99.9% of the population of Hong Kong. The areas that do not have treated water supply are mainly remote villages with sparse population. While these villages do not have treated water supply, they have access to systems that supply stream or well water for domestic consumption. These supply systems have been in use for many years. Most of them are under the maintenance of the Home Affairs Department ("HAD"). The Food and Environmental Hygiene Department ("FEHD") also regularly monitors and tests the stream or well water quality of these villages to ascertain their suitability for potable consumption. In the event of water depletion at source, the Government will provide assistance, including transporting potable water to meet the needs of villagers.
With the assistance of other departments and the Heung Yee Kuk, the Water Supplies Department ("WSD") has been conducting studies on ways to improve water supply for over 700 villages around the territories since 1980. After more than 30 years of hard work, WSD has managed to provide treated water supply for a total of 724 villages by the end of 2016.

The Government submitted an information paper on the cost-effectiveness of supplying treated water to remote villages to the then Panel on Planning, Lands and Works of the Legislative Council in 2003. It proposed that, for those remote villages where treated water supply schemes were still not cost-effective, the schemes should be reconsidered at a more opportune time when nearby developments rendered the provision of treated water supply more cost-effective or when other factors that warranted further study emerged. In accordance with the above mentioned principles, we have been monitoring the water supply situation of these remote villages and their nearby developments. Treated water supply systems had been completed for 23 remote villages over the past 10 years.

We will continue to closely monitor and regularly review the situation. Should the Government decide to provide treated water supply to the remaining remote villages in future, we will submit funding applications for implementing treated water supply systems in accordance with the established procedures.

Having consulted HAD and FEHD, the reply of the Development Bureau to Mr Holden CHOW's question is as follows:

(1) Of the 18 District Councils ("DCs"), there remain 19 villages in six DCs that do not have treated water supply. These villages and their respective estimated population are listed in Annex 1. Amongst them, the works for supplying treated water to Yuen Tun Ha, Tai Po has commenced and is scheduled for completion by the end of 2017. By then, the number of villages that do not have treated water supply will be further reduced to 18.

These 18 villages have sparse population and are far away from both urban areas and existing treated water supply networks. The per capita capital cost for the construction of treated water supply
systems for these villages is very high. Moreover, low total water consumption may lead to stagnant water in water mains, hence resulting in the deterioration of water quality. As mentioned above, we will monitor and regularly review the situation of these remote villages, including their existing water resources and water quality. Should there be developments near these remote villages that render the provision of treated water supply more cost-effective or when other factors that warrant further study emerge, we will proceed to apply for funding under the established procedures to take forward the works for treated water supply systems.

(2) The Government transported, on an ad hoc basis, potable water to remote villages for a total of 14 times and at a cost of around $240,000 in the past three years. A breakdown of the details by villages is at Annex 2.

(3) The existing domestic water supply at Tai Long Village, located at the southern coast of Lantau, is through a stream water supply system maintained by the Islands District Office. To extend the treated water supply system to Tai Long Village, which is separated from the government water supply system by a high mountain, it will require to build a pump house, a high level water tank, long water mains, associated leak detection and monitoring facilities, etc. Given its sparse resident population, the per capita construction cost for extending the treated water system to the village is very high. We also need to consider whether the low water consumption will lead to stagnant water in the water tank and water mains, hence resulting in the deterioration of water quality. We will continue to closely monitor and regularly review the situation of Tai Long Village.

Sea Ranch is not a remote village. Its management company is responsible for providing domestic water supply to its residents. President, this is my brief response.
### Annex 1

Villages without treated water supply and their respective estimated population in 2016

<table>
<thead>
<tr>
<th>District Council</th>
<th>Village Name</th>
<th>2016 Estimated Population&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tai Po</td>
<td>Yuen Tun Ha&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Lai Chi Chong</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Wong Chuk Yeung</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Tung Sam Kei</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sham Chung</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Tung Ping Chau</td>
<td>10</td>
</tr>
<tr>
<td>Tsuen Wan</td>
<td>Luk Keng (Lantau)</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Tai Chuen (Northeast Lantau)</td>
<td>7 (including Tai Chuen, Tso Wan and Fa Peng)</td>
</tr>
<tr>
<td></td>
<td>Tso Wan (Northeast Lantau)</td>
<td>ditto</td>
</tr>
<tr>
<td>Islands</td>
<td>Tai Long (South Lantau)</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Po Toi Island</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Fan Lau (West Lantau)</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Yi O (West Lantau)</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Upper Wong Lung Hang</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Nim Shue Wan</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td>Cheung Sha Lan</td>
<td>50</td>
</tr>
<tr>
<td>Sha Tin</td>
<td>Mui Tsz Lam</td>
<td>about 70 to 100</td>
</tr>
<tr>
<td>Tuen Mun</td>
<td>Tin Fu Tsai</td>
<td>30</td>
</tr>
<tr>
<td>Sai Kung</td>
<td>Tung Lung</td>
<td>0</td>
</tr>
</tbody>
</table>

Notes:

<sup>(1)</sup> Information of the villages and their population in 2016 is provided by the District Offices. There is, however, no record of the number of households.

<sup>(2)</sup> Construction works to extend the existing water supply network to Yuen Tun Ha has commenced and is scheduled for completion by the end of 2017.
Annex 2

The number of times and costs for transporting potable water, on an ad hoc basis, to the villages without treated water supply between 2014 and 2016

<table>
<thead>
<tr>
<th>District Council</th>
<th>Village Name</th>
<th>No. of times</th>
<th>Costs (HK$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tai Po</td>
<td>Yuen Tun Ha</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Lai Chi Chong</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Wong Chuk Yeung</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Tung Sam Kei</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Sham Chung</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Tung Ping Chau</td>
<td>1</td>
<td>2,280</td>
</tr>
<tr>
<td>Tsuen Wan</td>
<td>Luk Keng (Lantau)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Tai Chuen (Northeast Lantau)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Tso Wan (Northeast Lantau)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Islands</td>
<td>Tai Long (South Lantau)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Po Toi Island</td>
<td>13</td>
<td>238,800</td>
</tr>
<tr>
<td></td>
<td>Fan Lau (West Lantau)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Yi O (West Lantau)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Upper Wong Lung Hang</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Nim Shue Wan</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Cheung Sha Lan</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sha Tin</td>
<td>Mui Tsz Lam</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tuen Mun</td>
<td>Tin Fu Tsai</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sai Kung</td>
<td>Tung Lung</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**MR HOLDEN CHOW** (in Cantonese): President, year after year, from the level of DCs to that of the Legislative Council, for so many years I have only received the same reply from the Government, which is no handling. It is very disappointing.

According to Annex I provided by the authorities, the population figures of Tai Long Village and Nim Shue Wan Village are respectively 30 and 150, which I believed to be underestimated probably. May I ask again whether the Administration has set a timetable to provide treated water supply systems for Tai Long Village and Nim Shue Wan Village?
SECRETARY FOR DEVELOPMENT (in Cantonese): I thank Mr CHOW for his supplementary question. As I have mentioned, we have all along been closely monitoring the supply of potable water in these remote villages. But Members need to understand that, taking Nim Shue Wan Village as an example, it is considerably far away from existing water supply systems. To build a treated water supply system at that location, we will need to erect a 200-odd metre tall water tank and lay over 6 km of water mains. And it will need to be complemented with monitoring facilities, resulting in a very high per capita construction cost.

Moreover, we can imagine that with such long water mains and the water tank, tens of thousand litres of water will be stored in the mains. In case of low consumption, water will have to remain in the water mains for over a month on average before it will be consumed, greatly affecting its quality. Therefore, we will closely monitor the situation. But, at present, we have no concrete plan to extend the water supply system to Nim Shue Wan Village and Tai Long Village. We will pay attention to the changes in circumstances and review the needs.

MS ALICE MAK (in Cantonese): President, I find the Secretary's reply most regrettable. The issue of these "no water" villages has been a concern to the Hong Kong Federation of Trade Unions ("FTU") over the years. Back then Mr IP Wai-ming, a former Legislative Council Member, even had to bring fellow workers from the trade unions to those villages and helped lay water mains. The Government did not do such works, but left them to workers from the trade unions.

The reasons given in the Secretary's reply were all "very high per capita capital cost". But why do we not consider that residents in these villages are human beings, too? Potable water is so important but the authorities told us the cost would be high so they could not supply treated water to those villages. Is Hong Kong so poor that it is unable to lay water mains for them? Should it not be the case?

Let us take a look at the documents. Some large-scale events will be hosted on Po Toi Island or in Tai Long Village every year. How do villagers gain access to water? They use buckets to hold water but we can see the buckets are covered in moss. May I ask the Secretary if he has the heart to let the villagers continue to drink water kept in buckets fully covered in moss and refuse to lay water mains for them?
SECRETARY FOR DEVELOPMENT (in Cantonese): President, first of all, the safety and cleanliness of potable water for every person in Hong Kong are our concern. I must express here that we are hugely concerned about this.

In fact, some villages that are far away from treated water supply networks of the Government have access to water supply systems, such as those supplying stream or well water. Most of these village water supply systems are maintained and repaired by HAD. Moreover, colleagues from FEHD regularly test these village water supply systems (including stream or well water) to ensure that the water is suitable for potable consumption.

In some individual cases, such as some remote outlying islands which I have just mentioned, we will provide assistance to meet residents' needs. For example, when Po Toi Island has the need, the Islands District Office will actively provide assistance to transport potable water by boat to cater for the local needs.

It is worth reiterating that since 1980, 724 villages have been provided with water supply. In this interim, the Government has been making efforts and now only 18 villages remain not provided with treated water supply.

DR ELIZABETH QUAT (in Cantonese): President, the Secretary said only 18 villages remain not provided with treated water supply. Are Hong Kong citizens living in these 18 villages human beings? Should they be supplied with clean potable water? President, we have been following up this question in the Legislative Council for many years. Every time we received similar replies. The Government should be duty-bound to provide clean potable water and treated water supply to Hong Kong citizens. Every citizen should have such a right. Therefore, I find it repulsive and very much disapprove of the Government determining whether or not to provide treated water supply on the basis of economic benefits. President, the Secretary has just mentioned that these villages are very remote. But indeed some of them are not remote, such as Mui Tsz Lam Village, which is in Ma On Shan, close to urban areas and also a usual passing spot for many people on hikes. In July last year, I brought the previous Secretary for Development to the village and saw residents consuming water from the storage pool that the Secretary has just mentioned; the water was yellowish-brown in colour and full of leaves. At the time, colleagues from WSD told me in response that they were conducting a study on water supply works in the village by, among others, launching a topographic survey and ground
investigation for further feasibility and financial assessments. May I ask, after almost one year, what the results of the assessments are? When will the Government provide potable water supply to the residents of Mui Tsz Lam Village?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Dr QUAT for her supplementary question. As a matter of fact, our colleagues have been proactively undertaking follow-up on treated water supply to Mui Tsz Lam Village. Colleagues from WSD have conducted surveys and studied feasible options. As we all know, Mui Tsz Lam Village is at a comparatively high altitude with considerably long access roads to the village and quite far away from water supply systems. Therefore, our colleagues are working on a solution which will hopefully minimize the impact on Mui Tsz Lam Village and its peripheral environment. Of course, we also hope to find a cost-effective way. When the results of our study are available, we will consult the relevant stakeholders, including relevant departments and groups. We are actively following it up.

DR ELIZABETH QUAT (in Cantonese): President, the authorities have been studying for a year. How long does the study take to produce any result? Next year, will we have to ask the same question again, and will the reply be the same, that it is under study?

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

SECRETARY FOR DEVELOPMENT (in Cantonese): President, indeed a lot of work has to be done step by step. Our colleagues are actively following it up. We hope to complete the work as soon as possible. When the results are available, we will consult relevant stakeholders.

MS ALICE MAK (in Cantonese): President, the Secretary said just now colleagues from HAD will help villagers transport water. But my colleague, Mr TANG Ka-piu, and I once visited Po Toi Island and Tung Ping Chau to inspect the water supply issue there. We saw that after water was shipped to the
piers of these villages, villagers still had to carry the water themselves. And the water buckets were fully covered in moss after being exposed to the elements. The Secretary has said a lot, but it boils down to money and technical problems. As regards technical problems, I believe civil servants in Hong Kong have the professional knowhow. As regards money, Hong Kong is not so poor that villagers have to drink mossy water, is it? Does the Bureau have any plan to solve the problem of potable water for the residents of these 18 villages as soon as possible?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, perhaps I can add a brief point. Taking Po Toi Island as an example, currently there is no treated water supply system there but the island is equipped with two natural water supply systems with a total storage of 127 000 litres. In addition, colleagues from FEHD have been regularly monitoring the quality of natural water in the storage system on the island. According to the FEHD records, samples of water taken in the past have undergone bacterial, chemical and consumption suitability tests, and the results have been satisfactory.

MR HOLDEN CHOW (in Cantonese): President, the Secretary's reply is very disappointing. In each reply he mentions cost-effectiveness. But truly every person should have a right to access clean potable water. I have this follow-up. As the Secretary said the current cost-effectiveness does not allow the provision of treated water supply to these 18 villages, after so many years and individuals from different parties have all followed it up with the Bureau, and given the current technological advancement, will the Secretary come up with some new methods to supply treated water to these villages, instead of sticking to the old rut? I heard the Secretary say that some old methods may not be feasible. But it has been so many years. Has the Bureau studied some new methods to address the problem of no potable water supply in these 18 villages?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, colleagues from WSD have been paying attention to developments in technology, especially various types of water supply arrangements, such as doing away with water tanks to supply potable water more directly and thus reduce the time potable water sits in water mains. We will also pay close attention to other developments in
technology. We will actively study any new technology that allows us to provide potable water supply in a more cost-effective manner. Our colleagues will also closely monitor the current developments in technology.

**DR ELIZABETH QUAT** (in Cantonese): President, I wish to ask a supplementary question from another perspective to discuss cost-effectiveness. Land is the most lacking in Hong Kong. In fact, many villagers have told me that they are happy to return to the villages for settlement if there is potable water supply. It is a question of chicken or egg. The Secretary said as the population is sparse, provision of treated water supply is not cost-effective. It is exactly because of the sparse population that the per capita construction cost is very high. But has the Government studied and enquired in each village that if treated water supply is provided by the authorities, how many villagers will return to the villages? With the subsequent increase in population, it will in turn slightly ease the demand for land in urban areas. If more people are willing to move back to these villages, is it possible to solve the problem of land shortage as well, so as to achieve the cost-effectiveness suggested by the Secretary?

**SECRETARY FOR DEVELOPMENT** (in Cantonese): President, when estimating the population of each village, we would make reference to the population figures and estimates of the districts HAD has in hand, and effect close coordination with all villages.

**MS ALICE MAK** (in Cantonese): President, it is me again. It is true that FTU is hugely concerned about these "no water" villages. Just as I have said, former Members IP Wai-ming and TANG Ka-piu and I are hugely concerned about this issue. We will be tossing in our graves if the problem of these 18 "no water" villages is not solved. Therefore, I would like to ask this question. Just now the Secretary said very few people live in these villages now, it is true, just as there are very few people in the Chamber now, but it does not mean the problem is not important. They are few in number but they are human beings, too. Just as Dr Elizabeth QUAT has said, with sufficient facilities and water and electricity supply in the villages, villagers may return for dwelling. For example, on the birthday of Tin Hau on Po Toi Island, does the Secretary know how many people
will return there for celebration? The answer is close to 1 000 people. Actually there are people living in these villages. But without treated water supply, how can they live comfortably?

The Secretary said FEHD would do water tests. Former Member, Mr TANG Ka-piu, and I once went to Po Toi Island for an inspection and discovered that the taps of the water tanks could not turn. Can the Secretary ask FEHD how frequently it conducts water tests? The surface of the water tanks was covered in moss and the taps could not turn. How can villagers drink that water? Now the villagers could not drink it and then rely on "natural water". Nowadays in Hong Kong, do not tell me these villagers will have to place a tank in front of their houses to store water.

PRESIDENT (in Cantonese): Ms Alice MAK, this is not a debate session.

MS ALICE MAK (in Cantonese): Therefore, I wish to ask the Secretary this question again. As regards the supply of treated water to these 18 villages, do the authorities have a timetable, a plan to solve the problem by when and the determination to do so?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, reviewing the history, just as I have pointed out in my main reply, from 1980 to the end of 2016, we provided treated water supply to 724 remote villages. Just in the past 10-odd years, we have completed potable water supply systems for 23 remote villages. As regards the current supply of treated water to some remote villages, it is mainly the responsibility of HAD, including the maintenance and repairs of storage tanks and relevant facilities. We will closely monitor the conditions of these supply systems together with relevant district offices and FEHD.

DR ELIZABETH QUAT (in Cantonese): President, the Secretary has not answered my supplementary question. I believe the Development Bureau has failed its job. Solely relying on HAD enquiring villagers about the current residing population of the villages, the Development Bureau has indeed not conducted a serious study on the problem, because the Bureau only asked how many people are living there at present, without studying how many people will
return to the villages for dwelling if there is treated water supply. Therefore, I consider that the Development Bureau needs to study carefully how many people will return to these villages for dwelling if there is treated water supply. In this way, we can find out whether providing treated water supply is cost-effective. President, will the Secretary carry out such a study?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, we have done a lot of work to estimate the population of each village by, among others, examining with HAD the current residing population as well as the number of tourists and making reference to various factors, such as the number of approved small houses. These are the criteria adopted by us currently.

DR ELIZABETH QUAT (in Cantonese): The Secretary has not answered my supplementary question. I have just pointed out that the population figures the Bureau came up with after making enquiries represent the current population, not the number of people who will return to the villages for dwelling when treated water supply is provided. Such a study has never been conducted. Will the Secretary conduct such a study?

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

SECRETARY FOR DEVELOPMENT (in Cantonese): We made the estimations based on the information provided by HAD.

PRESIDENT (in Cantonese): Last question seeking an oral reply.

Regulation of drugs and health food products

6. MR CHAN HAN-PAN (in Cantonese): President, according to some earlier media reports, some pharmacies sell proprietary Chinese medicines ("pCms") alluding to those of well-known brands, with their names and packaging bearing strong resemblance to the latter. As some of these pCms are
not attached with labels or package inserts carrying medicinal claims, they are not regulated under any legislation but regarded as health food products only. Some members of the public are worried that the consumption of such pCms alluding to well-known brands, which have unknown composition and quality, is detrimental to health. In this connection, will the Government inform this Council:

(1) whether the authorities received any complaint about pCms alluding to well-known brands in the past five years; if so, of the number and details of such complaints, as well as how they were followed up;

(2) given that some manufacturers add non-Chinese medicine ingredients to health food products adopting PCm formulae to circumvent regulation and use product names that are similar to Chinese medicines to mislead the public, and that such food products contain Chinese medicines but are not attached with usage instructions, what measures the authorities have in place to ensure that the consumption safety, quality, composition and dosage of such health food products meet the relevant safety standards and to prevent consumers from unknowingly purchasing such products; and

(3) whether it will introduce a registration system for health food products to protect the health and rights of consumers; if it will not, of the reasons for that?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, before 2014, the Customs and Excise Department ("C&ED") did not keep separate figures for the numbers of complaints and successfully prosecuted cases related to alluded drugs (including proprietary Chinese medicines). For the past three years, the numbers of complaints received by C&ED involving sale of alluded drugs (including proprietary Chinese medicines) and successfully prosecuted cases are at Annex.

From 2014 to 2016, there were 117, 86 and 43 complaint cases respectively. The numbers of successfully prosecuted cases were eight, ten and eight respectively. The maximum penalty ranged from a fine of $12,000 to $30,000 and imprisonment from two months to four months.
There is no international standard on the definition of and regulation for "health products". The Government has imposed specific control by adopting a multi-pronged approach to regulate through a series of legislation based on the nature, composition, content of claims made, method of usage, dosage, packing specification, etc. of individual products. To protect public health, we have also adopted various targeted measures to monitor the products in the market with a view to ensuring their safety and that their functional claims and composition are true. The related measures include regulating products that fall within the definition of pharmaceutical product, proprietary Chinese medicine or food under the Pharmacy and Poisons Ordinance (Cap. 138), the Chinese Medicine Ordinance (Cap. 549), the Public Health and Municipal Services Ordinance (Cap. 132) respectively. To protect the public from being induced by advertisements or health claims and thereby seeking improper self-medication that may result in delay in seeking medical treatment, the Government also regulates the labels and advertisement of products through the Undesirable Medical Advertisements Ordinance (Cap. 231) and the Trade Descriptions Ordinance (Cap. 362). In addition, the claims of health products are subject to regulation by relevant provisions or codes under the Broadcasting Ordinance (Cap. 562) and the Broadcasting (Miscellaneous Provisions) Ordinance (Cap. 391).

Since proprietary Chinese medicines are medicines formulated on the basis of traditional Chinese medicines, some western countries where Chinese are not the majority, such as the United Kingdom and the United States, generally do not have specific regulatory measures targeted for Chinese medicines. On the other hand, for places where Chinese are the majority, such as Singapore and Taiwan, the relevant statutory regulation for Chinese medicines requires that proprietary Chinese medicines must consist solely of Chinese medicine materials. In the Mainland, proprietary Chinese medicines generally also consist solely of Chinese medicine materials. Since the Mainland implements integrated practice of Chinese medicine and Western medicine, a small number of proprietary Chinese medicines are allowed to contain Western medicines but the prescription of these proprietary Chinese medicines should still comply with the principles of traditional Chinese medicine. In sum, the relevant regulations are basically same with the principles of the Chinese Medicine Ordinance for the regulation of proprietary Chinese medicines.
The Government will continue to closely monitor the regulatory measures of other regions and the situation in the local market, and conduct risk assessment. Having balanced public safety and the trade's concerns, the Government will review the relevant legislation and regulatory arrangement in due course, which includes considering the need to formulate specific legislation to impose more targeted control on different products. Before formulating more targeted regulation, the Government will continue to enforce prevailing relevant legislation with a view to regulating products sold in the market which contain non-Chinese medicine ingredients.

Annex

Numbers of complaints received by the Customs and Excise Department about sale of alluded drugs (including proprietary Chinese medicines) and successfully prosecuted cases

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<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tr>
<td>Number of complaint cases</td>
<td>117 cases</td>
<td>86 cases</td>
<td>43 cases</td>
</tr>
<tr>
<td>Number of successfully prosecuted cases</td>
<td>8 cases</td>
<td>10 cases</td>
<td>8 cases</td>
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<tr>
<td>Maximum penalty</td>
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<tr>
<td>Fine</td>
<td>$12,000</td>
<td>$30,000</td>
<td>$20,000</td>
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<tr>
<td>Imprisonment</td>
<td>4 months imprisonment (suspended for 3 years)</td>
<td>2 months imprisonment (suspended for 2 years)</td>
<td>2 months imprisonment</td>
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MR CHAN HAN-PAN (in Cantonese): President, my deputy spokesperson YIP Man-pan and I undertook an undercover operation the day before yesterday. I entered several pharmacies and could easily purchase some alluded products. I have two bottles of stomachic pills here, one of which is by a well-known brand, while the composition of the other one is unknown. It is a food product, as only protein content and such is required to be declared on its label for it to be widely available in the market, and the prices of the two bottles of product are almost the same.

Here, I have a bottle of Tin Hee Pills …
PRESIDENT (in Cantonese): Mr CHAN Han-pan, this is not a debate session. Please raise your supplementary question.

MR CHAN HAN-PAN (in Cantonese): President, I must first point out the problem in order to raise my supplementary question.

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

MR CHAN HAN-PAN (in Cantonese): Secretary, there is a major loophole in the existing legislation, that is, these medicines are not required to register so long as a non-traditional Chinese medicine ingredient is added to them. Is there a loophole in the legislation? Meanwhile, this bottle of Tin Hee Pills, for example, contains an ingredient called meleagris gallopavo—as Tin Hee Pills must contain chicken—meleagris gallopavo is added, but the general public does not know what is meleagris gallopavo. Actually, it is not required to register because meleagris gallopavo is turkey, which is not required to register, therefore registration is not necessary for this bottle of Tin Hee Pills.

Now that there is such a loophole in the whole legislation, and the public …

PRESIDENT (in Cantonese): Mr CHAN Han-pan, please sit down as you have already asked the supplementary question.

MR CHAN HAN-PAN (in Cantonese): President, I have yet to ask my supplementary question.

PRESIDENT (in Cantonese): Mr CHAN, you have already raised the supplementary question asking the authorities whether there is any regulation. Please sit down.
MR CHAN HAN-PAN (in Cantonese): President, I have yet to ask my supplementary question. You should let me raise my supplementary question in full.

PRESIDENT (in Cantonese): This is not a debate session. Please sit down as you have already asked the supplementary question. Secretary, please reply.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I believe Mr CHAN's supplementary question involves two aspects. First, the thrust of the main question is about alluded or even counterfeit products. In this connection, I have clearly stated in the main reply under ordinances impose regulation, so I shall not make any repetition here.

However, Mr CHAN brought forth another question in the supplementary, that is, some products in the market of which the main composition adopts Chinese medicine formulae and contain proprietary Chinese medicine ingredients are not subjected to regulation as, according to the existing legislation, proprietary Chinese medicines refer to products which consist solely of Chinese medicines. Products containing substances which are not defined as Chinese medicines by law are not regarded as regulated proprietary Chinese medicines. In this regard, I think there is indeed deficiency, if not a loophole. But I believe Hong Kong is not alone in facing the same problem.

As I have just pointed out, regulation may vary from one place to another. The Mainland implements integrated practice of Chinese medicine and Western medicine, therefore, many proprietary Chinese medicines are allowed to contain Western medicine. In Hong Kong, we are recently discussing with relevant law enforcement departments to see whether the legislation can be perfected so that this issue will not turn into a so-called "loophole". There are difficulties in this for, in general, substances added to proprietary Chinese medicine formulae are mostly food. Another issue is that, in Chinese medicine, food and drug originate from the same source, so many substances can be taken as both Chinese medicine and ordinary food. If the definition is drawn up too narrow, products of which
the majority ingredients are not Chinese medicine would be subjected to regulation as Chinese medicine as long as a Chinese medicine ingredient is added, causing many products to unnecessarily fall into this regulatory framework.

Therefore, we are now studying whether there are any methods to provide a definition or draw a line, so that regulation of genuine Chinese medicine or proprietary Chinese medicines can be effectively imposed without being too broad that would cause products regarded as food by the people to fall into this regulatory framework.

**MS YUNG HOI-YAN** (in Cantonese): *These alluded drugs are subject to the Chinese Medicine Ordinance. They are required to obtain formal registration and pass quality and efficacy tests. The brand design of these alluded drugs, including their packaging, bottles and trademarks can all be registered.* According to which ordinances was prosecution brought against the cases listed in the Annex provided by the authorities? There are quite many relevant ordinances. **Was prosecution instituted against any formally registered products?**

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, we do not have any detailed breakdown on this aspect. If the Honourable Member needs a detailed breakdown of any particular item, she may let me know and we can try to find relevant information. As for the number of prosecutions instituted against formally registered medicines, I believe formally registered proprietary Chinese medicines manufactured by the registered trademark owners should theoretically not fall into the scope of law enforcement if they have not contravened any other law. Those who fall into the scope of law enforcement are most likely not the registered trademark owners or the registered persons of registered proprietary Chinese medicines who manufacture products for sale with packaging bearing resemblance to that of registered proprietary Chinese medicines for sale.
MR SHIU KA-FAI (in Cantonese): President, first of all, I would not say that health food products are bad, but health food products and proprietary Chinese medicines are two different concepts. Proprietary Chinese medicines have medicinal properties and originate from years of Chinese tradition. The problem that has surfaced in the market now is that many proprietary Chinese medicine products with a tradition of more than a hundred years are imitated by "1+7" labelled products or self-proclaimed health products with trademarks which are 90% identical at a glance, making it hard for the public to tell the difference.

Just now I heard the Secretary say that at present there is no international practice of using a registration system to regulate health products. So, how do you protect the public by helping them distinguish health products from effective proprietary Chinese medicines? Will the Government take the lead in requiring special labelling of these two types of products so that the public can clearly distinguish them?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as I said in answering the question raised by Mr CHAN Han-pan earlier, there are two different concepts here. If lawbreakers imitate ancient Chinese medicine formulae or registered proprietary Chinese medicines and manufacture another product, meaning the product is not manufactured by its pharmaceutical manufacturer or registered trademark owner, the product is an alluded one. Our enforcement approach considers them as counterfeit products.

Nevertheless, there are indeed counterfeit products with non-Chinese medicine substances added, in which case the products do not meet the definition of proprietary Chinese medicines under the Chinese Medicine Ordinance and therefore are not subject to any regulation. The question is that there are two enforcement approaches. In the case of products with non-Chinese medicine substances added which are not required to registered as proprietary Chinese medicines, as I have just said, we will examine with various departments to seek ways to amend the law and draw up a definition in order to regulate the situation. However, in the case of sale of products with names and packaging bearing strong resemblance to other registered products, although they do not violate any legislation regulating Chinese medicine, they violate the ordinances cited in my main reply and therefore constitute grounds for enforcement.
PRESIDENT (in Cantonese): Ir Dr LO Wai-kwok, please speak.

MR SHIU KA-FAI (in Cantonese): President, may I ask a follow-up?

PRESIDENT (in Cantonese): Mr SHIU Ka-fai, you may not ask any follow-up question. Please sit down.

IR DR LO WAI-KWOK (in Cantonese): President, the Secretary mentioned in the main reply that there is no international standard on the definition and regulation of health products. As far as I understand it, indeed there is no international standard on the name and definition of health products, however, as health products have become what many people reply upon for health, some countries and regions have developed certain definitions and standards. Will the Secretary actively make reference to the definitions and regulations laid down in these countries and regions? This is indeed a matter of great concern to Hong Kong people.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, in response to Ir Dr LO's supplementary question asking whether we have made any reference, the answer is yes. In fact, we are giving thoughts to the need of introducing a regulatory framework for the so-called health products.

The difficulty lies in the fact that there is indeed no unified approach worldwide, which shows that the effectiveness of measures varies in the international community. Therefore, we have to be cautious when formulating a regulatory framework and must consider which aspects of benefit or safety of the public should be protected and whether the introduction of such a system would bring forth adverse effects, such as affecting business freedom of the industry or unnecessarily increasing its costs, and so on.

Insofar as protecting public health is concerned, although there is no targeted regulatory framework at present, I believe various ordinances are functioning in a multi-pronged manner to protect the public and determine whether these food
products are safe or effective from different perspectives. Although it seems that a single regulatory framework is lacking, we are protecting the public from different perspectives on the strength of these ordinances. While we are considering the need to introduce targeted regulation, we do not see any good example for the time being. Therefore, we shall continue to cautiously make reference to the regulatory frameworks in other countries and hope that a more satisfactory one could be formulated in due course.

MR CHAN HAN-PAN (in Cantonese): President, I was told to sit down before completing my question just now. At present, it is costly for genuine products to register, but their selling prices after registration are even lower than that of counterfeit products. The number of prosecuted cases cited by the Secretary in the main reply is rather small, with only 26 successfully prosecuted cases among 246 cases (about 10%) in the past few years, and the penalty level is very low. May I ask, in addition to enforcement with C&ED and the Department of Health, whether the authorities will formulate policies to step up prosecution and increase the penalty level?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, Mr CHAN has raised two supplementary questions. With regard to stepping up prosecution, as he has pointed out, why is the rate of successfully prosecution low despite the not-so-small number of cases? I believe it is due to the difficulties in adducing evidence rather than any lack of effort in prosecution by the relevant departments. We have worked very hard on this and the number of prosecutions is not small, but there are difficulties in adducing evidence.

With regard to the penalty level, we will of course review the various aspects of different laws, including whether the penalty level is compatible with the prevailing need.

WRITTEN ANSWERS TO QUESTIONS

Rural land uses

7. MR KENNETH LAU (in Chinese): President, regarding rural land uses, will the Government inform this Council:

(1) of the following details of the lands in various statutory plans which are zoned for the uses listed in the table below at present: (i) the total area, as well as the respective total areas of the lots therein that are (ii) privately owned and (iii) government owned; (iv) the total area of land within country parks, and the respective total areas of the lots therein that are (v) privately owned and (vi) government owned;

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<th>Land uses</th>
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<td>Coastal Protection Area</td>
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(2) of the changes in the areas of various country parks since 1 July 1997, including their areas as at year-end of each of the past five years, as well as the date of and the area involved in each change;

(3) as the Government has indicated in this year's Policy Address that it will commence a study on Agricultural Priority Areas to identify quality agricultural lands with a relatively large area and formulate policies and measures for promoting rehabilitation of fallow agricultural lands, whether it can provide the following details about the study:

(i) the criteria adopted by the authorities for defining whether a land is quality agricultural land;
(ii) the respective total areas of agricultural lands under active farming and fallow agricultural lands across the territory at present, as well as the respective areas of such lands that are quality agricultural lands;

(iii) the respective numbers of planning applications for changing the agricultural land use which were received and approved in each of the past five years by the Town Planning Board; the area of agricultural land, the planned use upon amendment and the amount of land premium payable (if applicable) involved in each of the approved applications; and

(iv) the respective numbers of applications for leasing agricultural lands under the Agricultural Land Rehabilitation Scheme received by the Agriculture, Fisheries and Conservation Department in each of the past five years, the number of cases of leasing agricultural lands mediated, the total area of agricultural lands leased and the average waiting time for the applicants concerned; and

(4) of the respective total areas of private and government lands currently available for building small houses (i.e. areas within Village Environs and zoned for Village Type Development, after deducting the lands that are not suitable for building small houses such as slopes, passageways, fragmented sites in irregular shapes); if such details are unavailable, of the reasons for that?

SECRETARY FOR DEVELOPMENT (in Chinese): President, having consulted the Environment Bureau, Food and Health Bureau, the Agriculture, Fisheries and Conservation Department ("AFCD"), Planning Department and Lands Department, our replies to different parts of the question are as follows:

(1) As at mid-March this year, the total land areas zoned "Green Belt", "Village Type Development" ("V"), "Agriculture" ("AGR"), "Site of Special Scientific Interest", "Conservation Area" and "Coastal
Protection Area" on statutory plans across the territory, and the total land area of Country Parks in Hong Kong, are set out in the table below. Only a very small proportion of land in the relevant land use zonings (accounting for about 0.5% of the land area) overlaps with the area of Country Parks.

<table>
<thead>
<tr>
<th></th>
<th>Total Land Area (hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Belt</td>
<td>16 302</td>
</tr>
<tr>
<td>Village Type Development</td>
<td>3 368</td>
</tr>
<tr>
<td>Agriculture</td>
<td>3 187</td>
</tr>
<tr>
<td>Site of Special Scientific Interest</td>
<td>1 136</td>
</tr>
<tr>
<td>Conservation Area</td>
<td>5 739</td>
</tr>
<tr>
<td>Coastal Protection Area</td>
<td>827</td>
</tr>
<tr>
<td>Country Parks</td>
<td>43 455</td>
</tr>
</tbody>
</table>

The Government does not compile statistics on the ownership of land in the relevant land use zonings.

It should be noted that the relevant land use zonings are only broad-brush planning. The total land areas of the zonings only include the land covered by statutory plans, but not the farmland, villages or rural areas, etc. outside the statutory plans (such as individual Country Park "enclaves"). The total land areas of "V" and "AGR" zones are also not equivalent to the usable or developable land area. For example, "V" zones scatter across the territory, and normally reflect the extent of pre-existing rural villages (including villages that had been resited in the past to make way for new town development), which cover mainly recognized villages in the New Territories. In general, these sites are not suitable for large-scale development because of the infrastructural and other ancillary constraints and their sporadic locations. Existing land in the "AGR" zones may also not be suitable for agricultural use. For example, some of the land may already have existing buildings, brownfields or other uses.
(2) From 1997 to end February 2017, the changes in the area of Country Parks are detailed below:

<table>
<thead>
<tr>
<th>Date of Change(s)</th>
<th>Country Park(s) Involved</th>
<th>Reasons for the Change(s) in the Total Area of Country Park(s)</th>
<th>Change(s) (hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 December 1998</td>
<td>Ma On Shan</td>
<td>Due to the widening of Sai Sha Road, an area of Country Park was excised.</td>
<td>Decreased by 0.1</td>
</tr>
<tr>
<td>18 December 1998</td>
<td>Lung Fu Shan</td>
<td>Designation of a new Country Park</td>
<td>Increased by 47</td>
</tr>
<tr>
<td>7 November 2008</td>
<td>Lantau North Extension</td>
<td>Designation of a new Country Park</td>
<td>Increased by 2 360</td>
</tr>
<tr>
<td>30 December 2013</td>
<td>Sai Kung East, Tai Lam, Kam Shan</td>
<td>(i) Incorporation of three Country Park &quot;enclaves&quot;, namely Sai Wan, Yuen Tun and Kam Shan into the respective Country Parks. (ii) Re-measurement of the above three Country Parks' boundaries using the latest cartographic techniques.</td>
<td>Increased by 61 altogether</td>
</tr>
</tbody>
</table>
In the past five years, the changes in the total area of Country Parks are as set out in the table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Area of Country Parks (hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>43,394</td>
</tr>
<tr>
<td>2013</td>
<td>43,394</td>
</tr>
<tr>
<td>2014</td>
<td>43,455*</td>
</tr>
<tr>
<td>2015</td>
<td>43,455</td>
</tr>
<tr>
<td>2016</td>
<td>43,455</td>
</tr>
</tbody>
</table>

Note:

* Please see item (4) in the above table for the increase of 61 hectares in the total area of Country Parks from 2013 to 2014.

(3) (i) and (ii)

As at 2016, the Government estimates that there were around 4,400 hectares of agricultural land (according to AFCD's statistics, which is different from the above area of "AGR" land use zoning), of which around 700 hectares are under active cultivation. As announced in the 2017 Policy Address, Food and Health Bureau and the Development Bureau will jointly commission a consultancy study later this year to identify relatively large areas of quality agricultural land as Agricultural Priority Areas ("APAs"), and explore how to formulate suitable policies and measures to provide incentives to encourage or facilitate owners to put fallow agricultural land into long-term agricultural use. The parameters for designating APAs will also be considered in the study.

(iii) According to our records, a total of 15 rezoning applications involving "AGR" zones under section 12A of the Town Planning Ordinance ("TPO") were received by the Town Planning Board ("TPB") in the past five years (i.e. from 2012 to 2016). Amongst them, seven were not agreed by TPB, six were withdrawn by the applicant and two were deferred for consideration by TPB. In other words, no rezoning application involving "AGR" zones was approved by TPB in the past five years.
With regard to the planning applications for permanent development involving "AGR" zones under section 16 of TPO, their details are set out in the table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Applications Received (Number of Approved Cases)</th>
<th>Range of Site Area of Individual Approved Cases</th>
<th>Approved Uses (Number of Approved Cases)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>165 (103)</td>
<td>from 65 to 3 280 sq m #</td>
<td>New Territories Exempted House (&quot;NTEH&quot;) (95)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Public Utility Installation (&quot;PUI&quot;)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>or Utility Installation for Private Projects* (8)</td>
</tr>
<tr>
<td>2013</td>
<td>159 (97)</td>
<td>from 65 to 635 sq m ^</td>
<td>NTEH (93)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PUI or Utility Installation for Private Projects* (2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Burial Ground (2)</td>
</tr>
<tr>
<td>2014</td>
<td>213 (128)</td>
<td>from 40 to 786 sq m #</td>
<td>NTEH (124)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PUI or Utility Installation for Private Projects* (4)</td>
</tr>
<tr>
<td>2015</td>
<td>161 (61)</td>
<td>from 65 to 1 271 sq m</td>
<td>NTEH (61)</td>
</tr>
<tr>
<td>2016</td>
<td>167 (91)</td>
<td>from 65 to 1 940 sq m</td>
<td>House (1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>NTEH (90)</td>
</tr>
</tbody>
</table>

Notes:

* PUI or Utility Installation for Private Projects includes sewage pumping station, electricity package substation, master water meter room and telecommunications and broadcasting room.

# Excluding small PUIs or Utility Installation for Private Projects with areas less than 12 sq m.

^ Excluding the two burial grounds of 2 700 sq m and 30 000 sq m.
Regarding the above approved NTEH planning applications, either nominal premium has been charged or relevant fee has been waived for the related land grant or lease modification. As for the above approved non-NTEH planning applications, no premium has been involved for the completed land grant or lease modification.

(iv) Information on the Agricultural Land Rehabilitation Scheme in the past five years (i.e. from 2012 to 2016) is set out in the table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of New Applications</th>
<th>Number of Successful Cases</th>
<th>Area of Farmland Involved (hectares)</th>
<th>Average Waiting Time (year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>38</td>
<td>9</td>
<td>3.4</td>
<td>3.5</td>
</tr>
<tr>
<td>2013</td>
<td>51</td>
<td>14</td>
<td>6.2</td>
<td>4</td>
</tr>
<tr>
<td>2014</td>
<td>44</td>
<td>12</td>
<td>2.6</td>
<td>5</td>
</tr>
<tr>
<td>2015</td>
<td>45</td>
<td>41</td>
<td>5.4</td>
<td>5</td>
</tr>
<tr>
<td>2016</td>
<td>65</td>
<td>29</td>
<td>4.0</td>
<td>4</td>
</tr>
</tbody>
</table>

(4) As a general rule, Village Environ ("VE") refers to a 300-foot radius from the edge of the last village type house built before the introduction of the Small House Policy on 1 December 1972. Applications for building small houses within this area by eligible indigenous villagers may be considered. Consideration may also be given to an application if the site concerned lies outside a VE but is located within a "V" zone in the relevant statutory plan, provided that the "V" zone concerned encircles or overlaps with VE. As regards sites within a VE but outside a "V" zone, depending on the specific requirements of the land use zone on which the small house site lies, an applicant may apply for planning permission from TPB and the small house application may also be considered if a planning permission is granted.

Nonetheless, applications in relation to sites located within neither a VE nor a "V" zone will generally not be considered. In addition, applications for small house development within "V" zones that do not overlap with VEs at all will generally not be considered either.
It is worth noting that not all of the land in VEs or "V" zones is suitable for building small houses. Besides, since the topography, geographical situation, size and distribution of individual lots, etc. would also directly affect the use of land, the Government is unable to provide the area of private and Government land suitable for building small houses.

**Manpower of Traffic Wardens**

8. **MS STARRY LEE** (in Chinese): President, it is learnt that since the Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611) came into operation in December 2011, the duties of issuing Fixed Penalty Notices ("FPNs") to drivers who have contravened the requirement that vehicle engines must not be kept idling (commonly known as "the idling engine ban") have been taken up mainly by the Traffic Wardens of the Hong Kong Police Force. Their workload has therefore increased substantially, but no adjustment has been made to the staff establishment of the grade. Some union representatives have pointed out that the lack of competitiveness of the remuneration of Traffic Wardens has led to a serious manpower wastage of the grade in recent years. In this connection, will the Government inform this Council:

1) of (i) the respective numbers of Traffic Wardens who departed and those who were appointed to each Land Region of the Police Force, as well as (ii) the staff establishment of Traffic Wardens of each Land Region and the year-on-year changes of that number at year-end, in each of the past three years;

2) of the respective numbers of FPNs issued last year by Traffic Wardens of each Land Region in respect of (i) illegal parking and (ii) contravention of the idling engine ban;

3) as some union representatives have pointed out that newly appointed Traffic Wardens cannot perform their duties due to the authorities' delay in arranging induction training courses and relevant assessment for them, whether the authorities will adopt measures to improve that situation; if so, of the details; if not, the reasons for that;
(4) as I have learnt that the tight manpower supply has made it difficult for quite a number of Traffic Wardens under the Old Pension Scheme to be given permission to take their annual leave, whether the authorities will adopt measures to improve that situation; if so, of the details; if not, the reasons for that; and

(5) whether the authorities will review and adjust the remuneration and conditions of service of and the promotion opportunities for the Traffic Warden grade, so as to attract new blood to join the grade; if so, of the details; if not, the reasons for that?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, Traffic Wardens under the Police are responsible for enforcement duties under the Fixed Penalty (Traffic Contraventions) Ordinance (Cap. 237) and the Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611), as well as managing and directing vehicles and pedestrians.

My reply to the various parts of Ms Starry LEE's question is as follows:

(1) In 2011, the Police created 18 additional Traffic Warden posts (i.e. 6% increase in establishment) to handle new workload arising from the commencement of the Motor Vehicle Idling (Fixed Penalty) Ordinance. In the past three years, the establishment of Traffic Wardens (including Senior Traffic Wardens and Traffic Wardens) in the five land regions of the Police remained unchanged. Details are set out below:

<table>
<thead>
<tr>
<th>Land Regions</th>
<th>Establishment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong Island</td>
<td>81</td>
</tr>
<tr>
<td>Kowloon East</td>
<td>30</td>
</tr>
<tr>
<td>Kowloon West</td>
<td>106</td>
</tr>
<tr>
<td>New Territories South</td>
<td>51</td>
</tr>
<tr>
<td>New Territories North</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>298</td>
</tr>
</tbody>
</table>
The manpower change of Traffic Wardens in the above mentioned land regions in the past three years are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>New appointment</td>
<td>4</td>
<td>42</td>
<td>9</td>
</tr>
<tr>
<td>Leaving the service</td>
<td>1</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Transfer to other government departments</td>
<td>13</td>
<td>8</td>
<td>19</td>
</tr>
<tr>
<td>Retirement</td>
<td>10</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

(2) The numbers of Fixed Penalty Tickets ("FPTs") issued by the Police against various offences under the Fixed Penalty (Traffic Contraventions) Ordinance broken down by the five land regions in the past three years are set out below:

<table>
<thead>
<tr>
<th>Land Regions</th>
<th>Number of FPTs issued</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
</tr>
<tr>
<td>Hong Kong Island</td>
<td>220 421</td>
</tr>
<tr>
<td>Kowloon East</td>
<td>137 273</td>
</tr>
<tr>
<td>Kowloon West</td>
<td>328 877</td>
</tr>
<tr>
<td>New Territories South</td>
<td>163 693</td>
</tr>
<tr>
<td>New Territories North</td>
<td>216 290</td>
</tr>
<tr>
<td>Total</td>
<td>1 066 554</td>
</tr>
</tbody>
</table>

The Police have not maintained breakdown figures on the number of FPTs issued by Traffic Wardens in the land regions.

As for enforcement actions under the Motor Vehicle Idling (Fixed Penalty) Ordinance, apart from Traffic Wardens, Environmental Protection Inspectors of the Environmental Protection Department may also issue FPTs. No FPTs were issued by Traffic Wardens in relation to contravention of the idling engine in 2014. A total of three FPTs were issued by Traffic Wardens for the Hong Kong Island, Kowloon East and New Territories South Regions in 2015 and one for the Kowloon East Region in 2016.

(3) According to the Police, recruitment exercises for Traffic Wardens are conducted at regular intervals and suitable candidates selected will usually be offered appointment by batches subject to availability
of vacancies. Newly appointed Traffic Wardens will receive four-week induction training. Upon completion of training, they will be deployed to various police districts immediately to fill the vacancies. Therefore, there is no case of newly appointed Traffic Wardens unable to perform their duties due to delay in arranging induction training and relevant assessment. For candidates who are not offered appointment immediately due to the unavailability of vacancies, their names will be put on a waiting list. As soon as vacancies arise, they will be offered appointment and will receive induction training immediately.

(4) The duties of a Traffic Warden include managing and directing vehicles and pedestrians. This aspect of work is particularly important during festive seasons when more large scale public events are held. In general, annual leave to be taken by Traffic Wardens (regardless of their terms of appointment) will be subject to the operational needs of police districts and upon coordination between frontline management and the Traffic Wardens concerned. The arrangement aims to ensure adequate manpower in police districts in coping with the workload.

(5) The Government will review from time to time the terms of appointment of Traffic Wardens with a view to recruiting suitable candidates to join the grade.

Law enforcement issues relating to public hygiene

9. **MR JAMES TO** (in Chinese): President, quite a number of residents have complained to me that there is often a stench coming from the area around the Tai Kok Tsui (Island Harbourview) Public Transport Interchange. They suspect that some professional drivers have poured urine carried in containers into the planters in that area and also discarded such containers there. In March last year, in reply to a question raised by me at a meeting of the relevant committee of the Yau Tsim Mong District Council, officers of the Food and Environmental Hygiene Department ("FEHD") pointed out that "for instituting prosecutions against those people suspected of pouring urine into planters, it has to be confirmed that the liquid so poured out was urine. Difficulties might arise in the course of taking law enforcement actions". Subsequently, FEHD further stated
in writing that when enforcing the Public Cleansing and Prevention of Nuisances Regulation (Cap. 132, sub. leg. BK) ("the Regulation"), FEHD officers had not been empowered by legislation to seize, as an exhibit, any container suspected to have been used for containing urine. As a result, they could not institute prosecutions. In this connection, will the Government inform this Council:

(1) of the number of complaints received by the authorities in each of the past five years in relation to persons illegally pouring urine at public places, and the number of prosecutions instituted against the persons concerned, as well as the number of cases in which prosecutions could not be instituted, broken down by the reason involved (including not having the power to seize the exhibits concerned);

(2) whether it has studied what other ordinances that law enforcement officers may invoke at present to seize exhibits for enforcing the Regulation; and

(3) whether the authorities will study amending the Regulation to empower law enforcement officers to seize relevant exhibits, so that such officers can effectively enforce the law; if so, of the details; if not, the reasons for that?

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

(1) The numbers of complaints received by the Food and Environmental Hygiene Department ("FEHD") and prosecutions against pouring of urine in public places in the past five years are tabulated as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases of complaints against pouring of urine in public places</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Cases of substantiated complaints after investigation</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

As there has not been any complaint that was found substantiated after investigation in the past five years, FEHD has not initiated prosecution in respect of the relevant cases.
(2) Enforcement officers of FEHD are not empowered under current legislation to seize exhibits for prosecution against the disposal of waste, including urine, in public places. In general, if FEHD enforcement officers witness the disposal of waste including pouring of waste water in public places, they may prosecute the person(s) concerned for illegal disposal of waste without seizure of the exhibit(s) under the Public Cleansing and Prevention of Nuisances Regulation (Cap. 132 sub. leg. BK). If the liquid poured cannot be confirmed as litter/waste and FEHD enforcement officers need to seize the exhibit(s) for the prosecution of the suspected offender(s), they may seek assistance from the Police.

(3) Having regard to the facts that pouring of urine in public places is uncommon and that enforcement officers may seek assistance from the Police to seize the exhibit(s) when in need, FEHD considers that there is no need to amend the regulations at present.

Enacting legislation to regulate sub-divided units

10. **DR PRISCILLA LEUNG** (in Chinese): President, according to a survey conducted by the Census and Statistics Department in 2015, there were some 25,200 quarters with sub-divided units ("SDUs") in Hong Kong, and the total number of SDUs was about 88,800 with some 200,000 persons living therein. Quite a number of grass-roots people who have been waiting for years for but have yet to be allocated public housing units have moved into SDUs, resulting in the number of SDUs rising day by day. On the other hand, some members of owners' corporations and minority property owners have relayed to me that there are a large number of SDUs in their buildings, which has caused problems of environmental hygiene, law and order, building structure and fire safety. In this connection, will the Government inform this Council:

(1) whether it has compiled statistics on the number of SDUs in buildings for both commercial and residential uses; if so, of the latest figures; whether it has regularly conducted inspections on such buildings to ensure that the SDUs therein will not cause any environmental hygiene and law and order problems; if so, of the details; if not, the reasons for that;
given that there have been cases in which alteration works for SDUs led to water seepage in buildings and the cracking of beams caused by the expansion of corroded reinforcement bars, which resulted in owners of other units having had to spend over a million dollars for repairing the damages in their units, whether the Government will adopt specific measures to protect the rights of such owners; if so, of the details of such measures; if not, the reasons for that; and

whether the Government will, on the premise of striking a balance between addressing the housing needs of grass-roots people and safeguarding the rights and interests of minority property owners, conduct a study on enacting legislation to regulate SDUs; if so, of the details; if not, the reasons for that?

SECRETARY FOR DEVELOPMENT (in Chinese): President, the Government is aware of the recent public concern over building and fire safety, environmental hygiene, and law and order problems associated with subdivided units. The Government's policy is not to eradicate all subdivided units but to ensure their safety.

At present, building works associated with subdivided units are regulated under the Building (Minor Works) Regulation (Cap. 123N). Such works are required to be carried out by qualified professionals and contractors to ensure the quality of works with a view to minimizing the associated safety problems. Through public education and publicity efforts, the Buildings Department ("BD") has reminded members of the public about building safety problems that may result from improper flat subdivision works.

In consultation with the Transport and Housing Bureau and BD, the Development Bureau provides a consolidated reply as follows:

From time to time, the Census and Statistics Department ("C&SD") conducts surveys regarding subdivided units in Hong Kong to learn about the housing condition of households residing in subdivided units. Based on data obtained from the Thematic Household Survey on Housing Conditions conducted by C&SD in 2015, the total number of subdivided units in private domestic/composite
buildings aged 25 years and above in Hong Kong was 88 800. This number covers subdivided units in private domestic/composite buildings (excluding village houses) built on or before 31 December 1990; the Government does not have the breakdown on these two types of buildings. C&SD has also collected information on the population and the number of households residing in subdivided units in the 2016 Population By-census. The relevant statistics will be released in end-2017.

(2) The Joint Office ("JO") set up by the Food and Environmental Hygiene Department and BD handles water seepage cases in buildings. Where the source of seepage causing health nuisance is identified, JO may issue a Nuisance Notice under the Public Health and Municipal Services Ordinance (Cap. 132) to the person concerned, requiring the relevant owner to abate the environmental hygiene nuisance within a specified period of time by conducting appropriate maintenance works. If the seepage is caused by defective drains, or the seepage has affected the structural safety of the building, BD may issue repair orders under the Buildings Ordinance (Cap. 123) to the owner concerned, requiring the completion of repair works within a specified period to ensure public safety. If the source of seepage is related to leakage of water supplies pipes and wastage of water is resulted, the Water Supplies Department may take appropriate enforcement action under the Waterworks Ordinance (Cap. 102).

Apart from responding to referrals from government departments and reports from the public, BD has also conducted large-scale operations against irregularities of building works associated with subdivided units in composite/domestic buildings to rectify irregularities in associated with subdivided units-related building works. Where actionable irregularities, which include those which result in obstruction to means of escape and structural problem, are identified, BD will issue removal orders to the owners concerned, and consider instigating prosecution against those who fail to comply with the removal orders. From 2011 to 2016, BD has inspected 1 163 target composite/domestic buildings through large-scale operations.
(3) As stated in the Long Term Housing Strategy ("LTHS") promulgated by the Transport and Housing Bureau in December 2014, even though LTHS Steering Committee's public consultation document had put forward a suggestion to introduce a licensing or landlord registration system to regulate subdivided units, the Government noted that the community had expressed considerable reservations over the suggestion during the LTHS public consultation exercise. There were concerns that a licensing or landlord registration system would reduce the supply of subdivided units and drive up the rents of subdivided units, thus causing further hardship to subdivided unit tenants. There were also concerns that a loose licensing or landlord registration system would compromise the safety of subdivided unit tenants and residents living in the same buildings. Some property owners who were not subdivided unit landlords were also concerned about the structural safety, environmental hygiene and building management of buildings with a large number of subdivided units.

In view of the concerns expressed by the community, the Government has no plan to introduce a licensing or landlord registration system for subdivided units. However, as mentioned above, BD will continue to take enforcement actions against irregularities relating to building and fire safety.

Immigration clearance for holders of foreign passports

11. MRS REGINA IP (in Chinese): President, some members of the tourism industry have relayed to me that encouraging regional tour groups (e.g. tour groups from Southeast Asian countries, Australia and New Zealand) to visit Hong Kong is highly conducive to revitalizing tourism, and can alleviate the impact of the continuous drop in the number of Mainland travellers visiting Hong Kong in recent years on the tourism industry. Besides visiting Hong Kong, tour groups of this type normally take the opportunity to make a short visit to places such as the Pearl River Delta and Macao for one day, and therefore they depart Hong Kong in the morning and arrive at Hong Kong again at night on the same day. However, it is learnt that it often takes a long time for travellers holding foreign passports to go through immigration clearance. In this connection, will the Government inform this Council:
(1) of the peak hours during which the aforesaid tour groups enter and leave Hong Kong through various boundary control points in the morning and at night every day;

(2) of the average daily number of travellers holding foreign passport entering and leaving Hong Kong during peak hours last year;

(3) of the average and longest waiting times for travellers holding foreign passports to go through immigration clearance at present; how such times compare with the relevant times taken by Hong Kong Permanent Identity Card holders; and

(4) whether it will increase the frontline manpower of the Immigration Department to shorten the time taken by travellers holding foreign passports to go through immigration clearance during peaks hours of inbound and outbound traffic, with a view to attracting more regional tour groups to visit Hong Kong?

SECRETARY FOR SECURITY (in Chinese): President, our reply to the question raised by Mrs Regina IP is as follows:

(1) The peak hours of visitors' arrival and departure via land boundary or sea control points are usually from 8:00 am to 12:30 pm and from 4:00 pm to 8:30 pm. The Immigration Department ("ImmD") does not maintain the statistical breakdown on the arrival and departure peak hours for the tour groups mentioned in the question.

(2) In 2016, the average daily arrival of visitors from other countries or regions (excluding Mainland visitors) was 38,495 while the average daily departure was 38,440 (76,935 in total). During the long-holiday peak periods (such as Christmas and New Year holidays), more than 94,000 arrivals and 108,000 departures had been recorded on individual days.

(3) ImmD has set the following standard waiting time and achievement target for immigration clearance at the various control points:
### Category of Travellers

<table>
<thead>
<tr>
<th>Control Points</th>
<th>Standard Waiting Time (Minutes)</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong residents</td>
<td>All control points</td>
<td>15</td>
</tr>
<tr>
<td>Visitors*</td>
<td>Airport Control Point</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Other control points</td>
<td>30</td>
</tr>
</tbody>
</table>

Note:

* Including Mainland visitors and visitors from other countries/regions

In 2016, immigration clearance for all Hong Kong residents and 99.9% of visitors was completed within the above mentioned standard waiting time. All control points were able to meet the target set.

(4) ImmD takes timely measures and flexibly deploys its manpower at various control points in response to the passenger flow at different times and periods with a view to easing passenger traffic. Measures taken include arranging its staff to work overtime during peak hours when necessary so that more counters for passenger clearance can be opened. In addition, ImmD will also streamline its workflow and make good use of information technology to promote efficiency and alleviate the pressure of frontline staff.

To further enhance the capacity and efficiency of immigration clearance at control points, ImmD has been implementing various immigration facilitating measures, including the launch of "the Hong Kong Immigration Mobile Application" in December 2013, which provides Hong Kong residents and visitors with the latest information on the estimated waiting time for immigration clearance at major land boundary control points.

In addition, ImmD has also commenced the implementation of the "New Immigration Control System" by phases starting from 2016. The implementation of the system is divided into three phases. The works of the first and second phases were completed in June and
October 2016 respectively. They include the upgrade and integration of the hardware and software of various control point systems, the upgrade of all existing e-Channels at control points to multi-purpose e-Channels and the installation of 158 additional multi-purpose e-Channels, etc., bringing the total number of multi-purpose e-Channels at all control points to 595. Upon the implementation of the new system, the hardware devices of e-Channels were upgraded and their processing time was reduced; frontline staff at control points can also deploy e-Channels more flexibly based on passenger flow to expedite immigration clearance of Hong Kong residents and visitors.

Items under the third phase will be implemented gradually in 2017-2018, including the introduction of "Self-Service Departure for Visitors", which will allow eligible visitors holding valid electronic travel documents to perform self-service departure clearance through e-Channels without prior enrolment. This will further enhance the clearance efficiency and overall passenger handling capacity of various control points.

ImmD will continue to closely monitor the passenger arrival and departure situations as well as the effectiveness of various immigration clearance measures. It will also keep under review its requirement of manpower and other resources in the light of the actual circumstances.

Renewal of land leases

12. **DR YIU CHUNG-YIM** (in Chinese): President, in reply to a question raised by a Member of this Council on 16 November last year regarding the renewal of land leases expiring in 2047, the authorities pointed out that, for lands under single ownership, or multiple ownerships with all owners unanimously agreeing on the lease renewal arrangement, the Government will generally renew the lease through the issuing of a lease renewal document. For lands under multiple ownerships with the owners concerned failing to unanimously agree on the lease renewal arrangement, the Government will, upon the expiry of the current lease, grant a new lease to the Financial Secretary Incorporated ("FSI"), and FSI will, upon the reaching of a formal agreement between the Government
and the registered owners of individual properties, transfer the undivided shares allocated to such properties to the registered owners concerned. Some minority owners of residential buildings under multiple ownerships have expressed worries that their rights and interests will be undermined as a result of the prolonged delay of the Government in commencing the land lease renewal procedure for their properties. They have pointed out that, in a previous case involving a private housing estate in the Southern District with land lease expiring in 2006, the minority owners concerned were greatly distressed since they only received the Government's response about the completion of the lease renewal procedure shortly before the expiry date of the land lease concerned. Regarding the renewal of land leases, will the Government inform this Council:

(1) of the following information in respect of the lands for residential use under multiple ownerships with land leases expiring between this year and 2046 (excluding those lands granted on short term tenancies): (i) the total land area, (ii) the number of lots and (iii) the number of residential units involved (including units for both commercial and residential uses), together with a tabulated breakdown by region (i.e. the four regions of the New Territories, New Kowloon, Kowloon and Hong Kong), the expiry year of the land leases and District Council district;

(2) how long before the expiry of a land lease the Government will commence the relevant work in handling lease renewal for the lands mentioned in (1), which includes but is not limited to reminding owners that their leases will soon expire, discussing with owners and handling the relevant procedure; of the factors based on which the Government decides when such work should commence; whether it will commence the relevant work ahead of the schedule for the reason that a land lease involves a large number of lots and residential units; if so, of the relevant arrangements; if not, the reasons for that;

(3) whether the conditions in the land leases to be granted by the Government to FSI and the conditions in the agreements to be entered into between FSI and individual owners will be different from the conditions in the original land leases; if so, of the criteria for determining such differences; and
(4) during the period in which a new lease has been granted to FSI, of the parties responsible for (i) managing, repairing, inspecting and maintaining the common areas and private areas of the relevant properties as well as (ii) meeting the relevant expenses thus incurred; how the assets held by the original owners’ corporations ("OCs") as well as the relevant contracts signed between the original OCs and the property management companies will be dealt with?

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

(1) With the assistance of the Land Registry, the Lands Department ("LandsD") is compiling statistics and information on the land leases expiring in or before 2047. According to the information currently available, no lease for general commercial/residential purpose involving undivided shares (i.e. the so-called multiple ownership) will expire between now and 2024. Regarding the land leases for general commercial/residential purpose expiring after 2024, LandsD is compiling the statistics and verifying the relevant information.

(2) In general, LandsD will accept extension application for leases not containing a right of renewal from the owner(s) concerned three years before the expiry of the lease. Depending on the complexity of the case (such as the scale of the property and the mode of ownership), the Government may consider commencing the work for lease extension earlier.

As for the specific procedures and workflow involved in the processing of lease extension, LandsD is compiling reference materials for owners and relevant professional sectors. The work is expected to be completed by mid-2017. In addition, for land leases in respect of which the Government has decided to extend in future, LandsD will also explore the possibility of further streamlining and shortening the workflow involved, including exploring whether it is possible to effect through legislation to streamline or dispense with the administrative formalities of executing the extension documents.
(3) Under the existing arrangements, for land under multiple ownership, if some of the owners cannot be contacted or have yet to agree on the arrangements for lease extension, the Government will grant a new lease to the Financial Secretary Incorporated ("FSI") after the expiry of the current lease. LandsD, when preparing for the issue of the new lease, will in parallel make arrangements for FSI and the individual owners to sign an agreement, the purpose of which is for FSI to assign the undivided shares allocated to the individual premises to the registered owners of the premises concerned. This agreement is not the extended land lease in itself. While the extended leases are largely based on the original lease terms, the Government may also consider whether to include new terms, e.g. tree conservation clauses, into the new lease having regard to the prevailing circumstances.

(4) If the Government grants the new land lease to FSI, the responsibilities and related expenses for management, repair, inspection and maintenance, etc. of the common areas and privately-owned areas in the related estate should be governed by the applicable laws and the relevant deed of mutual covenant.

Separately, according to the information provided by the Home Affairs Bureau/Home Affairs Department ("HAD"), to address future problems of continuity of owners' corporations ("OCs") upon expiry and extension of land leases, Home Affairs Bureau/HAD, having considered the advice of the Department of Justice ("DoJ") and LandsD, for the avoidance of doubt, proposes to consider amending the relevant provisions of the Building Management Ordinance (Cap. 344), such that, notwithstanding any changes to the land lease and the deed of mutual covenant, so long as the building itself continues to exist, the OC of that building which has been existing legitimately shall continue to have perpetual succession and have the right to the exclusive possession of the common parts of the building. Home Affairs Bureau/HAD will further consult DoJ on the legal aspects on the implementation of the proposed amendment.
Protection for victims of human trafficking

13. MR DENNIS KWOK: President, the Department of State of the United States publishes a Trafficking in Persons Report ("TIP Report") every year to evaluate the human trafficking situations in various countries/regions. The TIP Report rates the countries/regions according to their governments' performance in combating human trafficking, with Tier 1 being the highest ranking out of the four tiers. Hong Kong's ranking in the TIP Report dropped from Tier 2 in 2015 to "Tier 2 Watch List" in 2016. In response to the 2016 TIP Report, the Government advised that law enforcement officers (including police and immigration officers) received regular training, which covered specialized skills and knowledge for identifying victims of human trafficking ("HT victims"). Moreover, the Government provided diversified assistance (including welfare, medical and psychological counselling assistance), protection and care services to HT victims. In this connection, will the Government inform this Council:

(1) of the details of the aforesaid training received by law enforcement officers, including (i) the name(s) of provider(s), (ii) the contents, frequency and duration of the training, (iii) the participants' grades and ranks and (iv) the date(s) of revision made in the past five years to the training contents;

(2) of the name(s) of the provider(s) of and eligibility criteria for the aforesaid assistance/services; the procedure for vetting and approval for applications for such assistance/services and the personnel in charge of the procedure;

(3) as the British Government currently allows HT victims to stay in the country for up to two years and work as domestic helpers, whether the authorities will consider allowing HT victims to stay and work in Hong Kong for a certain period of time, so that they may seek legal redress without fear of deportation; if not, of the reasons for that;

(4) as the British Government currently issues letters to confirm the persons concerned are genuine HT victims or victims of slavery, whether the authorities give recognition to this type of documentary proofs; if so, of the countries or jurisdictions whose documentary proofs are recognized; if not, the reason for that;
(5) as the authorities indicated in February 2013 that an "action card" serving as a checklist/guidelines for debriefing HT victims had been widely distributed to frontline officers to assist them in identifying potential victims, of the details of the action card, including whether it sets out a mandatory initial screening procedure; if not, under what circumstances the Government conducts initial screening; whether frontline officers proactively screen a reporting person for ascertaining signs of human trafficking at present; of the criteria that need to be met by reporting persons for them to be regarded as an HT victim;

(6) of the number of prosecutions instituted in the past five years against operators of employment agencies for withholding the passports of foreign domestic helpers ("FDHs"); the procedure followed by frontline officers in handling complaints about operators of employment agencies (i) withholding FDHs' passports and (ii) overcharging FDHs; and

(7) whether there is a specific category of visa for application by foreigners who intend to work as entertainers in bars and clubs in Hong Kong; if so, of the relevant details, including (i) whether such visa applications must be accompanied with the information of sponsors/guarantors, (ii) the conditions of stay set out in the visas, (iii) the number of visas issued in the past five years, (iv) the countries/regions from which the applicants concerned came, and (v) if officers of the Immigration Department currently conducts inspections of the working places of visa-holders to check if the conditions of stay have been complied with; if so, of the details?

SECRETARY FOR SECURITY: President, in consultation with the Labour Department ("LD") and the Social Welfare Department ("SWD"), the reply to Mr KWOK's question is as follows:

Although there is no sign that Hong Kong is being actively used by syndicates as a destination or transit point for human trafficking, or that human trafficking is a prevalent or widespread problem in Hong Kong, the Hong Kong Special Administrative Region ("HKSAR") Government attaches great
importance to combating trafficking in persons. We have put in place a package of effective and comprehensive legislative and administrative measures to combat trafficking in persons with continuous enhancements.

The "2016 Trafficking in Persons Report" published by the Department of State of the United States was however not doing justice to the HKSAR Government. Its findings have displayed a total disregard of our continuous and strenuous efforts to tackle trafficking in persons. In particular, we cannot accept the allegation that Hong Kong is a destination, transit and source territory for men, women and children subjected to sex trafficking and forced labour. The HKSAR Government vehemently and categorically rejects Hong Kong's grading in the Report.

(1) to (5)

The measures put in place by the HKSAR Government to combat trafficking in persons are comprehensive and multi-faceted. They include, among other things:

(i) Identification of victims

Since July 2016, the Hong Kong Police Force ("Police") and the Immigration Department ("ImmD") have put in place a new guideline and enhanced mechanism for human trafficking victim screening and identification, which have replaced the 'action card' mentioned in the question. The Customs and Excise Department ("C&ED") has also implemented a human trafficking victim screening mechanism since March 2017. It is a two-tier victim identification and referral mechanism. The first tier features a standard procedure under which the Police, ImmD or C&ED officers would conduct initial screening on vulnerable persons, including sex workers, illegal immigrants and foreign domestic helpers ("FDHs"), etc., who are arrested or who put themselves forward to the authorities with a view to ascertaining whether they are human trafficking victims. When any human trafficking indicator is revealed in initial screening, officers will conduct a full debriefing and identification process by using a standardized checklist to
ascertain the presence of human trafficking elements, such as threat and coercion in the recruitment phase and nature of exploitation.

Under the second tier response, identified human trafficking victims will be referred to relevant departments for follow-up and will be provided with holistic and humane protection, including urgent intervention, medical services, counselling, shelter and other supporting services according to their individual situations.

(ii) Protection

Each and every potential trafficking-in-persons victim identified would be provided with, among other things, the following support/protection:

(a) When circumstances warrant, the Police will activate witness protection programme to protect the victims from further exploitation; they would also seek assistance from overseas law enforcement agencies ("LEAs") for providing assistance and assurance to victims and families in their home country;

(b) the victims will be provided with the necessary support and assistance in a timely manner, including the provision of shelter, medical services, psychological support, counselling and financial assistance, etc. Where necessary, SWD will assist to assess the welfare needs for the victims and provide them with the appropriate services;

(c) departments concerned may consider providing financial assistance to victims residing overseas to enable them to return to Hong Kong to testify as witnesses. The assistance covers expenses incurred during their stay in Hong Kong, including accommodation, passage, daily subsistence and visa processing fees, etc.;
(d) departments concerned will bring the cases to the attention of the Prosecutions Division of the Department of Justice ("DoJ") promptly with all relevant materials and information, so that a timely and proper assessment of the issue, including the question of immunity, can be made by DoJ;

(e) ImmD will grant visa extension and waive the visa fees for victims who need to stay in Hong Kong to act as prosecution witnesses in legal proceedings instituted by the Police, ImmD or LD; and

(f) ImmD may also consider granting exceptional approval for FDHs to change employers when there is evidence suggesting they are being exploited or abused by their employers.

(iii) Training

Training on anti-human trafficking is offered to the officers of LEAs, LD, SWD and prosecutors of DoJ, etc. In 2016, over 1 000 government officials from Security Bureau, DoJ, Police, ImmD, LD, C&ED and SWD have received local/overseas trafficking in persons-related training. Relevant LEAs have included the theme of trafficking in persons into their induction training for all officers. LD has also included training on labour legislation which provides protection against, among other things, child labour and exploitation such as non-granting of statutory holidays and underpayment of wages for their officers. In addition, LEAs, LD and DoJ have also organized specialized training for relevant officers.

In recent years, the Government invited experts focusing on human trafficking from the European Union and other non-government organizations (for example, Liberty Asia and the Mekong Club) to conduct specialized training workshops to the officers from various bureau and departments, including Security Bureau, DoJ, Police, ImmD, C&ED, LD and SWD.
The training covered prevention of human trafficking, victim identification and protection, investigation techniques, relevant legislation and case law, trend of the crime, etc. Besides, various departments also actively participate in various international conferences and workshops to identify the best practice to combat human trafficking and share human trafficking intelligence and experience.

(6) According to information provided by LD, an employment agency, without obtaining the explicit consent of a job-seeker, shall not retrieve or withhold any personal property of the job-seeker concerned, including his/her passport, or the employment agency concerned may contravene the Theft Ordinance (Cap. 210). Upon receipt of complaints from FDHs against employment agencies keeping their passports without their consent, LD will refer the cases to the Police for investigation.

Employment agencies in Hong Kong are regulated by Part XII of the Employment Ordinance (Cap. 57) and the Employment Regulations (Cap. 57A) which stipulate that an employment agency must obtain a licence before operation and the fees it charges on a job-seeker shall not exceed the prescribed commission, which is 10% of the first month's salary of the job-seeker upon successful placement. LD has been taking rigorous enforcement actions against employment agencies on charging job-seekers excessive placement fees. Upon receipt of a complaint concerning a job-seeker being overcharged, LD will initiate investigation immediately. Where there is sufficient evidence, prosecution will be instituted. The complainant concerned will be invited to act as prosecution witness where necessary.

(7) There is no specific category of visa for foreigners working as entertainers in bars and clubs in Hong Kong. Non-local professionals who possess special skills, knowledge or experience of value to and not readily available in HKSAR may apply to come to work under the General Employment Policy, which is applicable to foreign nationals as well as residents of Taiwan and Macao, or under the Admission Scheme for Mainland Talents and Professionals,
which is applicable to Mainland residents. These two immigration policy/scheme are quota-free and non-sector specific. The application may be favourably considered if the applicant fulfils normal immigration requirements and the eligibility criteria. In addition, the employer must provide relevant information and documentary proof in support of the application. Those allowed to come to Hong Kong on employment condition are subject to conditions of stay. They can only take such employment as approved by the Director of Immigration, and their duration of stay permitted in Hong Kong will depend on the justification for and period of such employment. ImmD does not maintain the statistics on visas issued specific to foreigners working as entertainers in bars and clubs under the two policy/scheme.

ImmD has all along been strictly assessing applications for coming to Hong Kong for employment. It is the responsibility of both the applicants and employers to provide full and correct information to ImmD. During assessment of applications, ImmD may conduct field inspection on the relevant workplace where necessary. ImmD also conducts spot checks related to employment visa/entry permit applications from time to time, including inspections of the relevant workplace to verify that the mode of operation, work environment and number of employees, etc. are consistent with the information declared by the applicant or his/her employing company.

Enacting legislation to ban participants of public assemblies and demonstrations from wearing masks

14. **MR CHAN HAK-KAN** (in Chinese): President, some studies have found that persons who wear masks during public assemblies and demonstrations tend to believe that as they have covered their faces, they can still evade legal liability after committing unlawful acts. As such, they are more likely than others to commit violent acts and damage other people's property. Also, their violent acts are of greater gravity and are targeted at more innocent people. It is learnt that some overseas countries have enacted legislation to ban their people from wearing masks during public assemblies and demonstrations as well as in public places. In this connection, will the Government inform this Council:
(1) among the arrestees in the occupation movement in 2014 and the riot in Mong Kok in February last year, of the respective numbers of those who were wearing masks when they allegedly committed the relevant offences; among such arrestees, the numbers of those who were eventually not prosecuted because the Police did not have sufficient evidence to prove offenders' identities;

(2) whether the Police and the relevant government departments have studied if the consideration of "being able to conceal one's own identity" will make criminals blatantly engage in more severe acts of violence; if so, of the details;

(3) given that police officers may not be able to arrest offenders on the spot during large-scale public assemblies, whether the Police have studied if the gathering of evidence afterwards has become more difficult due to the fact that those people were wearing masks when they committed the offences; and

(4) whether, following the riot in Mong Kok, the authorities have studied the enactment of legislation to ban participants of public assemblies and demonstrations from wearing masks, and have made reference to relevant overseas practices; if so, of the details; if not, the reasons for that?

SECRETARY FOR SECURITY (in Chinese): President, with regard to Mr CHAN Hak-kan's question, I provide below a consolidated reply:

During the illegal "Occupy Movement" in 2014, a total of 955 persons were arrested by the Police, and another 48 persons were arrested by the Police after the incident. Their alleged offences included unlawful assembly, arson, possession of offensive weapons, criminal damage, wounding, assaulting a police officer, common assault, possession of imitation firearms, theft, criminal intimidation, indecent assault, possession of dangerous drugs and possession of Part I poisons, etc. As at 27 March 2017, a total of 225 persons have been or are being dealt with by legal proceedings, of which 123 are subject to legal consequences. The Police do not maintain the number of arrestees above who were wearing masks or covering their faces with objects when they allegedly committed the relevant offences.
The Department of Justice makes prosecution decisions in accordance with the principles set out in the Prosecution Code. Unless there is sufficient admissible evidence so that the case has a reasonable prospect of conviction, and that it is in the public interest to prosecute, no prosecution should be commenced. The decision of whether to prosecute or not is based on various considerations. The Police do not maintain the individual considerations or circumstances for the cases above in which the arrestees were ultimately not charged.

Police officers are conferred with power by existing legislation to inspect the proof of identity of the public and verify the identity of suspicious persons and arrestees. According to Section 54 of the Police Force Ordinance (Cap. 232), if a police officer finds any person in any street or public place acting in a suspicious manner, he is empowered to stop the person for the purpose of demanding that he produces proof of his identity for inspection. If the person is wearing a mask, the police officer may also ask him to take it off for the purpose of verifying his identity. When a suspicious person is arrested, the police officer may ask him to take off his mask for the purpose of identifying his identity.

If people engaged in unlawful activities do not wear masks or have their faces covered with objects, it will doubtlessly make them more easily identifiable, and may make it easier for the police to conduct investigation and gather evidence. Nevertheless, the wearing of a mask while committing an offence does not mean that one can completely evade the investigation of the police. For instance, nine persons have been convicted for their unlawful acts in the Mong Kok riot as at 27 March this year. Among those, seven persons were wearing masks when committing the relevant offences, and three of them were found guilty of the offence of riot by the Court and each sentenced to three years' imprisonment. This shows that nobody should take that they could evade the legal consequences by wearing a mask when engaging in unlawful acts.

The Government have been paying close attention to the discussions of all sectors on anti-mask legislation, and note that there are both positive and negative views in the community. Those in support of legislation consider that anti-mask legislation can deter people from engaging in illegal acts with their faces covered; and in the case of demonstrations or occasions to express one's opinions, whilst the persons concerned hope their views to be heard, their identities ought to be known by others to exhibit their fearlessness and willingness to accept responsibility, including the responsibility for these opinions and the legal consequences of committing an offence. On the other hand, those opposing legislation hold that people should be free to decide whether to cover their faces; and that the prohibition of protestors or those who express their opinions from
doing so will only make them more hostile to law enforcement, segregate the society and would not help to curb violent acts.

For the Government to enact any new legislation or amend existing legislation, it must prudently look into and carefully consider the various potential impacts that the law may bring. We note that some countries in Europe and America have enacted similar legislation. We are now exploring the issue, including the specific provisions of relevant law overseas, their legislative background, scope of regulation, accepted exceptions, previous decided cases, verdicts and sentencing, and how they strike a balance between the legislative intent and issues like personal privacy and other rights. As the issues involved are complex with far-reaching impact, the exploration is still ongoing. We will continue to listen to the views of various sectors of the community on this matter.

**Measures to encourage childbearing**

15. **DR ELIZABETH QUAT** (in Chinese): President, statistics from the Census and Statistics Department indicate that in recent years, there has been a trend of delayed marriage and childbearing as well as low fertility rate for the female population of Hong Kong. The total fertility rate of Hong Kong in the past year ranked the fourth lowest among 224 countries and regions in the world. In respect of measures to encourage childbearing, will the Government inform this Council:

(1) given that the municipal government of Urayasu in Japan has introduced a subsidy scheme for freezing women's eggs, whether the Government will allocate funds for setting up an oocyte bank to assist women with advanced maternal age in childbearing; if so, of the details; if not, the reasons for that;

(2) given that the current waiting time for public assisted-reproduction services is 5 to 18 months, and private services cost more than $100,000, whether the Government will increase the quota for such public services; if so, of the details; if not, the reasons for that;

(3) whether, to alleviate the financial burden of parents, the Government will:

   (i) provide childcare allowances for middle-class and low-income families with children aged three or below;
(ii) increase the level of child tax allowance and introduce tax
deduction for children's educational expenses, as well as
provide other tax concessions;

(iii) increase the subsidies for whole-day and long whole-day
kindergartens so that such kindergartens will no longer need
to collect tuition fees from parents; and

(iv) bring early childhood education into the coverage of the
School Textbook Assistance Scheme;

if it will implement the aforesaid measures, of the details; if not, the
reasons for that;

(4) whether it will provide government employees with paid maternity
leave and paid paternity leave which are more favourable than the
statutory requirements so as to take the lead;

(5) whether it will conduct a study on amending the Employment
Ordinance (Cap. 57) to require employers to provide full-pay
maternity leave and paternity leave for their employees, and raise
the penalties for discrimination against pregnant female employees;
if so, of the details; if not, the reasons for that;

(6) of the new measures for promoting organizations from the public
and private sectors to more actively implement family-friendly
employment initiatives, such as flexible working hours, five-day work
week, parental leave and workplace childcare services; and

(7) of the latest progress made by the Government in implementing the
initiative of providing additional childcare places mentioned in the
2017 Policy Agenda; whether it has any plan to enhance the
home-based childcare service and after school care programmes, so
that dual-income parents will not shelve their childbearing plans due
to worries of not being able to deal with childcare issues; if so, of the
details; if not, the reasons for that?
CHIEF SECRETARY FOR ADMINISTRATION (in Chinese): President, in 2013-2014, the Steering Committee on Population Policy ("SCPP") led by the Chief Secretary for Administration conducted a review of the population policy, including our low fertility rate. SCPP took note that Hong Kong's total fertility rate has been lower than the replacement level of 2.1 for more than three decades. It has remained between 0.9 and 1.3 since mid-1990s. As in other Asian developed economies such as Singapore, South Korea, etc., a decreasing marriage rate, as well as delayed marriage and childbearing are the main contributing factors of our low fertility rate. As these factors are essentially a matter of personal choice and lifestyle preference, SCPP was of the view that government policy alone could hardly revert the low fertility trend. Childbearing after all is a major family decision. Excessive government intervention may not be appropriate.

Nevertheless, SCPP agreed that the Government, employers and the wider community should provide better support for couples who wish to have children. To this end, SCPP formulated a number of measures. These measures together with other population policy initiatives were announced in the 2015 Policy Address. More elaborations were given in the government publication entitled "Population Policy—Strategies and Initiatives" released in January 2015 <www.hkpopulation.gov.hk>. The measures cover the majority of issues in Dr QUAT's question, including strengthening child care and after-school support services, encouraging employers to adopt family-friendly measures, implementing the free quality kindergarten education (in particular to increase the number of whole-day ("WD") and long WD ("LWD") places and provide subsidy for these places), raising the child allowance under the tax system, improving the assisted reproductive technology services in public hospitals, strengthening support for breastfeeding, providing parenting information for families with newborns, etc.. Apart from creating a favourable environment to assist citizens to realize the aspiration for childbearing, these measures can also help working parents balance family and work commitments. In the past two years or so, bureaux and departments have by and large implemented the measures.

In response to Dr QUAT's question, our specific replies are as follows:

(1) Oocyte cryopreservation is not risk free. Ovarian stimulation may result in ovarian hyperstimulation syndrome and egg retrieval is an invasive procedure which carries the risks of infection, bleeding and damage to other organs. On the other hand, with increasing age,
the success rate for In-vitro Fertilization ("IVF") decreases while pregnancy risks such as gestational hypertension, gestational diabetes, premature labour, stillbirth, etc. increase. As a matter of fact, current data on safety and efficacy are not sufficient to recommend oocyte cryopreservation for the sole purpose of deferring childbearing in healthy women. Making the technology available for this purpose may give women false hope and lead to their missing of best reproductive years, as well as bring about societal and family problems. This is not a sustainable population policy measure.

(2) The Hospital Authority ("HA") understands the strong demand for assisted reproductive technology service in the community. To build up the service capacity of IVF to cope with the increasing demand, the Queen Mary Hospital ("QMH") provides additional 100 IVF cycles in 2016-2017. Furthermore, nurse infertility triage services will be set up in QMH, the Prince of Wales Hospital and the Kwong Wah Hospital to shorten the waiting time for infertility clinic referral in the HA Annual Plan 2017-2018. The Government and HA will continue to monitor closely the demand for assisted reproductive technology service in order to review the service provision.

(3) (i) The Government has been implementing the Low-income Working Family Allowance ("LIFA") Scheme since May 2016. Each eligible child in a LIFA family (including children aged three or below) may receive a monthly Child Allowance of $800 (full rate) or $400 (half rate). This can alleviate parents' financial burden and ease inter-generational poverty.

(ii) The Government has kept the various existing tax allowances under review and made adjustments as appropriate. Over the past six years, the Government has increased the child allowance and additional allowance four times, so as to help relieve the financial burden of taxpayers in raising their children. The child allowance was last increased in the year of assessment 2015-2016. The child allowance is presently $100,000 and in the assessment year the child is born, there is an additional allowance of $100,000.
As regards proposed tax deduction for specific expenditure item, the Government must pay due regard to the overall financial commitments and the existing narrow tax base. To avoid complicating the tax regime, one-off tax reduction and increase in tax allowance can address these requests more directly.

(iii) and (iv)

The kindergarten sector in Hong Kong is characterized by a high level of flexibility, diversity and vibrancy. In light of the different development targets of individual school sponsoring bodies, it does not represent prudent use of public money for the Government to commit totally free kindergarten education for all students or to subsidize every facet of the present and future kindergarten education.

For WD and LWD services, existing evidence from researches and studies precludes drawing conclusions that WD programmes are more favourable to young children than half-day ("HD") programmes. Studies show that family education plays a crucial and complementary role in shaping young children. An HD programme can achieve the requirements of the curriculum and would allow relatively more family time for young children to play and interact with their family in a less-structured and more relaxing setting to nurture their bonding and sense of security. Although many countries offer WD services for parents as an option, it is not a common practice internationally to provide free WD kindergarten service for all children from three to six years of age.

Having considered the developmental needs of children and overseas practices, we are of the view that the basic tenet of the new policy is that the Government's subsidy to each eligible kindergarten would be sufficient for it to provide quality HD services according to the standards prescribed by the Government. Notwithstanding that, to unleash the potential of the local labour force under the population policy, we will provide, on a co-payment basis with parents, an additional provision of 30% and 60% for eligible
kindergartens offering WD and LWD services respectively. The additional subsidy from Government should keep the school fees at a low level. According to the information submitted by kindergartens participating in the Free Quality kindergarten Education Scheme by the end of November 2016, among the about 600 kindergartens providing offering WD or LWD services, about 50% of WD kindergartens initially estimate that they will charge a monthly school fee of $1,000 or below, representing a significant increase from about 5% in the 2016-2017 school year.

Needy families may apply for fee remission under the Kindergarten and Child Care Centre Fee Remission Scheme ("KCFRS") which has three subsidy levels of 100%, 75% or 50%. Besides, starting from the 2017-2018 school year, we will provide an additional grant for kindergarten students from needy families to defray school-related expenses incurred from the students' kindergarten education. The families concerned have to pass the means test of the Student Finance Office of the Working Family and Student Financial Assistance Agency and meet the same eligibility criteria under KCFRS. The grant rate will be pegged at the level of grant for school-related expenses (i.e. books, stationery, school uniforms, miscellaneous and minor one-off expenses) for kindergarten students under the Comprehensive Social Security Assistance ("CSSA"). For the 2016-2017 school year, the relevant CSSA grant is $3,770.

(4) Within the Government, female employees are entitled to full-pay maternity leave of 10 weeks and male employees are entitled to full-pay paternity leave of five working days starting from April 2012. Both leave entitlements are better than those provided under the Employment Ordinance ("EO").

(5) EO clearly stipulates that a pregnant employee is entitled to 10 weeks' continuous maternity leave and maternity leave pay if she fulfils the eligibility criteria. The rate of maternity leave pay is set at four fifths of the employee's average daily wages under EO, which compares favourably with the no less than two-third maternity leave pay level stipulated by the relevant International Labour Convention.
It is also provided under EO that an employer shall not dismiss an employee during her pregnancy or maternity leave, except for summary dismissal due to the employee's serious misconduct. An employer who contravenes this provision is liable to a maximum fine of $100,000 if convicted upon prosecution. Moreover, the employer is required to make payment in lieu of notice, a further sum equivalent to one month's wages as compensation, and 10 weeks' maternity leave pay (if, but for the dismissal, the employee would have been entitled to such payment). The above provisions protect pregnant employees from dismissal during pregnancy and maternity leave, and ensure that their employment rights and benefits will not be affected because of pregnancy and confinement.

Comprehensive protection to pregnant employees is being provided by EO, and a reasonable balance has been struck between the interests of employers and employees. In considering any further improvement to the maternity benefits for pregnant employees, we have to duly take into account Hong Kong's socio-economic situation and whether there is broad consensus in the community.

Statutory paternity leave has been provided since 27 February 2015. Eligible male employees are entitled to three days' paternity leave at the rate of four fifths of the average daily wages. The Labour Department ("LD") is reviewing the implementation of statutory paternity leave, which covers, among others, the rate of paternity leave pay. The Department will report the outcome of the review to the Labour Advisory Board and the Legislative Council Panel on Manpower within 2017.

The Government has all along been supportive of family-friendly employment practices, and has been encouraging employers, having regard to the individual circumstances and affordability of their own enterprises as well as the unique business environment and operations of specific industries, to adopt measures of family-friendly employment practices that best serve the interests of their enterprises and employees.
As one of the facilitators, LD is committed to promoting family-friendly employment practices to the community through a wide range of publicity channels and various promotional activities. Employers are encouraged to adopt "employee-oriented" good people management measures with a view to helping employees balance their work and family responsibilities. Employers are encouraged to provide their employees with more favourable employment benefits than the statutory requirements and provide them with flexible and varied work arrangements and support (e.g. flexible working hours, five-day work, work from home, parental leave, child care service, etc.) to meet individual employees' special needs at their different stages of life. Other than LD, the Home Affairs Bureau through the Family Council ("the Council") also promotes family-friendly employment practices in the community.

Since 2011, the Home Affairs Bureau and the Council have been organizing the "Family-Friendly Employers Award Scheme" ("Award Scheme") on a biennial basis to recognize employers who attach importance to family-friendly spirit and encourage them to continue to implement family-friendly employment practices. The response to the recently completed 2015-2016 Award Scheme was very positive with enrolment of 2,700 companies and organizations, representing an increase of some 50% as compared with that in the previous Award Scheme. Among the 2,555 companies and organizations receiving Family-Friendly Employers awards, many have put in place diversified and flexible family-friendly employment practices, such as the introduction of flexible working locations, provision of child care facilities in the workplace and caring holidays for elderly family members, to facilitate employees in taking care of their families. In 2017, the Home Affairs Bureau and the Council will widely publicize some model family-friendly employment practices through showing short videos on different media and organizing experience sharing sessions in the second quarter of the year for the outstanding awardees to present their good practices with a view to further disseminating the merits of adopting family-friendly employment practices at the community level.

The Government has also been encouraging private enterprises and other non-governmental organizations ("NGOs"), if their operational environment permits, to establish work-based child care centres, and
this has received some certain degree of support. A recent example is the provision of the "Airport Preschool" by the Hong Kong Airport Authority to provide child care service for staff working in the Airport with children aged three or below. The Government will continue to explore the feasibility of providing in the proposed Government Complex in Tseung Kwan O, on a pilot basis, 100 NGO-operated child care places for staff members.

Lastly, as a good employer, the Government has endeavoured to provide a family-friendly working environment to its employees. Taking into account the actual operational needs, Heads of Department may arrange flexible attendance hours and approve no-pay leave for individual staff to meet the latter's needs. The Government has implemented the Five-day Week initiative since 2006 with a view to improving the work-life balance of its employees, subject to the basic principles of no reduction in the conditioned hours of work of individual staff, no additional staffing resources, no reduction in emergency services and continued provision of some essential counter services on Saturdays/Sundays. At present, over 70% of government employees are working on a Five-day Week work pattern. Departments will continue to promote this work model.

(7) The Government strives to provide more aided standalone child care centres. Apart from increasing 48 places in the existing seven aided standalone child care centres through in situ expansion from 2014-2015 to 2016-2017, the Government also plans to provide about 100 additional aided long full-day child care places for children aged below three in 2018-2019. The Government will continue monitoring the demand for various types of child care services. Since October 2014, the Government has enhanced the Neighbourhood Support Child Care Project, by extending the age limit of children receiving the service from aged under six to aged under nine, allocating additional resources to the operators to enhance social work support, and providing at least 234 additional home-based child care service places. The Government has commissioned the University of Hong Kong in December 2016 to conduct a consultancy study, so as to assist the Government in its planning for the long-term development of child care services.
Schools and NGOs may participate in the School-based After-school Learning and Support Programmes implemented by the Education Bureau for funding to organize school-based and district-based after-school activities for disadvantaged students respectively. Apart from facilitating their whole-person development and personal growth, the Programmes can also alleviate the financial burden of working parents in raising children. Starting from the 2014-2015 school year, the total annual provision for the Programmes has been increased to about $240 million, with the funding for school-based and district-based after-school activities each accounting for about half of the total provision. To further support parents who may need to work over weekends, or those with longer/unstable working hours, the Government has enhanced the After School Care Programme ("ASCP") since December 2014, by allocating additional resources to some ASCP operators for providing more fee-waiving and fee-reduction quotas across the territory and extending the service hours on weekday evenings, Saturdays, Sundays and school holidays.

Employees' compensation

16. MR LEUNG YIU-CHUNG (in Chinese): President, some representatives of labour groups have relayed to me that there are a lot of inadequacies in the system for the lodging of compensation claims arising from work injuries and deaths by the employees concerned or their family members, which include the lengthy claim process, the lack of power for the Labour Department ("LD") to rule on labour disputes involving employees' work injury compensation, and the need for claimants to contact the various relevant government departments, insurance companies, medical institutions and courts concerned. In this connection, will the Government inform this Council:

(1) of the respective annual numbers of employers (i) prosecuted by LD and (ii) convicted in 2015 and 2016 for failure to take out insurance policies on employees' compensation ("labour insurance policies");
(2) of the respective numbers of (i) written warnings issued and (ii) prosecutions instituted by LD against employers defaulting on the periodical payments and the payment of medical expenses to the employees injured at work, as well as (iii) the number of such employers convicted, in each year from 2014 to 2016;

(3) of the respective numbers of compensation cases received in each year from 2013 to 2016 by LD which involved work injury accidents resulting in incapacity of employees for a period (i) exceeding and (ii) not exceeding three days;

(4) among the compensation cases received in each year from 2010 to 2016 by LD which involved work injury accidents resulting in incapacity of employees for a period exceeding three days, of (i) the respective numbers of those settled and unsettled (and reasons thereof) within one year, (ii) average waiting time for medical assessments and total amount of compensation involved, in respect of settled cases, as well as (iii) the number of working days lost;

(5) of the respective numbers of cases in which employees injured at work were referred by LD to the Legal Aid Department in each year from 2010 to 2016;

(6) whether the authorities will consider empowering LD to rule on labour disputes involving employees' work injury compensation; if so, of the details; if not, the reasons for that; and

(7) whether it will consider setting up a central employees' compensation fund to replace the current arrangement for employers to take out labour insurance policies with authorized insurance companies; if so, of the details; if not, the reasons for that?

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to the question raised by Mr LEUNG Yiu-chung is as follows:

(1) In 2015 and 2016, the yearly numbers of summonses heard and convicted in respect of failure to take out employees' compensation insurance under the Employees' Compensation Ordinance ("ECO") as processed by the Labour Department ("LD") are provided below:
LD does not keep the number of employers involved in these summonses.

(2) From 2014 to 2016, the yearly numbers of summonses heard and convicted in respect of failure to pay periodical payments on time under ECO as processed by LD are provided below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of summonses heard</th>
<th>Number of summonses convicted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>19</td>
<td>14</td>
</tr>
<tr>
<td>2015</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>2016</td>
<td>93</td>
<td>61</td>
</tr>
</tbody>
</table>

LD does not keep the number of employers involved in the above summonses convicted and the number of written warnings issued to employers for failure to pay periodical payments and medical expenses to employees under ECO. Besides, since failure to pay medical expenses is not a prosecutable offence under ECO, LD does not have the related prosecution and conviction figures.

(3) From 2013 to 2016, the yearly number of employees' compensation claims reported under ECO and received by LD is provided below:

<table>
<thead>
<tr>
<th>Duration of incapacitation</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than three days</td>
<td>39 072</td>
<td>38 386</td>
<td>36 923</td>
<td>36 420</td>
</tr>
<tr>
<td>Not more than three days</td>
<td>16 096</td>
<td>15 531</td>
<td>14 994</td>
<td>15 134</td>
</tr>
<tr>
<td>Total</td>
<td>55 168</td>
<td>53 917</td>
<td>51 917</td>
<td>51 554</td>
</tr>
</tbody>
</table>

Note:

^ Figures include fatal cases.

(4) From 2010 to 2016, of the work injury compensation claims involving incapacitation of employees for more than three days reported under ECO and received by LD in each year, the number of
claims settled in the same respective year, the amount of compensation involved and the total number of working days lost are provided below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of claims settled in the same respective year</td>
<td>27 063</td>
<td>25 537</td>
<td>24 909</td>
<td>23 740</td>
<td>23 054</td>
<td>22 538</td>
<td>22 156</td>
</tr>
<tr>
<td>Amount of compensation involved ($million)</td>
<td>198.1</td>
<td>209.4</td>
<td>214.3</td>
<td>226.4</td>
<td>233.0</td>
<td>270.5</td>
<td>272.5</td>
</tr>
<tr>
<td>Total number of working days lost</td>
<td>413 551</td>
<td>391 421</td>
<td>394 090</td>
<td>396 705</td>
<td>390 353</td>
<td>408 292</td>
<td>407 679</td>
</tr>
</tbody>
</table>

In the above period, of the work injury compensation claims involving incapacitation of employees for more than three days reported under ECO and received by LD in each year, the number of claims which were not settled in the same respective year is provided below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of claims not settled in the same respective year</td>
<td>15 563</td>
<td>15 515</td>
<td>15 588</td>
<td>15 332</td>
<td>15 332</td>
<td>14 385</td>
<td>14 264</td>
</tr>
</tbody>
</table>

The above claims were not settled in the same respective year owing to various reasons, such as awaiting expiry of employees' sick leave, assessment of permanent incapacity or court judgment.

If the employees sustain work injuries which result in incapacitation for more than three days and will likely result in permanent total or partial incapacity, LD will arrange the employees to attend an assessment by the Employees' Compensation Assessment Board ("ECAB") after they have recovered or their medical condition is stabilized. Assessments are conducted by the relevant specialty departments (mainly the Orthopaedics and Accident and Emergency Departments) in 16 hospitals under the Hospital Authority. Employees' waiting time will be affected by the frequency of ECAB
meetings convened by the specialty departments of different hospitals, which varies from once a week to once every four weeks. The average waiting time for employees who were arranged to attend medical assessments from 2010 to 2016 is provided below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Average waiting time (in terms of weeks)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>10</td>
</tr>
<tr>
<td>2011</td>
<td>11</td>
</tr>
<tr>
<td>2012</td>
<td>11</td>
</tr>
<tr>
<td>2013</td>
<td>12</td>
</tr>
<tr>
<td>2014</td>
<td>11</td>
</tr>
<tr>
<td>2015</td>
<td>11</td>
</tr>
<tr>
<td>2016</td>
<td>10</td>
</tr>
</tbody>
</table>

Note:

* Mainly involving the Orthopaedics and Accident and Emergency Departments. Assessments by other specialty departments were arranged according to actual needs.

LD does not keep the average waiting time for medical assessments in respect of settled cases.

(5) From 2010 to 2016, of the reported work injury compensation claims involving incapacitation of employees for more than three days, the number of claims where employees sought legal aid or adjudication by the Court is provided below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of claims where employees sought legal aid or adjudication by the Court (as at the end of the reporting year of the claims)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>454</td>
</tr>
<tr>
<td>2011</td>
<td>491</td>
</tr>
<tr>
<td>2012</td>
<td>637</td>
</tr>
<tr>
<td>2013</td>
<td>594</td>
</tr>
<tr>
<td>2014</td>
<td>666</td>
</tr>
<tr>
<td>2015</td>
<td>669</td>
</tr>
<tr>
<td>2016</td>
<td>710</td>
</tr>
</tbody>
</table>
Employees may seek legal aid or adjudication by the Court for various reasons. LD does not keep the specific number of claims where employees seek legal aid. If the work injury sick leave of an employee does not exceed three days and no permanent incapacity is involved, the employer should make direct payment of compensation to the employee in accordance with ECO. LD does not keep statistics on employees seeking legal aid in this type of cases.

(6) LD administers ECO to assist employees who sustain a work injury or suffer from a prescribed occupational disease to receive compensation in accordance with ECO promptly. In case the employer or the employee raises dispute in a work injury case, LD will scrutinize the case in detail, explain the provisions of ECO to both parties and collect comprehensive information relating to the accident, and advise both parties on the likelihood and relevance of the case being a work injury. Most of the cases in dispute are resolved with LD's assistance. For those cases which cannot be resolved, the employee is entitled to seek adjudication from the Court and LD will assist him to apply for legal aid from the Legal Aid Department. At present, the Government has no plan to empower LD to adjudicate labour dispute involving employees' work injury compensation.

Since May 2016, LD has enhanced its support services for handling dispute in work injury cases through dedicated follow-up, early intervention, proactive contact with employers and employees, and arrangement of face-to-face meetings. The enhanced mode of services facilitates communication between employers and employees, clarification of issues under dispute and timely resolution of differences so as to protect the rights and benefits of employees.

(7) The existing employees' compensation system is primarily premised on a no-fault principle and employers' liability to pay compensation under ECO. At the same time, employers must, in accordance with ECO, take out employees' compensation insurance with authorized insurance companies. This is to ensure employers' ability to pay employees injured at work or family members of the deceased employees compensation stipulated in ECO and common law compensation awarded by the Court. Given that the
cost-effectiveness of a central employees' compensation fund has yet to be established and the above mentioned mode of operation has been working well, the current system better caters for the circumstances of Hong Kong and it is not advisable to make any substantial change at present.

Curbing the problem of youth gambling

17. **DR CHIANG LAI-WAN** (in Chinese): President, a survey conducted in recent months has found that secondary school students first placed their bets at an average age of 8.1 years only, and that there is a downward trend in the age of young people participating in gambling. Moreover, about 65% of the respondents indicated that they were first exposed to and learned about gambling activities through their parents. Regarding curbing the problem of youth gambling, will the Government inform this Council:

1. whether it knows, in each of the past five years, (i) the respective numbers of calls for assistance received by the four counselling and treatment centres for problem and pathological gamblers operated by non-governmental organizations, and (ii) the respective numbers of new cases in which face-to-face counselling or treatment services were provided by these centres to people seeking assistance;

2. given that the legal gambling age is set at 21 in the neighbouring countries and regions such as Singapore, Malaysia and Macao, whether the Government has any plan to raise the legal gambling age in Hong Kong from 18 to 21, so as to curb the problem of gambling addiction among young people; if so, of the details; if not, the reasons for that;

3. whether it will add contents about the harms of gambling to the relevant primary and secondary school curricula, and openly call for parents to set a good example and not to allow their children to participate in gambling activities, so as to prevent them from becoming addicted to gambling; if so, of the details; if not, the reasons for that;
(4) whether it will step up its publicity and educational efforts to make it easier for gamblers and their family members to become aware of the problem and pathological gambling behaviours and to seek assistance as early as possible;

(5) whether it has reviewed if the counselling, treatment and other services provided for problem and pathological gamblers at present are effective in helping them quit gambling; if it has, of the outcome; if not, the reasons for that; and

(6) whether it will inject part of the betting duty collected into the Ping Wo Fund managed by the Home Affairs Bureau to enhance the implementation of measures to prevent and alleviate problems relating to gambling; if so, of the details; if not, the reasons for that?

SECRETARY FOR HOME AFFAIRS (in Chinese): President, it is the Government's policy not to encourage gambling as addiction to gambling could cause harms to individuals and to society. However, we understand that there is a certain demand for gambling in the society and it is a pragmatic approach to allow a limited number of authorized gambling channels.

The Home Affairs Bureau attaches great importance to the prevention and alleviation of gambling-related problems, and has adopted a multi-pronged strategy including regulation through legislation, law enforcement against illegal gambling, public education on the harms of gambling addiction and provision of counselling and treatment services to people in need.

To finance preventive and remedial measures for problems caused by gambling, the Government established the Ping Wo Fund ("the Fund") in 2003. The Fund provides sponsorship for (1) researches and studies into the issues and problems relating to gambling; (2) public education and other measures to prevent and alleviate problems relating to gambling; and (3) counselling, treatment and other support services for gamblers with gambling disorder and those affected by them.

The Government has all along paid close attention to the prevalence of gambling activities among Hong Kong people. In 2016, the Fund commissioned the Hong Kong Polytechnic University to conduct a new round of study. The findings of the study will soon be released.
On the questions raised by Dr CHIANG, the reply is as follows:

(1) and (5)

The services currently provided by the four counselling and treatment centres financed by the Fund include telephone counselling, face-to-face counselling, mutual help groups and psychiatric treatment in serious cases. Gamblers with gambling disorder and their family members can call the gambling counselling hotline (183 4633) to immediately receive preliminary counselling services.

In the past five years, the number of enquiries received by the four centres via the Fund's hotline and the number of beneficiaries receiving counselling and treatment services provided by the four centres are tabulated below:

<table>
<thead>
<tr>
<th></th>
<th>Number of enquiries received via the Fund's hotline</th>
<th>Number of beneficiaries receiving counselling and treatment services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>13,841</td>
<td>2,286</td>
</tr>
<tr>
<td>2013</td>
<td>9,064</td>
<td>1,989</td>
</tr>
<tr>
<td>2014</td>
<td>8,975</td>
<td>1,913</td>
</tr>
<tr>
<td>2015</td>
<td>8,429</td>
<td>1,933</td>
</tr>
<tr>
<td>2016</td>
<td>8,818</td>
<td>1,927</td>
</tr>
</tbody>
</table>

The decline in the number of enquiries received via the Fund's hotline in recent years may be attributable to the shift in communication patterns among the public to more frequent use of online or social media. As such, starting from last year, the four centres have been operating dedicated social media page or hotline (e.g. WhatsApp, Facebook) in addition to the telephone hotline for public enquiry or request for assistance.

Last year, the Ping Wo Fund Advisory Committee ("the Advisory Committee") has, upon review, decided to allocate additional resources and increase funding support to the two centres serving Kowloon East and New Territories East regions starting from 2017
so as to raise their service outputs. Overall the Fund's total annual funding support to the four centres has been increased from $16.21 million in 2016 to $21.16 million in 2017, representing an increase by more than 30%. The four centres should now be able to handle about 2,400 cases per year. As for the other two centres serving Hong Kong Island, Kowloon West and New Territories West, their service contracts will expire in December 2017. We will conduct within this year a review on the service output, performance indicators and level of funding support for the two centres.

(2) The age of 18 is generally regarded as indicator of adulthood in Hong Kong, and it is also the statutory age for legal gambling in Hong Kong. Currently, there seems to be no prevailing view in our society requesting that the legal gambling age should be raised. Regarding any proposal to raise the legal gambling age in Hong Kong, the Government should examine prudently and take into account the views of various sectors in the society. The Government also has to consider carefully if such a proposal would divert young people aged between 18 and 21 to illegal gambling (including online gambling), and hence increase the risk of young people participating in illegal gambling and having gambling-related problems.

As for overseas practice, given that overseas places do not share the same background and objective factors with Hong Kong, their approach may not be directly applicable here. In fact, the restrictions on gambling age differ among various places and there is no standardized practice. For example, people in the United Kingdom can enter casinos when they are aged 18 but can buy lottery tickets at the age of 16. In Singapore, the law requires that people entering casinos must be aged 21 or above but the age for participating in horse race and sports betting and buying lottery tickets remains at 18. In Macao, people below the age of 21 are not allowed to enter the casinos, but the age of legally participating in horse race betting, football betting and basketball betting remains at 18.
To enhance promotion of no-gambling messages among young people and in communities, the Fund introduced the Ping Wo Fund Sponsorship Scheme in 2009 and the Ping Wo Fund School Project Grants in 2010 to sponsor non-governmental organizations and schools respectively for organizing anti-gambling publicity and education events. In 2016, the two schemes allocated a total of $8.6 million to finance 89 publicity and public education projects.

We all along emphasize the promotion of no-gambling messages among young people and fully understand the importance of family education to our young generation. Therefore, when vetting applications under the Ping Wo Fund Sponsorship Scheme, the Advisory Committee gives priority to activities that target young people or families as audience or beneficiaries and encourages such activities to raise public awareness of the risks of gambling associated with popular and new gambling channels (including football betting, online gambling, credit betting and betting through junkets).

Moreover, we provide resources to four counselling and treatment centres financed by the Fund to promote no-gambling messages in schools and communities and offer training for teachers, social workers and relevant individuals for their clearer understanding of the symptoms of gambling disorder so that they can seek assistance or make referrals in a timely manner.

At the same time, the Fund organizes, in collaboration with relevant bodies, publicity and public education programmes to discourage gambling addiction, and holds various territory-wide and district-level activities to step up promotion on the message of healthy living. For example, with the UEFA European Football Championship held in 2016, the Fund collaborated with relevant bodies to launch the promotional campaign entitled "Healthy Living. Kick Gambling!" under which various thematic activities were held across the territory and in communities to amplify anti-gambling messages among the public. Such activities include family fun
days, All-Star Youth Football Challenge targeting young people, campus movie screenings and thematic road shows at MTR stations cum Instagram photo competition.

(6) According to the Betting Duty Ordinance (Cap. 108), the Hong Kong Jockey Club ("HKJC") has to pay betting duty on its betting operations. The rate for horse race betting is 72.5% to 75% on the betting turnover netting prize moneys, while the rate for football betting is 50%. As for lotteries, apart from the 25% of proceeds being charged as betting duty, HKJC shall pay 15% of the proceeds into the Lotteries Fund to finance social welfare services.

HKJC will use its profits, after netting prize moneys, betting duty, profit tax and operating expenses, for charitable donations or organizing community projects including making donation to the Fund to support various measures to prevent and alleviate gambling-related problems. HKJC has all along been the major funding source of the Fund. It has previously undertaken to contribute $45 million to the Fund each year during the four-year period from July 2015 to June 2019. Home Affairs Bureau and the Advisory Committee will closely monitor the financial situation of the Fund, and will discuss and follow up with HKJC on the subsequent donation and relevant arrangements where necessary.

Haemophilia and thalassaemia patients infected with hepatitis C virus

18. DR PIERRE CHAN (in Chinese): President, some patients suffering from haemophilia and thalassaemia ("patients with blood diseases") have relayed to me that they were infected with hepatitis C virus many years ago after receiving blood transfusion or treatment involving blood products at public hospitals because, prior to July 1991, the Hong Kong Red Cross Blood Transfusion Service did not screen the collected blood for hepatitis C antibody, resulting in the blood or blood products carrying the virus. They consider that as they are innocent victims of hepatitis infection, the Government and the Hospital Authority are duty-bound to provide them with appropriate treatment for hepatitis. However, the treatment plans for hepatitis provided under the public healthcare system are not uniform, and medications having more side effects and with lower efficacy are prescribed. In this connection, will the Government inform this Council whether it knows:
(1) the number of attendances of hepatitis C patients with blood diseases receiving hepatitis treatment under the public healthcare system in the past five years and, among such patients, the number of those who were cured of hepatitis; and

(2) the current number of patients with blood diseases receiving hepatitis treatment under the public healthcare system and, among them, the number of those who have been referred to hepatology specialist outpatient clinics for hepatitis treatment (and set out in a table the breakdown by hospital cluster)?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, my consolidated reply to the various parts of the question raised by Dr Pierre CHAN relating to hepatitis C treatment for patients suffering from haemophilia and thalassaemia under the public health care system is as follows.

Being the major service provider in the publicly-funded public health care system, the Hospital Authority ("HA") places high importance on providing optimal care for all patients and ensuring fair and efficient use of limited public resources so that patients can receive fair and appropriate treatment under the highly subsidized public health care system.

Hepatitis C patients, including those also suffering from haemophilia and thalassaemia, will be assessed by their attending doctors for devising the most suitable treatment plan. According to the existing treatment plan of HA, haemophilia or thalassaemia patients who are infected with hepatitis C and have not yet received any assessment before will be referred to the gastroenterology and hepatology department of their respective hospitals or other relevant hospitals within the same cluster for assessment. Doctors will prioritize patients for receiving chronic hepatitis C treatment according to their clinical conditions and the severity of their liver diseases. Patients may consult their doctors for the latest information, recommendations and treatment plan.

Regarding the drug treatment of hepatitis C, HA introduced the new generation direct-acting antiviral drug ("DAA") as a Special Drug in the Drug Formulary in July 2014 for the treatment of chronic hepatitis C. In 2016-2017, three more DAAs were introduced as Special Drugs for treating the disease. Special Drugs are drugs used under specified clinical conditions with specific specialist authorization. These drugs are provided at standard fees and charges in public hospitals and clinics when prescribed under specific clinical conditions.
In 2017-2018, HA will make use of the additional recurrent funding of about $32 million provided by the Government to expand the clinical applications of these Special Drugs for the treatment of hepatitis C with a view to benefiting more patients.

HA does not maintain statistics on the number of haemophilia and thalassaemia patients infected with hepatitis C nor the number of these patients receiving treatment from HA.

Sexual assault and harassment cases in subvented homes

19. MR ANDREW WAN (in Chinese): President, recently, I have received a request for assistance from a member of the public alleging that her daughter had been sexually assaulted in a small group home. Moreover, it is learnt that in recent years, a number of sexual assault cases have occurred in residential care homes for persons with disabilities. In this connection, will the Government inform this Council:

(1) of the respective numbers of complaints received by the Social Welfare Department ("SWD") in each of the past five years about persons with disabilities, the elderly, youth and children being sexually assaulted or harassed in subvented homes, broken down by the relationship between the suspected offender and the victim; among such suspected offenders, the number and percentage of those who claimed that they had been sexually assaulted or harassed in the past;

(2) of the approach currently adopted by SWD for handling the complaints mentioned in (1); whether SWD has reviewed the effectiveness of such approach; if so, of the details; if not, the reasons for that; whether SWD has formulated guidelines on the handling of such complaints for reference by frontline staff; if so, of the details; if not, the reasons for that;

(3) whether SWD has provided support for the victims of those complaints mentioned in (1); if so, of the details; among such victims, of the number and percentage of them who were not provided with any support in the past five years; and
(4) regarding those subvented homes with confirmed cases of residents being sexually assaulted or harassed, whether SWD will penalize the operators concerned and take follow-up actions; if so, of the details?

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to the question raised by Mr Andrew WAN is as follows:

(1) and (3)

The numbers of complaints or incident reports received by the Social Welfare Department ("SWD") during the period from 2012-2013 to 2016-2017 (up to 28 March 2017) about service users being sexually assaulted or harassed in subvented homes/subvented residential child care service (1) units are set out at Annex.

In those cases, SWD requested the agencies concerned or the responsible social workers to provide support to the victims/suspected victims through multi-disciplinary collaboration, including formulating suitable welfare plans for them as well as rendering counselling and emotional support having regard to their needs and those of their family members. Besides, when handling the case involving children as referred to at Annex, SWD adopted a case manager approach in the intervention process whereby a child victim would only be required to interact with the case manager most of the time. This could reduce the stress felt on the part of the victim and the victim would not need to be subjected to the trauma of repeating the account of the unpleasant experience.

SWD does not have statistics on whether the offenders/suspected offenders claimed that they had been sexually assaulted or harassed in the past.

(2) and (4)

When SWD is aware of or receives a complaint about a resident of a subvented home or subvented residential child care service unit suspected of being sexually assaulted or harassed by the staff or

(1) Residential child care services refer to the residential care services provided to children and young persons aged under 21, including foster care services, small group homes and other residential homes.
another resident of the same home or service unit, SWD will, in accordance with the relevant ordinances and/or administrative guidelines, arrange for its staff to visit the home/service unit concerned to conduct investigation, and request the agency concerned to submit a report to SWD promptly. SWD will also request the agency concerned or the responsible social worker to provide support to the suspected victim and his/her family members through multi-disciplinary collaboration and to follow up on their welfare needs. Where any suspected criminal offence is involved, SWD will request the agency to refer the case to the Police in parallel.

If there is a complaint against a service subvented under the Lump Sum Grant ("LSG") for not having complied with the relevant LSG funding requirements, the agency being complained about will be asked to handle the complaint in accordance with its established policy and procedures, and to reply to the complainant direct. If the complainant is dissatisfied with the agency's reply, and if the complaint falls within the remit of the LSG Independent Complaints Handling Committee ("ICHC"), the case will be examined by ICHC which, where necessary, will make recommendations to SWD on the follow-up actions.

If the above investigation conducted under ordinances, administrative guidelines and/or the LSG complaint handling mechanism substantiates that a subvented home/service unit fails to comply with SWD's requirements in operating its service, SWD will issue a written warning and/or give directions requesting the home/service unit concerned to implement improvement measures. SWD will continue to monitor the operation of the home/service unit and its implementation of the improvement measures. Where non-compliance persists, SWD may withhold or terminate its subvention, or take further actions under the relevant ordinances having regard to the actual non-compliance.

SWD will keep in view the effectiveness of the above mechanism from time to time to ensure that service users and their family members can receive timely support and that the quality of subvented services will be safeguarded.
Annex

Numbers of complaints or incident reports which SWD received from 2012-2013 to 2016-2017 (up to 28 March 2017) about service users being sexually assaulted or harassed in subvented homes/subvented residential child care service units

| Number of complaints or incident reports (including confirmed cases and suspected cases) |
|-----------|-----------|-----------|-----------|-----------|
| Offender being staff | Offender being resident | Offender being staff | Offender being resident | Offender being staff | Offender being resident | Offender being staff | Offender being resident | Offender being staff | Offender being resident |
| Subvented residential child care service unit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Subvented residential care home for persons with disabilities | 1 | 0 | 1 | 3 | 0 | 4 | 1 | 0 | 1 | 5 |
| Subvented residential care home for the elderly | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Information on public works

20. **DR KWOK KA-KI** (in Chinese): President, regarding information on public works, will the Government inform this Council:

(1) of the following information (if applicable) of 15 major infrastructure projects (namely (a) construction of the Shatin to Central Link, (b) the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong projects, (c) the Tuen Mun-Chek Lap Kok Link and Tuen Mun Western Bypass, (d) the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, (e) the Hong Kong-Shenzhen Western Express Line, (f) the Lok Ma Chau Loop,
(g) the West Kowloon Cultural District project, (h) Kai Tak Development, (i) the Liantang/Heung Yuen Wai Boundary Control Point project, (j) seven rail projects: Northern Link and Kwu Tung Station, Tuen Mun South Extension, East Kowloon Line, Tung Chung West Extension, Hung Shui Kiu Station, South Island Line (West), and North Island Line, (k) the Ex-Lamma Quarry Area at Sok Kwu Wan of Lamma Island, (l) artificial islands in the central waters, (m) the Central-Wan Chai Bypass and Island Eastern Corridor Link, (n) the North East New Territories New Development Areas and the Hung Shui Kiu New Development Area, and (o) housing sites in Yuen Long South, as well as the public works projects which commenced in the past five years and involved a total project cost of $30 million or above) (set out in a table according to the date on which funding approval was granted by the Finance Committee ("FC") of this Council):

(i) initial and latest cost estimates, and actual cost,

(ii) date on which funding approval was granted,

(iii) actual or anticipated commencement date of works,

(iv) initially anticipated, latest anticipated and actual completion dates,

(v) anticipated usage or economic benefits to be achieved for the first five years,

(vi) amount of funding for advance works,

(vii) fee for the consultancy study for advance works,

(viii) name(s) of the consultant(s) responsible for carrying out advance works,

(ix) name(s) of the consultant(s),
(x) name(s) of the contractor(s), and

(xi) sub-contract(s) involving a sum of $30 million or above and name(s) of the sub-contractor(s);

(2) among the works projects mentioned in (1), of the following information of each of those projects for which claims involving project cost were received from the consultant(s) or the contractor(s) and supplementary provisions were approved by FC, in the past five years;

(i) total contract sum,

(ii) name(s) of the consultant(s) or the contractor(s) submitting the claim(s),

(iii) the respective total amounts of claim(s) submitted and approved,

(iv) justification(s) for the claim(s), and

(v) dates on which applications for supplementary provisions were received and approved by FC;

(3) whether the authorities have maintained a list of the works consultants and contractors in respect of those works projects which experienced cost overruns or delays in the past five years; if so, of the respective consultants and contractors involved in the top 10 works projects with the severest cost overruns or delays;

(4) of the latest outcome of the authorities' assessment of the impact of the demand and supply of skilled personnel and engineers in the construction industry on the cost and completion dates of various major infrastructure projects in the coming few years;

(5) how the authorities ensure the quality of various major infrastructure projects so as to guard against shoddy construction standard; and
of the following information of the Project Cost Management Office since its establishment in 2016:

(i) progress in monitoring the works projects mentioned in (1),

(ii) whether the Office has formulated criteria and guidelines for cost control; if so, of the details; if not, the reasons for that,

(iii) whether there are works projects still experiencing cost overruns under the monitoring of the Office; if so, of the relevant details, including (1) names of the consultants or the contractors submitting the claims, (2) the amounts of and justifications for the claims, and (3) the amounts of the claims approved, and

(iv) whether it has drawn up a blacklist of consultants and contractors and introduced a demerit point system for use as reference information for the selection of consultants and contractors for works projects in the future?

SECRETARY FOR DEVELOPMENT (in Chinese): President, the Government has been implementing public works projects in a continuous and orderly manner with a view to improving people's quality of living, enhance the long-term competitiveness and promote the economic development of Hong Kong.

In recent years, there are some major infrastructure projects experiencing delays or requiring additional funding provisions. In fact, we have maintained a good track record in preparing the estimates of public works projects. The Legislative Council Finance Committee approved a total of about 650 Category A projects with total funding amounting to $770 billion over the past 10 years. Amongst these approved projects, around 70 required applications to Finance Committee for additional provisions mainly due to unforeseeable reasons which amounted to about $60 billion in total. In other words, increased estimates are required in about 10% of all these approved projects and the additional provisions amounted to about 8% of the total funding approved. Although there were projects that required additional funding owing to some individual circumstances,
we generally managed to complete the projects under the Capital Works Programme within the original Approved Project Estimates ("APE") overall and even with surplus. For example, about 850 Category A projects had the final accounts settled in the past 10 years. Their original approved estimates totalled about $240 billion as compared with the total final expenditure of about $210 billion. Though some projects needed to apply for additional provisions from the Finance Committee, the cost overruns were more than offset by surpluses from other projects. The balance amounted to about $30 billion. In short, the total expenditures of these projects at final settlement accounted for only about 85% of their original APE.

Hong Kong has been beset by the challenge of high construction costs in recent years. In this connection, the Development Bureau established the Project Cost Management Office ("PCMO") in June last year to strengthen management over the construction costs and enhance the cost-effectiveness of public works projects in order to ensure that the public funds are spent properly and effectively. PCMO formulates cost control measures and cost reduction initiatives, coordinates and monitors related work of the project client bureaux and works departments. In addition, the bureaux and works departments concerned are responsible for the routine project management, expenditure estimation, procurement, site supervision, etc. for the projects. They would collaborate with PCMO to ensure that the projects are completed in accordance with the original schedule and within APE.

My reply to the six parts of Dr KWOK’s question is as follows:

(1) The information of the 15 major infrastructure projects requested by Dr KWOK has been set out in Annex 1.

About 200 public works projects in total commenced in the past five financial years, i.e. from 2011-2012 to 2015-2016. The information of these projects requested by Dr KWOK has been set out in the submissions for funding application, the annual estimates in the Budget and the regular reports on completed projects submitted to Legislative Council for public enquiry. Due to the huge quantities of data involved, they cannot be reproduced in this reply.
As regards the request for the information of subcontracting under item (xi), in general, the Government will not subcontract the works. A main contractor would subcontract the works based on his needs and considerations. Since the subcontracting involves the commercial arrangements between the main contractor and his subcontractors, the information cannot be provided without the consent of the relevant parties.

(2) Under the terms of contract, without the consent of the other contracting party, neither the Government nor the contractor may disclose information of the contract, including the related claims and compensations.

(3) We have been implementing public works projects in an orderly manner and exercising prudent management to ensure that the public works projects are completed within APE and by the anticipated completion dates.

From our experience, in general, the main reasons for increases in APE include increases in the project contingency costs, higher-than-expected tender returns, and increased provisions for price adjustments to cover higher-than-expected increases in labour and material costs. The delays in project completion might be attributed to unforeseen circumstances, including the handling of related judicial reviews, longer-than-expected consultation periods, unforeseen ground conditions or inclement weather, etc. Generally, the cost overruns and project delays were not caused by the performance of consultants or contractors. As mentioned in (2) above, without the consent of consultants or contractors, we cannot disclose the relevant information about the contract.

(4) The Government collaborates with the Construction Industry Council ("CIC") in formulating forecast on the overall construction output in both public and private sectors over a 10-year horizon. The results are regularly published for the information of the industry and the public so that the industry can carry out early planning of their resources deployment to meet the future workload.
According to the latest forecast published at the end of last year, the total construction output of the public and private sectors in the next 5 to 10 years will exceed the level of $300 billion, indicating a persistent high demand for construction services. Regarding the manpower, CIC conducts assessments of the supply and demand of manpower, including the professionals and workers, based on the latest situation. The assessments in 2014 indicated that there was shortage of professionals in some disciplines. But based on the industry's views, the tough shortfall has been slightly alleviated at the moment. CIC is currently updating the related forecast and will release the results in mid-2017.

To cope with the persistent manpower demand of the construction industry, we have been collaborating with CIC in launching a host of measures to increase manpower supply and to promote designs and construction methods that require less labour input.

In reviewing and updating the project costs and completion dates, we will consider the latest situation to devise the pragmatic and appropriate project estimates and construction periods.

(5) The relevant bureaux and works departments have put in place and updated comprehensive guidelines and stringent requirements on the procurement, delivery and quality control of works. To guarantee the quality of works in large infrastructure projects, the relevant works departments will strictly enforce these guidelines and requirements in respect of the selection of consultants and contractors, appointment of site supervisory staff, material testing, supervision of works, regulatory control and performance appraisal of consultants and contractors, and acceptance procedures and ensure compliance of them.

(6) My reply to the question about PCMO is as follows:

(i) The projects mentioned in (1) above are under various stages, including planning and design, construction or finalization. PCMO will take various actions according to the stage of
project. PCMO will scrutinize the cost estimates of projects in planning and design stages. Under the overriding principles of not compromising functionality, quality and safety of works, we explore various design options and construction methods to optimize the project designs based on the principles of "fitness for purpose and no frills" in order to ensure the cost-effectiveness of the projects. During the construction stage, the bureaux and works departments concerned are responsible for the routine supervision, cost estimation, procurement, etc. for the projects. PCMO will collaborate with the client bureaux and departments of the projects to control total project costs. In the process, we will monitor the expenditures of individual projects. In case of possible deviation from the planned expenditures or major alterations to the project designs, the responsible departments will be required to make notifications as well as formulate and implement practicable measures. For projects in finalization stage, the room for collaboration by PCMO is limited as the works have been substantially completed.

(ii) PCMO aims to achieve cost control mainly through system re-engineering and multi-disciplinary design optimization, and will pursue cost management through a three-pronged approach, namely by comprehensive review of the existing works policies and requirements; close scrutiny of project estimates; and enhancement of project management of public works projects.

PCMO has embarked on a comprehensive review on the works policies and requirements for implementing public works projects. Under the overriding principles of not compromising functionality, quality and safety of works, we consolidate the works requirements to control the costs. We encourage works departments to optimize the project designs and reduce the construction costs based on the principles of "fitness for purpose and no frills" by exploring various design
options and construction methods. As a result, the design and construction works of the projects will become more cost-effective.

PCMO is also putting in place an indicative cost system for several major categories of new government buildings, including schools, departmental quarters and office buildings. The relevant departments are required to ensure that the unit costs are below the indicative costs in order to achieve cost control during the design stage.

In the near future, we will formulate appropriate guidelines to facilitate related officers to implement cost management more effectively.

(iii) After the establishment of PCMO in 2016, there has not been any case of cost overrun in the projects that PCMO has vetted their cost estimates.

(iv) The existing mechanism for appraising the performance of contractors and consultants has given due consideration to the expenditures and progress of the projects. Throughout the construction period, the relevant works department will monitor and evaluate the performance of contractors, including the works progress and possible abuse of the claims mechanism. As for consultancy agreements, works departments assess the consultants' performance at quarterly intervals, including instances of additional expenditures and failure to adhere to the programme of works.

Under the established system, the assessment results would serve as the basis for selection of consultants and contractors for projects and affect their chances of winning tenders in future. In severe cases, contractors or consultants with poor performance will be suspended from tendering or even removed from the approved lists.
| Name of Project        | Initial cost estimate ($ million) | Latest cost estimate / actual cost ($ million) | Finance Committee (PC) approval date | Actual / anticipated works commencement date | Initially anticipated completion date | Actual / anticipated completion date | Anticipated usage or economic benefits to be achieved for the first five years | Approved funding for advance works ($ million) | Consultancy fees for conducting advance works study ($ million) | Name(s) of the consultant(s) responsible for carrying out advance works | Name(s) of the contractor | Name(s) of the contractor
|-----------------------|----------------------------------|-----------------------------------------------|-------------------------------------|-----------------------------------------------|--------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------
| Shatin to Central Link (SCL) | 79.814                           | (including protection works, advance works and main works) | Under review | May 2012 (main works) | July 2012 (main works) | Tai Wai to Hung Hom section: 2018 | Hung Hom to Admiralty section: 2020 | Tai Wai to Hung Hom section: mid-2019 | Hung Hom to Admiralty section: 2021 | Anticipated utilisation rate of about 1.1 million passenger-trips per day (2021) | 8,398 (including protection works, and advance works) | 2,407.5 | Construction works estimated to MTR Corporation Ltd. | Under the main works of SCL, MTR Corporation Limited has awarded a total of 56 major contracts for the project. The contractors of the five highest awarded contract sum contracts are:
(1) Leighton - China State Joint Venture,
(2) Dragages-Booyens Joint Venture,
(3) Leighton Contractors (Asia) Limited,
(4) Samsung-Jinsung Chung Joint Venture, and
(5) Pensac-Ocean - China State Joint Venture.

<p>| Hong Kong-Zhuhai-Macau Bridge (HZMB) Hong Kong Link Road | 16,149                           | 25,047                                        | November 2011 and May 2012 | May 2012 | End 2016 | According to the assessment of the Highways Department (HyD), the works will be completed to achieve readiness for commissioning by end 2017. | According to the feasibility study for the HZMB completed in 2008, the anticipated traffic flow in the initial period after commissioning would be about 9,300 – 14,000 vehicles per day. | 58.9 | 30.6 | Ove Arup &amp; Partners Hong Kong Ltd. | Ove Arup &amp; Partners Hong Kong Ltd. | China State Construction Engineering (Hong Kong) Ltd. | Dragages-China Harbour-VSL, JV |</p>
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<th>Name of Project</th>
<th>Initial cost estimate ($ million)</th>
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<td>Hong Kong—Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities – Reclamation and Superstructures</td>
<td>30,402.9</td>
<td>35,985</td>
<td>November 2011 and January 2016</td>
<td>November 2011</td>
<td>End 2016</td>
<td>According to the assessment of the HyD, the works will be completed to achieve readiness for commissioning by end 2017.</td>
<td>According to the feasibility study for the HZMB completed in 2008, the anticipated traffic flow in the initial period after commissioning would be about 0.92M – 1.10M vehicles per day.</td>
<td>712.7</td>
<td>392.6</td>
<td>Ove Arup &amp; Partners Hong Kong Ltd.</td>
<td>AECOM Asia Company Ltd.</td>
<td><em>Leighton - Chan Wai Joint Venture</em></td>
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<td>Tuen Mun-Chiuk Lung Kok Link (TM-CLKL) (Note 2)</td>
<td>44,598</td>
<td>44,598</td>
<td>June 2013</td>
<td>June 2013</td>
<td>End 2016 (Southern Connection)</td>
<td>For the Southern Connection, according to the contractor's latest programme, it is anticipated that if no other unforeseen conditions arise in future, all the works can be completed in the first half of 2019 at the earliest. For the Northern Connection, if the contractor is fully co-operative to complete a reasonable and cost-effective design.</td>
<td>It is expected that the single-way peak traffic of the TM-CLKL Southern Connection will be 3,000 peak e/h. As for the Northern Connection, the single-way peak traffic will be 1,000 peak e/h.</td>
<td>1,509.6 (including detailed design, site investigation and advance works)</td>
<td>108</td>
<td>AECOM Asia Company Ltd.</td>
<td>AECOM Asia Company Ltd.</td>
<td><em>Cammell Construction Ltd</em></td>
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<td>Initially anticipated completion date</td>
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<td>Anticipated usage or economic benefits to be achieved for the first five years</td>
<td>Approved funding for advance works (S million)</td>
<td>Consultancy fees for conducting advance works study (S million)</td>
<td>Name(s) of the consultant(s) responsible for carrying out advance works</td>
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| The Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link | 66.818 | 86.420 | January 2010 (Original Approved Project Estimate, APE) | January 2010 | August 2015 | 2018 Q3 | 199,200 passenger-trips per day after anticipated commissioning in 2018 Q3. (as estimated in 2015) | 2,783 (including design and site investigation) | Construction works entrusted to MTR Corporation Ltd. | MTR Corporation Limited had awarded 42 major contracts for the project. Names of the contractors of the five highest awarded contract sum are:  
- Gammon – Leighton Joint Venture  
- Lang O’Rourke – Ho Chong – Paul Y Joint Venture  
- Dragages Bouygues Joint Venture  
- Leighton Contractors (Asia) Ltd.  
- Mace Ltd – China State Construction Joint Venture | - |
| Name of Project | Initial cost estimate / actual cost | Latest cost estimate / actual cost | Finance Committee (FC) approval date | Actual / anticipated works commencement date | Initially anticipated completion date | Actutal / anticipated completion date | Anticipated usage or economic benefits to be achieved for the first five years | Approved funding for advance works ($ million) | Consultancy fees for conducting advance works study ($ million) | Name(s) of the consultant(s) responsible for carrying out advance works | Name(s) of the contractor(s) | Name(s) of the consultant(s) | Name(s) of the contractor(s) | Name(s) of the consultant(s) | Name(s) of the contractor(s) |
|----------------|----------------------------------|-----------------------------------|-------------------------------------|---------------------------------------------|-------------------------------------|-------------------------------------|---------------------------------------------|---------------------------------|---------------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Lok Ma Chau Loop | Will be available upon completion of the detailed design. | Not applicable | Will be available upon completion of the detailed design. | Not applicable | Will be available upon completion of the detailed design. | Not applicable | Will be available upon completion of the detailed design. | Not applicable | 9.8 | Detailed design and site investigation | Black & Veatch Hong Kong Ltd. | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| West Kowloon Cultural District (WKCD) | The Government is responsible for funding and construction of public infrastructures and integrated basement to support the WKCD project (including hotel / office / residential developments). Given that the West Kowloon Cultural District Authority (WKCUDA) plans to complete the main arts and cultural facilities in WKCD in three batches, the above public infrastructures and integrated basement undertaken by the Government will also be completed in phases. According to rough estimates, the amount of funding sought from the Legislative Council (LegCo) from 2014/15 to 2017/18 for the integrated basement including the associated public infrastructures, and the public infrastructures outside the integrated basement are about $7 billion and $2 billion (in money-of-the-day prices) in total respectively. A more accurate estimate will only be available in | | | | | | | | | | | | | | | |
As for the remaining integrated basement (including Zones 2A, 2B and 2C) and public infrastructures located outside the integrated basement, the relevant Government departments will apply to LegCo for funding in time to suit the development of WKCDD.

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<tbody>
<tr>
<td>Kowloon Tong Development (KTD)</td>
<td>Will be available upon completion of the study.</td>
<td>Not applicable</td>
<td>Funds have been approved by the FC by stages from 2008.</td>
<td>Implemented by stages from 2008.</td>
<td>Not applicable</td>
<td>Will be available upon completion of the study.</td>
<td>KTD, covering an area of over 320 hectares, involves the transformation of the ex-airport site for the growth of Hong Kong, and at the same time providing an impetus for stimulating regeneration of the adjoining older districts. It also forms part of the Energising Kowloon East initiative of transforming the ex-industrial areas at Kowloon Bay and Kwun Tong together with KTD into an</td>
<td>Cost of major pre- construction works and consultancy fees is about $1.3 billion in money-of-the-day prices.</td>
<td>The major consultants for carrying out advance works of KTD are:</td>
<td>The major consultants of KTD are:</td>
<td>The major contractors of KTD are:</td>
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<td>The major consultants of KTD are:</td>
<td>AECOM Asia Company Ltd.</td>
<td>AECOM Asia Company Ltd.</td>
<td>China Road and Bridge Corporation</td>
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<td>Ove Arup &amp; Partners Hong Kong Ltd.</td>
<td>Ove Arup &amp; Partners Hong Kong Ltd.</td>
<td>Chic Construction Co. Ltd</td>
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<td>Cottrell &amp; McFarlane Joint Venture</td>
<td>Cottrell &amp; McFarlane Joint Venture</td>
<td>Zhen Hua Engineering Co Ltd</td>
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<td>Walker and Partners</td>
<td>Walker and Partners</td>
<td>CEC-CCC Joint Venture</td>
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<td>Kowloon Construction Ltd</td>
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<td>Kwandong Construction Co. Ltd</td>
<td>Kwandong Construction Co. Ltd</td>
<td>Build King - Richwell Engineering Joint Venture</td>
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<td>Peako - Wo Hing Joint Venture</td>
<td>Peako - Wo Hing Joint Venture</td>
<td>Peako - Wo Hing Joint Venture</td>
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<td>Chevron-Aldemus Joint Venture</td>
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<td>Dragages Hong Kong Ltd.</td>
<td>Dragages Hong Kong Ltd.</td>
<td>Dragages Hong Kong Ltd.</td>
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<td>Name of Project</td>
<td>Initial cost estimate ($ million)</td>
<td>Latest cost estimate / actual cost ($ million)</td>
<td>Finance Committee (FC) approval date</td>
<td>Actual / anticipated works commencement date</td>
<td>Initially anticipated completion date</td>
<td>Actual / anticipated completion date</td>
<td>Anticipated usage or economic benefits to be achieved for the first five years</td>
<td>Approved funding for advance works ($ million)</td>
<td>Consultancy fees for conducting advance works study ($ million)</td>
<td>Name(s) of the consultant(s) responsible for carrying out advance works study</td>
<td>Name(s) of the contractor</td>
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<tr>
<td>Liimting/WingYuen Wai Boundary Control Point and associated works</td>
<td>16,255.2</td>
<td>24,973.1 (Note 3)</td>
<td>July 2012 (Original APE)</td>
<td>April 2013</td>
<td>June 2018 (Note 3)</td>
<td>End 2018 (Note 3)</td>
<td>The daily traffic flow in 2018 is forecast at an average of 17,500 traveler-trips per day and 7,700 vehicle-trips and rising to an average of 30,000 traveler-trips per day and 17,850 vehicle-trips in 2030.</td>
<td>51.3</td>
<td>76.3</td>
<td>Investigation &amp; Preliminary Design (including supervision of advance works): Mott MacDonald Hong Kong Ltd.</td>
<td>AECOM Asia Company Limited</td>
</tr>
<tr>
<td>Buildings and associated facilities</td>
<td>8,811.9</td>
<td>8,811.9</td>
<td>June 2015</td>
<td>July 2015</td>
<td>End 2018</td>
<td>End 2018</td>
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<td>Ronalid Lu &amp; Partners (Hong Kong) Ltd.</td>
<td>Leighton Contractors (Asia) Ltd.</td>
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<td>Ronald Lu &amp; Partners (Hong Kong) Ltd.</td>
<td>Leighton Contractors (Asia) Ltd.</td>
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<td>Ronald Lu &amp; Partners (Hong Kong) Ltd.</td>
<td>Leighton Contractors (Asia) Ltd.</td>
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<tr>
<td>Name of Project</td>
<td>Initial cost estimate ($ million)</td>
<td>Latest cost estimate / actual cost ($ million)</td>
<td>Finance Committee (FC) approval date</td>
<td>Actual / anticipated works commencement date</td>
<td>Initially anticipated completion date</td>
<td>Actual / anticipated completion date</td>
<td>Anticipated usage or economic benefits to be achieved for the first five years ($ million)</td>
<td>Approved funding for advance works ($ million)</td>
<td>Consultancy fees for conducting advance works study ($ million)</td>
<td>Name(s) of the consultant(s) responsible for carrying out advance works</td>
<td>Name(s) of the contractor</td>
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<tr>
<td>Seven new railway projects: (i) Northern Link and Kwun Tong Station (ii) Tsuen Wan South Extension (iii) East Kowloon Line (iv) Tung Chung West Extension (v) Hung Shui Kiu Station (vi) South Island Line (West) (vii) North Island Line</td>
<td>110,000 (preliminary cost estimate in 2013 prices) (Note 4)</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>The taking forward of individual proposed railway projects set out in RDS-2014 will be subjected to the outcome of detailed engineering, environmental and financial studies relating to each project, as well as updated demand assessment and availability of resources.</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
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<td>Ex-Lamma Quarry Area at Sok Kwu Wan, Lamma Island</td>
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<td>(Note 5)</td>
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<tr>
<td>Artificial Islands in the Central Waters</td>
<td>Will be available upon completion of the study.</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Will be available upon completion of the study.</td>
<td>Not applicable</td>
<td>Will be available upon completion of the study.</td>
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<tr>
<td>Name of Project</td>
<td>Initial cost estimate ($ million)</td>
<td>Latest cost estimate / actual cost ($ million)</td>
<td>Finance Committee (FC) approval date</td>
<td>Actual / anticipated works commencement date</td>
<td>Initially anticipated completion date</td>
<td>Anticipated usage or economic benefits to be achieved for the first five years</td>
<td>Approved funding for advance works ($ million)</td>
<td>Consultancy fees for conducting advance works study ($ million)</td>
<td>Name(s) of the consultant(s) responsible for carrying out advance works</td>
<td>Name(s) of the consultant(s)</td>
<td>Name(s) of the contractor</td>
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<tr>
<td>Central - Wan Chai Bypass and Island Eastern Corridor Link (CWB)</td>
<td>28.104.6</td>
<td>36.093.9</td>
<td>July 2009 and January 2014</td>
<td>End 2009</td>
<td>Early 2017</td>
<td>End 2018–2019 Q1</td>
<td>At the initial stage of commissioning of the CWB, the V/C ratios of Connaught Road Central, Harcourt Road and Gloucester Road during morning rush hours will decrease from 1.3 to 0.9. It is anticipated that, upon commissioning of the CWB, the traffic congestion at Connaught Road Central, Harcourt Road and Gloucester Road can be alleviated. It will take about five minutes only to travel from Central to Island Eastern Corridor in North Point via the CWB.</td>
<td>215</td>
<td>215</td>
<td>AECOM Asia Company Ltd.</td>
<td>AECOM Asia Company Ltd.</td>
</tr>
<tr>
<td>Kwan Tang North (NTN)/ Fanling North (FLN) New Development Areas (NDAs)</td>
<td>Will be available upon completion of the detailed design.</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Will be available upon completion of the detailed design.</td>
<td>Not applicable</td>
<td>KTN and FLN NDAs will be a major source of land and housing supply for Hong Kong in medium</td>
<td>Not applicable</td>
<td>59.3</td>
<td>(Note 7)</td>
<td>Detailed design and site investigation/finalising design for Advance Works and First Stage Works: AECOM Asia Company Ltd.</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Name of Project</td>
<td>Finance Committee first approval date</td>
<td>Latest cost estimate / approved cost estimate</td>
<td>Coverage area / description</td>
<td>Anticipated works commencement date</td>
<td>Actual / anticipated completion date</td>
<td>Name(s) of the contractor</td>
<td>Name(s) of the consultant / carrying out advance works / study</td>
<td>Approved funding for advance works / estimated amount of deposit / advance payment</td>
<td>Latest cost estimate / approved cost estimate</td>
<td>(in million)</td>
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</table>
Note:

1. All the cost in money-of-the-day (MOD) prices.

2. Regarding the Tuen Mun Western Bypass, the HyD is preparing to commence the further study and preliminary design in Q3 2017. The study will include a review on the construction cost, works packaging and programme.

3. The latest cost estimate and anticipated completion date were updated at the FC meeting on June 5, 2015.

4. The figure is from the RDS-2014 and will need to be revised based on in-depth studies to be carried out at the detailed planning stage for the individual railway schemes. The final cost estimate of the railway schemes may be higher or lower than that mentioned in RDS-2014 as a result of design development, programme change and construction price level changes etc.

5. Not applicable. The project is still in planning and study stage.


7. The Legislative Council approved $340 million for the detailed design and site investigation in 2014.
Provision of education-related information to non-Chinese speaking students and parents

21. **DR FERNANDO CHEUNG**: President, regarding the provision of information to non-Chinese speaking ("NCS") students and their parents by the Education Bureau ("EDB"), will the Government inform this Council:

(1) as EDB stated in reply to a question raised by a Member of this Council in examining the Estimates of Expenditure 2016-2017 that all relevant information facilitating NCS students' integration into the community had been published in Chinese and English, but in fact some important relevant information is available only in Chinese (e.g. the web page on Chinese Language Curriculum Second Language Learning Framework and the Quality Review reports of kindergartens on EDB's website), of the reasons why EDB has not provided all relevant information in both Chinese and English, and when EDB will provide all such information in English;

(2) of a list of the information on school choices disseminated/published by EDB through various means ((i) blog, (ii) web page, (iii) school directory, (iv) report on school qualities, (v) video and (vi) others) that is available in (a) Chinese only, (b) English only, (c) both Chinese and English, and (d) languages other than Chinese and English (please specify), and set out the information in Table 1;

<table>
<thead>
<tr>
<th>Language(s)</th>
<th>Information on school choice</th>
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<tbody>
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<td>(a)</td>
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<td>(b)</td>
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<tr>
<td>(c)</td>
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<td>(d)</td>
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</table>

(3) of a list of the information disseminated/published by EDB, including school directories and reports on school qualities (particularly those on school choices) the printed version of which is available in Chinese only;
(4) given that certain information on schools and the education system is available only in Chinese, whether it has assessed (i) how parents of NCS students can make an informed school choice for their children, and (ii) if EDB may still claim that a high concentration of ethnic minority students in certain schools is a result of parental choice;

(5) how parents of NCS students can have access to information on whether a school provides a more immersed Chinese language learning environment for NCS students; and

(6) in respect of the briefing sessions conducted for parents in each school year from 2012-2013 to 2016-2017 on (a) kindergarten admission, (b) Primary One Admission system, and (c) Secondary School Places Allocation system, whether it knows (i) their total number; among them, the respective numbers conducted (ii) in English, (iii) in Chinese, and (iv) with simultaneous interpretation services; (v) the total number of parents attending these sessions, and (vi) the total number of parents of NCS students attending these sessions, broken down by school district (set out separately in tables of the same format as Table 2); if such information is unavailable, how the Government measures the level of support given to parents of NCS students on school choices?

| Table 2 |
| Briefing sessions on _________ | School year: _________ |
| School district | (i) | (ii) | (iii) | (iv) | (v) | (vi) |

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

(1) For the planning of educational support measures, students whose spoken language at home is not Chinese are broadly categorized as NCS students.
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. 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 while the Government ensures equal opportunities in school admission for all eligible children, including NCS children, in public sector schools.

The answer to the specific questions raised is as follows:

(1) to (3)

In general, official information of the Education Bureau published on the Bureau's website would be made available in both Chinese and English for reference by the public. There is a designated webpage, bilingual, on the education services for NCS students. We also provide NCS students and their parents with the list of information or publications, relating to school choice, published in both Chinese and English with translation into major ethnic minority languages as tabulated at Annex A.

The "Learning Framework" referred to in the preamble above, complemented by the "Chinese Language Assessment Tools" and other reference materials, aims to support Chinese Language teachers in adapting the school-based Chinese Language curriculum, developing learning materials, and employing suitable learning, teaching and assessment strategies for NCS students so as to facilitate NCS students' effective learning of Chinese and bridging over to mainstream Chinese Language classes. Study materials and information pertaining to the study of Chinese Language inevitably makes reference to pointers and descriptors in Chinese only. The webpage on the Learning Framework, which features learning/reference materials and descriptors of learning progression mainly for the reference of Chinese Language teachers, is therefore presented in Chinese only.
Under the Quality Assurance Framework, kindergartens are required to conduct school self-evaluation for reviewing their overall performance. The review teams of Education Bureau conduct on-site quality review for kindergartens on a regular basis to validate findings from their school self-evaluation and identify their strengths and areas for development. The quality review Reports ("Reports") are provided to kindergartens to facilitate their sustainable development. Since the Reports mainly target to serve as reference for kindergartens which generally use Chinese as the medium of communication, the Reports are generally provided in Chinese only. The Reports are uploaded onto the Education Bureau's website to enhance transparency and accountability to the community. For parents choosing kindergartens for their children, they may make reference to the Profile of Kindergartens and Kindergarten-cum-Child Care Centres ("KG Profile"), school-based information provided by the individual kindergartens, etc. The KG Profile provides key information of each kindergarten including school facilities, number and qualification of the principal and teaching staff, teacher to pupil ratio, curriculum details (including curriculum type, curriculum arrangement, learning/teaching approach and activities, learning assessment), school characteristics (including school vision and mission, support to students), etc. The KG Profile is provided in both Chinese and English, catering for the Chinese speaking as well as NCS parents' needs. As some parents also use the Reports as one of the references when choosing kindergartens for their children, some stakeholders consider it necessary to provide an English version of the Reports for NCS parents' reference. Education Bureau is collecting views of stakeholders and studying the feasibility of reporting the quality review findings in English.

(4) and (5)

Apart from the provision of relevant information with the language versions tabulated at Annex A, Education Bureau has been promoting parent education highlighting that parents (including parents of NCS students) should take into account the abilities and
interests of their children when making school choices, and encouraging parents of NCS students to consider schools that can provide more immersed Chinese language learning environment for the NCS students. Dedicated briefing sessions with simultaneous interpretation services on Nursery ("K1") Admission, as well as the procedure of admission to Primary One and Secondary One under Primary One Admission ("POA") and Secondary School Places Allocation ("SSPA") respectively, will continue to be organized for parents of NCS students.

Regarding information of individual public sector schools, Education Bureau has been helping schools to publicize their open days by uploading such information on the website of the Committee on Home-school Co-operation so as to enable parents (including parents of NCS students) to get to know more about the schools before making school choices. Other than open days, parents can also contact individual schools to see if a school visit can be arranged. Starting from the 2015-2016 school year, each K3 and P6 NCS student can obtain a copy of the English version of the School Profiles which can help their parents grasp the basic information of all public sector schools in their selected district. Education Bureau has encouraged schools to keep on enriching the contents of their Profiles and school websites. Besides, Education Bureau has set up a hotline for NCS students and their parents with telephone interpretation arranged through the Centre for Harmony and Enhancement of Ethnic Minority Residents funded by the Home Affairs Department.

Education Bureau introduced K1 Admission in 2014 for improving the kindergarten admission procedure and better utilizing the kindergarten places. In this connection, starting from June 2014, briefing sessions have been organized for parents (including dedicated briefing sessions conducted in English for parents of NCS students) to facilitate their understanding of matters relating to K1 Admission. Details on these sessions, as well as relating to POA and SSPA, are tabulated at Annex B.
## Annex A

### Information on School Choice *

<table>
<thead>
<tr>
<th>Language(s)</th>
<th>(i)</th>
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<th>(iii)</th>
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<tbody>
<tr>
<td>(a) Chinese only</td>
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<tr>
<td>(b) English only</td>
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<td>-</td>
<td>Information Notes on Primary One Admission System Specifically for Non-Chinese Speaking Students</td>
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<tr>
<td>(c) Both Chinese and English</td>
<td>K1 Admission POA</td>
<td>Primary School Lists by School Net for Discretionary Places</td>
<td>Application for &quot;Registration Certificate for Kindergarten Admission (2017/18)&quot;</td>
<td>Leaflet on Admission Arrangements for K1 Classes in Kindergartens for the 2017/18 School Year</td>
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<tr>
<td>SSPA</td>
<td>Admission Stage and Choice of School List by School Net for Central Allocation</td>
<td></td>
<td>Poster on Free Quality Kindergarten Education Scheme—Application for the 2017/18 School Year</td>
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<tr>
<td>KG Profile</td>
<td>Primary School Profiles (&quot;PSP&quot;)</td>
<td>Handbook for Application for &quot;Registration Certificate for Kindergarten Admission 2017/18&quot;</td>
<td>Poster on Parent Seminar—Admission Arrangements for Nursery (K1) Classes in Kindergartens for the 2017/18 School Year</td>
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<td>POA—Notes on How to Complete the &quot;Application Form for Admission to Primary One&quot;</td>
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<td>POA—Notes to Parents on Central Allocation</td>
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<td>SSPA—Notes Specifically for Non-Chinese Speaking Students in the form of Frequently Asked Questions</td>
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<td></td>
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<td>SSPA—Notes for Parents on Application for Secondary 1 Discretionary Places</td>
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<td>SSPA—Notes for Parents on Central Allocation</td>
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<td>KG Profile</td>
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<td>PSP</td>
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<td>SSP</td>
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<tr>
<td>Language(s)</td>
<td>(i) web page</td>
<td>(ii) school directory</td>
<td>(iii) video</td>
<td>(iv) others (including printed version)</td>
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<tr>
<td>(d) Languages other than Chinese and English (i.e. major ethnic minority languages)</td>
<td>-</td>
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<td>-</td>
<td>Leaflet on Admission Arrangements for K1 Classes in Kindergartens for the 2017/18 School Year (Hindi, Bahasa Indonesia, Tagalog, Urdu, Thai, Nepali)</td>
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<td></td>
<td>Poster on Free Quality Kindergarten Education Scheme—Application for the 2017/18 School Year Registration Certificate for Kindergarten Admission (Hindi, Bahasa Indonesia, Tagalog, Urdu, Thai, Nepali)</td>
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<td></td>
<td>Application Form and Guidance Notes on Application for Registration Certificate for Kindergarten Admission 2017/18 (Hindi, Bahasa Indonesia, Tagalog, Urdu, Thai, Nepali)</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>POA—Information Notes on Primary One Admission System Specifically for Non-Chinese Speaking Students (Hindi, Bahasa Indonesia, Tagalog, Urdu, Thai, Nepali)</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>POA—Notes on How to Complete the &quot;Application Form for Admission to Primary One&quot; (Hindi, Bahasa Indonesia, Tagalog, Urdu, Thai, Nepali)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>POA—Notes to Parents on Central Allocation (Hindi, Bahasa Indonesia, Tagalog, Urdu, Thai, Nepali)</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td>SSPA—Notes Specifically for Non-Chinese Speaking Students in the form of Frequently Asked Questions (Hindi, Bahasa Indonesia, Tagalog, Urdu, Thai, Nepali)</td>
</tr>
<tr>
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<td></td>
<td>SSPA—Notes for Parents on Application for Secondary 1 Discretionary Places (Hindi, Bahasa Indonesia, Tagalog, Urdu, Thai, Nepali)</td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td>SSPA—Notes for Parents on Central Allocation (Hindi, Bahasa Indonesia, Tagalog, Urdu, Thai, Nepali)</td>
</tr>
</tbody>
</table>
Note:

* The table only includes information relating to school choices. There is other information relating to the education system that is published in Chinese and English with translation into major ethnic minority languages for reference by NCS students and their parents, such as the NCS Parent Information Package on the website and in a printed booklet. Besides, this table does not cover "blog" or "report on school qualities", as asked in the question, because Education Bureau does not maintain such information for the purpose of making school choices.

Annex B

(a) Briefing Sessions on K1 Admission

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of sessions</th>
<th>Number of sessions conducted in English</th>
<th>Number of sessions conducted in Chinese</th>
<th>Total number of parents (including parents of NCS students)</th>
<th>Total number of participating parents of NCS students</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>25</td>
<td>1 (Yau Tsim Mong District)</td>
<td>24</td>
<td>5 967 parents</td>
<td>28 parents</td>
</tr>
<tr>
<td>2015</td>
<td>26</td>
<td>2 (Wong Tai Sin and Tuen Mun Districts)</td>
<td>24</td>
<td>2 647 parents</td>
<td>53 parents</td>
</tr>
<tr>
<td>2016</td>
<td>31</td>
<td>7 (Kwai Tsing, Kwun Tong, Tuen Mun, Wan Chai, Wong Tai Sin, Yau Tsim Mong and Yuen Long Districts)</td>
<td>24</td>
<td>3 024 parents</td>
<td>157 parents</td>
</tr>
</tbody>
</table>

(b) Briefing Sessions on POA

<table>
<thead>
<tr>
<th>School year</th>
<th>Total number of sessions</th>
<th>Number of sessions conducted in English</th>
<th>Number of sessions conducted in Chinese</th>
<th>Total number of participating parents (including parents of NCS students)</th>
<th>Total number of participating parents of NCS students</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-2013</td>
<td>13</td>
<td>9 (Wan Chai and Kowloon City Districts)</td>
<td>4</td>
<td>1 744 parents</td>
<td>248 parents</td>
</tr>
</tbody>
</table>
### (c) Briefing Sessions on SSPA

<table>
<thead>
<tr>
<th>School year</th>
<th>Total number of sessions</th>
<th>Number of sessions conducted in English</th>
<th>Number of sessions conducted in Chinese</th>
<th>Total number of participating parents (including parents of NCS students)</th>
<th>Total number of participating parents of NCS students</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-2013</td>
<td>9</td>
<td>1</td>
<td>8</td>
<td>1 853 parents</td>
<td>49 parents</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Sham Shui Po District)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School year</td>
<td>Total number of sessions</td>
<td>Number of sessions conducted in English</td>
<td>Number of sessions conducted in Chinese</td>
<td>Total number of participating parents (including parents of NCS students)</td>
<td>Total number of participating parents of NCS students</td>
</tr>
<tr>
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<td>-----------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>2013-2014</td>
<td>9</td>
<td>1 (Sham Shui Po District)</td>
<td>8</td>
<td>1 488 parents</td>
<td>70 parents</td>
</tr>
<tr>
<td>2014-2015</td>
<td>9</td>
<td>1 (Sham Shui Po District)</td>
<td>8</td>
<td>805 parents</td>
<td>66 parents</td>
</tr>
<tr>
<td>2015-2016</td>
<td>9</td>
<td>1 (Sham Shui Po District)</td>
<td>8</td>
<td>953 parents</td>
<td>73 parents</td>
</tr>
<tr>
<td>2016-2017</td>
<td>9</td>
<td>1 (Sham Shui Po District)</td>
<td>8</td>
<td>1 008 parents</td>
<td>68 parents</td>
</tr>
</tbody>
</table>

Notes (on Tables (a) to (c)):

(1) Simultaneous interpretation services in major ethnic minority languages were provided in the sessions conducted in English.

(2) Briefing sessions were organized in districts with venues easily accessible to parents.

(3) For POA and SSPA, dedicated briefing sessions in English with simultaneous interpretation services are organized annually in two modes, i.e. briefing sessions open to all parents of NCS students and briefing sessions for parents of NCS students in individual kindergartens or primary schools upon their requests. We have not kept a separate record of the briefing sessions organized on request of individual kindergartens or primary schools, which may vary over the years.

(4) Primary schools generally offer counselling on admission to Secondary One through SSPA to Primary Six students (including NCS students) and their parents.
Subsidy programmes for the prevention or diagnosis of colorectal cancer

22. **MR WU CHI-WAI** (in Chinese): President, last year, the Department of Health started the phased implementation of the Colorectal Cancer Screening Pilot Programme ("Pilot Programme") to subsidize Hong Kong residents born in the years from 1946 to 1955 to undergo faecal occult blood test and colonoscopy examination. However, some members of the public have complained to me that they have been identified as individuals at a high risk of getting colorectal cancer ("high-risk individuals") and hence not suitable to enroll in the Pilot Programme, but they cannot afford the cost of colonoscopy examination provided by private medical practitioners. Moreover, the Hospital Authority launched the Colon Assessment Public-Private Partnership Programme ("PPP Programme") last year to provide a subsidy for around 8 000 eligible public hospital patients to receive colonoscopy examination provided by private medical practitioners. In this connection, will the Government inform this Council:

(1) whether it knows, at year-end of each of the past five years, the respective average waiting time of patients of public hospitals under various hospital clusters for undergoing colonoscopy examination;

(2) given that high-risk individuals are not suitable to enroll in the Pilot Programme, whether the Government will launch another subsidy programme for colonoscopy examination for this type of people; if so, of the details;

(3) whether it will subsidize those public hospital patients who have not been invited to join the PPP Programme and who are high-risk individuals to undergo colonoscopy examination; if so, of the details; if not, the reasons for that, and what other plans the authorities have to alleviate the financial burden of such patients;

(4) given that there is a trend of people suffering from colorectal cancer at a younger age, whether the Government will examine the inclusion of Hong Kong residents aged 40 to 50 in the Pilot Programme; and

(5) whether, apart from the aforesaid two programmes, the Government has considered implementing other subsidy programmes for the prevention or diagnosis of colorectal cancer; if so, of the details?
SECRETARY FOR FOOD AND HEALTH (in Chinese): President, in recent years, colorectal cancer has become the most common cancer in Hong Kong. In 2014, there were 4,979 newly registered cases of colorectal cancer, accounting for 16.8% of new cancer cases. Colorectal cancer was the second most common cause of cancer deaths in 2015. A total of 2,073 people died of colorectal cancer in that year, accounting for 14.5% of all cancer deaths.

In response to the increasing health care burden arising from colorectal cancer, the Department of Health ("DH") launched the three-year Colorectal Cancer Screening Pilot Programme ("the Pilot Programme") on 28 September 2016 to gather relevant local experience in colorectal cancer screening and collect relevant data, with a view to drawing conclusions and making evidence-based recommendations, which will form the basis for the deliberation of whether and how colorectal cancer screening service may be provided to the wider population. The Pilot Programme subsidizes asymptomatic Hong Kong residents born from 1946 to 1955 to undergo colorectal screening tests in phases to help identify people at increased risk of having the cancer or people who already have the disease, so that they can have early treatment and the therapeutic effectiveness can be enhanced.

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

(1) The Hospital Authority ("HA") does not keep statistics on the waiting time for colonoscopy examination in public hospitals in the past five years.

(2) and (3)

From the medical perspective, screening means examining people without symptoms in order to identify people who already have the disease or people at increased risk of disease, so that prevention, early detection and treatment can be provided to enhance therapeutic effectiveness. In general, people who consider receiving colorectal cancer screening can be classified into "average risk" and "high risk" groups.

According to the recommendations on colorectal cancer screening made by the Cancer Expert Working Group on Cancer Prevention and Screening ("CEWG"), people with "high risk" refer to
individuals who have significant family history, such as those with an immediate relative diagnosed with colorectal cancer at the age of 60 or below; or those who have more than one immediate relatives diagnosed with colorectal cancer irrespective of age at diagnosis; or those who have immediate relatives diagnosed with hereditary bowel diseases. People with "average risk" refer to individuals aged 50 to 70 who do not have significant family history.

The Pilot Programme targets at individuals with "average risk". It adopts the faecal occult blood test ("FOBT"), which has been used widely in the international arena, as a screening tool to detect tiny amounts of blood in the colon which is invisible to the naked eye. Testing will be repeated every two years. The CEWG recommends that people with "high risk" should not receive the FOBT. Instead, they should undergo invasive investigation (such as sigmoidoscopy or colonoscopy) regularly, depending on their individual condition and age, to have the colon wall inspected directly and accurately. Some people with "high risk" may need to undergo genetic tests to identify any inherited genetic mutation. This approach prevents people at "high risk" from delay in seeking appropriate treatment as a result of bleeding not occurring at the time of the FOBT and thus failing to detect abnormalities.

Anyone who has suspected symptoms should seek early consultation at relevant medical institutions including HA. People with "high risk" can seek help from private doctors or non-profit-making medical institutions to receive risk assessment, including undergoing genetic tests when necessary, in order to decide an appropriate screening option.

(4) There are multiple risk factors for developing colorectal cancer and the risk increases significantly over the age of 50. After reviewing and considering the latest local and international scientific evidence, the CEWG recommends that individuals aged 50 to 75 to consult their doctors and consider screening for colorectal cancer. This is generally in line with the age groups covered by overseas colorectal cancer screening programmes.
The Pilot Programme aims at assessing the implications of population-based screening on the effectiveness of treatment and the health care system. Thus, the target group must be sufficiently representative and the current service capability should not be overloaded. After due consideration, the Government has decided to invite eligible Hong Kong residents aged 61 to 70 to undergo faecal immunochemical test screening in phases over a period of three years.

The Government will use the experience gathered from the Pilot Programme as the basis of further deliberation in order to decide whether and how colorectal cancer screening should be extended to cover more people in future. For those who are not currently covered by the Pilot Programme, we suggest that they should consult their family doctors about the need for colorectal cancer screening. Our suggestion is in line with the recommendations of the CEWG to the general public.

Apart from screening, adoption of healthy lifestyles is also essential for preventing colorectal cancer. Healthy lifestyles include increasing the intake of dietary fibre from vegetables, fruits and whole grains, reducing the consumption of red and processed meat, having regular physical activities, maintaining a healthy body weight and waist circumference, and avoiding tobacco and alcohol. On this front, DH has all along been actively promoting healthy lifestyles as a major preventive strategy in reducing the burden caused by non-communicable diseases such as cancers to the public and society. Members of the public should also take note of their health conditions and seek early medical consultation if symptoms such as presence of blood in stool, abdominal pain, changes in bowel habit or unexplained weight loss occur.

The Government will review and assess the effectiveness of the three-year Pilot Programme and formulate the future screening strategy with reference to the CEWG's recommendations. Meanwhile, DH will continue its publicity and educational efforts in this area. The Government has no plan to implement other subsidized programmes for the screening of colorectal cancer at this stage.
GOVERNMENT BILL

First Reading of Government Bill


INLAND REVENUE (AMENDMENT) (NO. 3) BILL 2017


*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 Government Bill


INLAND REVENUE (AMENDMENT) (NO. 3) BILL 2017

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I move the Second Reading of the Inland Revenue (Amendment) (No. 3) Bill 2017 ("the Bill"). The Bill seeks to amend the Inland Revenue Ordinance ("IRO") to facilitate Hong Kong in implementing the arrangement on automatic exchange of financial account information in tax matters ("AEOI") advocated by the Organisation for Economic Co-operation and Development ("OECD") in a more effective manner.

Hong Kong as an international finance centre has been endeavouring to enhance tax transparency and combating cross-border tax evasion. To implement the new international standard for AEOI promulgated by OECD in 2014, IRO was amended last June with the support of the Legislative Council to lay down the relevant legal framework. After that, Hong Kong has signed bilateral Competent Authority Agreements with nine jurisdictions respectively to prepare for AEOI.
The international community has been closely monitoring various jurisdictions' progress in the implementation of AEOI and putting emphasis on a wide network of AEOI to ensure a level playing field. In support of the work, OECD and the European Union ("EU") have kicked off their respective exercises to draw up lists of "non-cooperative tax jurisdictions". One of the listing criteria is the progress and the network of implementing AEOI, which includes the requirement that information exchanged should cover information of financial accounts in 2017 or at least covering the period starting from the second half of 2017.

While Hong Kong has been endeavouring to expand the network of AEOI, we must speed up the pace of expansion to cope with the latest development in the international community. We must act expeditiously to preserve information of financial accounts starting from the second half of 2017 with a view to exchanging the information with other jurisdictions and meeting the aspiration of the international community.

To implement the AEOI arrangement, a list of "reportable jurisdictions" with only two jurisdictions, that is, Japan and the United Kingdom, is included under the existing IRO. The Bill proposes to increase the number of "reportable jurisdictions" on the list to 74, which will include nine confirmed AEOI partners ("confirmed partners") and 65 prospective AEOI partners ("prospective partners"), to be effective from 1 July this year. The 65 prospective partners fall under the following three categories:

(a) jurisdictions which expressed an interest to OECD in late 2016 in conducting AEOI with Hong Kong;

(b) Hong Kong's tax treaty partners which have committed to AEOI; and

(c) all Member States of EU.

Subject to the Bill being passed, all financial institutes are obliged to identify and collect information on accounts of tax residents in these 74 jurisdictions from 1 July this year onwards, and from 2018 onwards, the information collected will be submitted to the Inland Revenue Department ("IRD").
Regarding the 65 prospective jurisdictions on the proposed list, the jurisdictions concerned still have to formulate and kick off the arrangement for exchanging information in taxation matters with Hong Kong separately before Hong Kong will exchange information with the jurisdictions. All AEOI partners must comply with the requirements on privacy protection, confidentiality of information and proper use of information exchanged, and so on.

I would like to stress that for the general public in Hong Kong, if they are not tax residents of any region outside Hong Kong, the financial institutes of Hong Kong will not submit their information to IRD for transfer to tax institutes outside Hong Kong under the scheme.

President, to enable Hong Kong to implement the AEOI arrangement more effectively and lower Hong Kong's risk of being listed as a "non-cooperative tax jurisdiction", Hong Kong must expand its list of "reportable jurisdictions" from 1 July onwards. In view of the tight schedule, I implore Honourable Members to support and pass the Bill expeditiously, whereas the authorities will give full support to the Legislative Council in the scrutiny of the Bill.

I so submit. Thank you, President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Inland Revenue (Amendment) (No. 3) Bill 2017 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.

GOVERNMENT MOTIONS

PRESIDENT (in Cantonese): Government motions. Proposed resolution under Article 73(7) of the Basic Law and section 7A of the Hong Kong Court of Final Appeal Ordinance.

Members who wish to speak on the motion will please press the "Request to speak" button.
I now call upon the Chief Secretary for Administration to speak and move the motion.

PROPOSED RESOLUTION UNDER ARTICLE 73(7) OF THE BASIC LAW OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA AND SECTION 7A OF THE HONG KONG COURT OF FINAL APPEAL ORDINANCE (CAP. 484)

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I move that the motion under my name, as printed on the Agenda, be passed, that this Council endorses the appointments of Mr Robert FRENCH and The Right Honourable Lord REED ("Lord REED") to the Court of Final Appeal ("CFA") as non-permanent Judges from other common law jurisdictions ("CLNPJs").

CFA is the final appellate court in Hong Kong, hearing both civil and criminal appeals. It consists of the Chief Justice and the permanent Judges. Non-permanent Judges may be invited to sit and they may come from Hong Kong or from other common law jurisdictions. When hearing and determining appeals, CFA is constituted by five judges, comprising the Chief Justice, three permanent Judges, and one non-permanent Hong Kong Judge or one non-permanent Judge from another common law jurisdiction.

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

Pursuant to Article 88 of the Basic Law and section 6(a) of JORCO, JORC has recommended the appointments of Mr Robert FRENCH and Lord REED as CLNPJs of CFA.

Mr Robert FRENCH had been the Chief Justice of the High Court of Australia since September 2008 until he retired from the office on 29 January 2017. Lord REED has been a Justice of the Supreme Court of the United
Kingdom since December 2011. They are Judges of eminent standing and reputation and their appointments will be a great asset to CFA. If they are appointed, the total number of CLNPJs will increase from the existing 10 to 12. This gives greater flexibility for dealing with CFA's caseload and ensures its effective operation.

The Chief Executive is pleased to accept the recommendations of JORC on the appointments of the two judges as CLNPJs of CFA. Subject to the endorsement of the Legislative Council, the appointments of the two CLNPJs shall take effect in May 2017 for a term of three years.

In accordance with the procedures previously endorsed by the Legislative Council House Committee, the Government issued a paper on 17 January 2017 to inform the House Committee that the Chief Executive had accepted the recommendations of JORC on the appointments. The curriculum vitae of the two Judges were also set out in the paper. Representatives from the Government and the Secretary to JORC attended the meeting of the Subcommittee on Proposed Senior Judicial Appointments on 14 February 2017 and answered Members' questions. I would like to thank Dr Priscilla LEUNG, Chairman of the Subcommittee, and other Members of the Subcommittee for their support of the proposed appointments.

I urge Members to endorse the appointments.

The Chief Secretary for Administration moved the following motion:

"RESOLVED that the following appointments be endorsed—

(a) the appointment of Mr. Robert French as a judge of the Hong Kong Court of Final Appeal from another common law jurisdiction pursuant to section 9 of the Hong Kong Court of Final Appeal Ordinance (Cap. 484) (the Ordinance); and

(b) the appointment of the Right Honourable Lord Reed as a judge of the Hong Kong Court of Final Appeal from another common law jurisdiction pursuant to section 9 of the Ordinance."
PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Chief Secretary for Administration be passed.

DR PRISCILLA LEUNG (in Cantonese): President, in my capacity as Chairman of the Subcommittee on Proposed Senior Judicial Appointments ("the Subcommittee"), I now report briefly on the main deliberations of the Subcommittee.

The Subcommittee deliberated on the appointment of the Honourable Chief Justice Robert FRENCH AC ("Chief Justice FRENCH") and the Right Honourable Lord REED ("Lord REED") as non-permanent Judges from other common law jurisdictions ("CLNPJs") to the Court of Final Appeal. In the course of deliberation, the Subcommittee expressed concern about the shortage of judges and uneven distribution of caseloads among Judges in the High Court of the Judiciary.

The Subcommittee considered that some Judges who specialize in handling criminal cases can hear civil cases to relieve the workload of other Judges; the Judiciary can fill senior judicial positions through internal promotion to address the manpower shortage. The Subcommittee suggested that the Judiciary should appoint more persons as non-permanent Judges ("NPJs") and appoint more Judges from common law jurisdictions other than the United Kingdom to serve as CLNPJs in Hong Kong. The authorities should introduce more new blood when considering appointments; when the term of an incumbent CLNPJ is due for renewal, consideration should be given to his or her age and the period served in determining whether the tenure should be extended.

The Judiciary indicated that in the High Court, Judges with mixed expertise are already assigned both criminal and civil cases, and the Chief Judge of the High Court has set up a working group to look into measures to further improve case management with a view to achieving better use of judiciary resources. Some of the vacancies of Judges at the levels of District Court and the Court of First Instance in the Judiciary are filled by internal candidates from the lower levels of court.
With regard to expanding the pool of NPJs, the Judicial Officers Recommendation Commission ("JORC") explained that whether more NPJs will be appointed depends on the availability of suitable persons with the relevant experience and qualification, taking into consideration the prevailing operational requirements of the Court of Final Appeal ("CFA"). Since 1997, CLNPJs have been appointed from among Judges and retired Judges in the United Kingdom, and retired Judges from Australia and New Zealand because the legal systems of these places have the closest affinity to that in Hong Kong. The Judiciary indicated that it will continue to look for Judges from other common law jurisdictions for CLNPJ appointment as appropriate.

The Subcommittee has also asked questions on issues such as the Judiciary's criteria of identifying overseas Judges and the vetting process of JORC. As CLNPJs of the CFA has to handle important legal cases in Hong Kong, the Subcommittee recommended that the Judiciary should establish a more rigorous mechanism for appointment checking for the procedure of appointing CLNPJs. JORC should consider the due diligence report prepared by the Judiciary and then submit the recommendation to the Legislative Council for scrutiny and make a recommendation to the Chief Executive for appointment of CLNPJs so as to ensure that the expertise, capability and conduct of the relevant candidates meet the appointment requirements to sit on the Court of Final Appeal in Hong Kong to handle important legal cases.

(JORC responded that all judicial appointments are made in accordance with Article 92 of the Basic Law and have given consideration to the relevant professional qualification requirements while in this case, the appointment is made in accordance with the professional qualification stipulated under the Hong Kong Court of Final Appeal Ordinance. Persons being considered for appointment as CLNPJs have profound judicial experience and enjoy high reputation in the legal sector. Yet, as they are neither residents of Hong Kong nor residing in Hong Kong, it is expected that there may not be such records of them and JORC has to rely on the curricula vitae and relevant information provided by the candidates in its deliberation.)
Having considered the recommendation of the Judiciary and the replies made by JORC to the questions raised by members, the Subcommittee supported the appointment of Chief Justice FRENCH and Lord REED as CLNPJs.

The Subcommittee made a request for the record that the information of appointment of overseas Judges in the future should also include the due diligence report on the Judges designate prepared by the Judiciary instead of solely relying on the information provided by the candidates.

Deputy President, next I will present my personal opinions.

With regard to the appointment of overseas Judges in Hong Kong, in fact, it is clearly stipulated in Article 82 of the Basic Law that CFA of Hong Kong may as required invite Judges from other common law jurisdictions to sit on the Court of Final Appeal. Many members of the public have told me that they do not understand why it is still necessary for Hong Kong to appoint overseas Judges as Judges of CFA. I believe Article 82 of the Basic Law has already addressed this question.

Insofar as the appointment of Judges is concerned, Hong Kong appoints overseas Judges (especially those from other common law jurisdictions) on the need basis. I believe this approach is consistent with the prevailing operation of the Judiciary and addresses the problems of inadequate manpower as well as the lack of expertise in certain areas. However, I would like to point out that as it has been 20 years since Hong Kong's reunification with China, such an approach must … Why have more members of the public asked us in recent years that why there are still foreign Judges in Hong Kong? When it comes to cases involving cultural disputes (such as the CFA's judgment in the W case concerning a transsexual) or cases involving significant public interest (such as the right of abode in Hong Kong of foreign domestic helpers or the Hong Kong-Zhuhai-Macao Bridge) as well as cases which are particularly concerned with public interests of Hong Kong (including the prosecution and conviction of persons engaged in the Occupy Central movement and anti-Occupy Central movement), this kind of reaction and diverse opinions would often be found in society which may, as a result, embroil Judges in the doubts about their judgment.
Therefore, I think the authorities should establish clearer criteria for the appointment of overseas Judges. First of all, in terms of expertise, the authorities should focus on the areas of expertise which are currently unavailable among local Judges as well as the talents in senior positions in the legal sector of Hong Kong. For example, overseas Judges have expertise in various areas such as international commerce or international and professional provisions while the number of such relevant professionals in Hong Kong may be inadequate.

Second, it is certainly concerned with the capability of overseas Judges. I hope the Judiciary of Hong Kong can—as we have pointed out time and again, there are three law schools but they currently … I have to declare that I have been teaching at the City University of Hong Kong for over 20 years and many students have graduated for more than 20 years while the University of Hong Kong has been nurturing talents of law over the years as well—in terms of appointments to senior judicial positions, if talents in the relevant areas are available in the local legal sector, the Judiciary should try to make use of such vacancies to develop the talents of law of Hong Kong. Therefore, the doubts about the appointment of overseas judges will be lessened if the authorities can give a clear explanation to the public. Whenever members of the public expressed these doubts to me, I would have to quote Article 82 of the Basic Law in my explanation to them.

As for the question of how public confidence can be restored in the judgment of the Judiciary with regard to controversial cases so that the public will not have doubts about the nationalities of Judges or question whether the Judges have personal political stances, etc.—we hope to avoid these scenarios—we recommend that a more stringent mechanism should be established for the appointment of overseas Judges.

In fact, the Subcommittee of the Legislative Council has never asked this question in the past. As there are some new Members in the current term of the Legislative Council, they raised this question but JORC failed to give any answer. Yet, we considered it acceptable as this is the first time we asked the relevant questions and we therefore support the recommendation of JORC. So, what is the problem now? When the Subcommittee wanted to obtain more information about the overseas Judges being considered for appointment, we could not obtain such information and some members had to download the relevant information from the Internet. Although we made a request to the representatives of the Judiciary, they only stated that the relevant information was unavailable. Who
provided the information we are asking for? It is simply provided by several overseas Judges themselves. It seems that the authorities did not carry out any due diligence inspection and I think this responsibility lies with the Judiciary. The Judiciary should at least provide some objective information so that members did not have to look for the information of the Judges designate on the Internet, such as whether they had handled controversial cases in their own countries or whether they have radical political views. Members had to download the relevant information from the Internet by themselves.

Although this is the first time I participated in this kind of Subcommittee, these issues are actually new questions. I have been working in a public organization for over 20 years. The authorities should actually provide a due diligence report on every appointment to senior positions. Apart from providing the report to the Legislative Council, the authorities should also provide the relevant report to JORC because they have to carry out internal study and discussions. I believe if a more stringent appointment procedure can be established, it can lessen public doubts while the operation will become smoother as well.

With these remarks, Deputy President, I hope the Government and the Judiciary will accept the recommendations of the Subcommittee that with regard to the provision of information of Judges designate in the future, apart from the information provided by the Judges themselves, the authorities should also provide additional information to the Subcommittee for reference.

Deputy President, I so submit.

MR HOLDEN CHOW (in Cantonese): Deputy President, I very much welcome the appointments made on this occasion. I also extend my greatest welcome to the two foreign Judges from respectively the United Kingdom and Australia who will serve our judicial system. I trust Judges from overseas common law jurisdictions can consolidate our common law system and rule of law with their professional knowledge and working experience. This is undeniable. It is also the original intent of such a requirement set out in the Basic Law.

Nevertheless, here I would like to propose giving consideration to the provision of more personal information about the foreign Judges for our reference during the process of appointment in the future. In particular, can Legislative
Council Members be given an opportunity of making contact with these foreign Judges so as to learn more about them? Why am I proposing such a consideration? Because I have drawn reference from the practice in the United States. In the United States, appointments of Judges to the Supreme Court are certainly made by the President of the United States, but the Judges must also attend hearings of the United States Senate and answer questions from the Senators. The appointment by the President will not become officially valid until it is ultimately endorsed by the Senate. After drawing reference from this mechanism, I think Legislative Council Members may also wish to have the opportunity to learn more about the contribution which may be brought to Hong Kong in the future by these renowned foreign Judges with their working experience. For this reason, here I raised my view about adding this step in the appointment process in the future.

MR HOLDEN CHOW: Deputy President, it is utterly true that Hong Kong does need the indispensable experience and expertise given by the Judges from other common law jurisdictions which is surely conducive to enhancing our rule of law and justice. We do welcome the appointment of the two Judges in this motion and I trust that the Judicial Officers Recommendation Commission has all along properly discharged their duties in making appropriate recommendations to the Chief Executive on Judges from other common law jurisdictions.

However, I am equally convinced that our fellow Legislative Council Members would deeply appreciate it if there is more information about each candidate provided in the course of considering their appointments, or if there is an opportunity for our fellow Legislative Council Members to meet these candidates and know more about them before their appointments are duly confirmed.

Deputy President, take the United States as an example. Their Supreme Court Judges' appointments are made with advice and consent of the Senate. Candidates must attend a series of hearings in the Senate and answer questions before the Senate Judiciary Committee, and the confirmation by the Senate would then allow the President to formally appoint the Judges. I, therefore, would suggest the Government in the future to follow suit and consider arranging for Legislative Council hearings similar to the United States Senate Committee for the nominees to meet our fellow Legislative Council Members before their appointments are formally endorsed. I hope the Government would take on board my suggestion. Thank you.
MR DENNIS KWOK: Deputy President, before I speak any further, I must first respond to the example of the United States cited by Mr Holden Chow just now. Actually why is our approach different from that of the Senate or the House of Representatives of the United States? Because under the American system, the President will make a nomination which will then be scrutinized by the Congress. Only then will the nomination be confirmed. This is vastly different from the approach stipulated in Article 88 of the Basic Law, which provides that a recommendation shall be made by an independent commission and then scrutinized by the Legislative Council before the appointment is made by the Chief Executive in the end. Hence, no matter how the American system works, appointments of Judges under the Hong Kong system must not be politicized. The Legislative Council only serves as the final gatekeeper which scrutinizes the recommendations of the independent commission. For this reason, I absolutely do not agree that Judges or candidates who will be appointed as Judges of the Court of Final Appeal should be required to attend hearings in the Legislative Council. This is an absolutely inappropriate approach which does not comply with Article 88 and the other provisions of the Basic Law. Hence, I hope we will not merely draw reference from the approaches in foreign countries. Instead, we should look at the approach set out in the provisions relating to "one country, two systems" in the Basic Law.

Deputy President, the following is my speech on the appointments of the two Judges and appointments of the Judiciary.

MR DENNIS KWOK: Deputy President, "Justice delayed is justice denied". Those who have been following the development of our Judiciary will know that it has been overloaded with an ever-increasing amount of case work. Despite improvements in recent years, such as the shortening of the waiting time for court hearings and more judicial vacancies being filled, judicial resources are still lacking. Inevitably, overburdening the Judiciary will have an adverse impact on the quality of our rule of law. This is precisely why the appointment of more Judges in general and this appointment exercise is so important. Having more permanent Judges means that there will be a fixed portion of manpower dedicated to deal with the workload at all times, and this will also ensure that a larger number of Judges would handle hearings and cases and will maintain a steady level of efficiency and quality in the Judiciary.
If necessary, drawing judicial talents from other common law jurisdictions is also an option. Apart from relieving the strength of our Judiciary from the substantial amount of work, our Judiciary can also benefit from the knowledge and experience of other common law practitioners and Judges.

On that point, I note that the recent malicious comments toward Judges who presided over certain sensitive cases are completely unfounded and unacceptable. Foreign Judges or Judges from other common law jurisdictions are independent. They are professional and they uphold the rule of law just like any other judge in our jurisdiction. They are required to take the same judicial oath as all the other Judges upon their appointment, swearing to uphold the Basic Law and bear allegiance to the Hong Kong SAR. And at the same time, conscientiously, dutifully, in full accordance with the law, honestly and with integrity safeguard the law and administer justice without fear or favour, self-interest or deceit.

The common law jurisdiction in Hong Kong in general is indeed a legacy of our colonial past, and the practice of appointing foreign Judges has been in place since the colonial times. But today, the significance of appointing foreign Judges has changed. It is a reflection of Hong Kong's highly developed jurisprudence and acknowledgment by an intellectual exchange with other advanced common law jurisdictions. This arrangement also helps to enhance the international reputation of our Judiciary. Overseas non-permanent Judges being appointed are all judicial officers from other common law jurisdictions such as the United Kingdom, New Zealand and Australia, who have ample experience on the bench and are very learned in different areas of law.

The arrangement has won the trust of Hongkongers and the international community in that the Hong Kong judicial system has contributed to the independence of the Judiciary and the development of the common law. It has served the rule of law in Hong Kong well and nothing has occurred to warrant any change to our constitutional arrangement.

As our former Chief Justice Andrew LI has said, the arrangement of having foreign Judges on our bench at the Court of Final Appeal ("CFA") is not only a long-term arrangement but also a permanent one. The fact that foreign Judges are provided for in both the Sino-British Joint Declaration and the Basic Law underlined their importance.
Not only are foreign Judges a valuable source of knowledge and wisdom to Hong Kong, bringing fresh prospective to our courts which are so critical to building our international legal reputation and developing our jurisprudence. They also play an important role in the operation of our understaffed Judiciary that I have mentioned earlier in my speech. It is without doubt that the Honourable Chief Justice FRENCH and the Right Honourable Lord REED will be great additions to the CFA.

On the other hand, Chief Secretary, simply making more judicial appointments is not enough. Although the problem with excessive judicial vacancies has made some progress, we all know that improvement has not been massive and recruitment exercise has been difficult. It is essential to seek other ways to alleviate the current situation. Providing more incentives for potential applicants to join the bench is one such option.

In particular, in view of the pay discrepancy that can exist between solicitors and barristers in private practice and the Judges in the Judiciary, the enhancement in Judges' pay packages in last December has already marked a significant step forward in improving the Judges' service conditions by including a substantial increase in the housing allowance for Judges in the High Court level.

To further incentivize practitioners to join the bench, these measures should be extended to Judges in the District Court level. As there will be more work in the District Court level going forward, recruiting new Judges at the lower levels of courts is increasingly important.

I have also repeatedly enquired and advocated at the Panel on Administration of Justice and Legal Services ("AJLS Panel") for the statutory retirement age of Judges to be increased, which will assist in tackling the manpower shortage in the Judiciary. Allowing Judges to retire at a later age will help to retain some of the Judges, especially those in the higher levels of courts who are often nearing the current age of retirement. This will also alleviate the harsh practice of ending their career when they are at the top of their experience and judgment.

By raising the retirement age, Judges will be able to work longer, and this can encourage senior practitioners to consider switching to a career at the bench later on in their career. The Judiciary has already engaged a consultant to carry
out a study to review the retirement age of Judges and judicial officers, and I will make sure that this matter will be followed up closely by the Legislative Council and by the AJLS Panel.

Expanding the judicial assistants programmes for the various divisions of the Judiciary will also been beneficial. Judicial assistants programmes including the Judicial Assistants Scheme at the CFA level and the scheme of Judicial Associates at the High Court level have proved to be popular.

Garnering numerous applications, these programmes will also act as a window for legal practitioners, whether fresh from graduation or those who have started practice, to acquire an insight into the workings of the Judiciary, and such programmes may plant a seed of interest for these young practitioners to join the Judiciary in the future. Through educating legal practitioners about judicial arrangements and practices, these opportunities will be favourable for the overall development of the legal profession and the common law tradition for the years to come.

Ultimately, Deputy President, the rule of law in Hong Kong depends on the Judiciary's ability to deal with cases efficiently and effectively. And that ability is in no small measure attributable to our Judges' wealth of wisdom, knowledge and experience. There must be sufficient Judges, judicial officers and proper court facilities to accommodate the increasing workload that they face. And I very much welcome this judicial appointment exercise. Thank you.

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

(No Member indicated a wish to speak)

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

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Deputy President, I would like to thank the three Honourable Members, namely Dr Priscilla LEUNG, Mr Holden CHOW and Mr Dennis KWOK, for their remarks earlier. They all support the Government's recommendation of appointing these two Judges.
However, I wish to give a brief response to the questions raised by these Members earlier according to the information provided by the Judiciary. First of all, as mentioned by Dr Priscilla LEUNG, Article 82 of the Basic Law clearly stipulates that the Court of Final Appeal ("CFA") may as required invite Judges from other common law jurisdictions to sit on CFA. This is the first point that we should know. There are clear stipulations in the Basic Law on this, which means that a legal framework is already in place. Secondly, all non-permanent Judges from other common law jurisdictions have profound judicial experience and enjoy a high professional status and reputation who are different from ordinary Judges. They are Judges or retired Judges with good track records of judicial services in their respective jurisdictions. For the two senior Judges being considered for the proposed appointment, the Honourable Chief Justice Robert FRENCH AC ("Chief Justice FRENCH") was the Chief Justice of the High Court of Australia before retirement while the other candidate, the Right Honourable Lord REED ("Lord REED"), is currently a Justice of the Supreme Court of the United Kingdom. They are Judges who enjoy a highly prestigious status.

Secondly, I would like to respond to the problem of manpower shortage mentioned by Mr Dennis KWOK and Dr Priscilla LEUNG earlier. I wish to briefly state here that in order to address the recruitment difficulties at the Court of First Instance of the High Court level and taking into account the long-term needs of the Judiciary as a whole, the Judiciary has conducted reviews of two important areas: first, a review is conducted of the conditions of service as well as the statutory retirement ages of Judges and Judicial Officers ("JJOs")—Mr Dennis KWOK has mentioned this aspect earlier as well—with a view to attracting outstanding and experienced lawyers in private practice to join the bench at the later stage of their career life; second, we have also made recommendations for improvement of the fringe benefits of JJOs which will be effective from 1 April 2017. As for the review of the retirement ages of JJOs, the Judiciary has also engaged a consultant to conduct the review and will report the progress and results of the review to the Government in due course.

Furthermore, with regard to the problem of workload—Dr LEUNG has also mentioned problems such as uneven distribution of caseloads earlier—the Judiciary stated that the Chief Judge of the High Court has set up a working group to look into measures to improve criminal case management with a view to achieving better use of judiciary resources. A draft Practice Direction has been
prepared in consultation with the legal sector which has expressed general support. The Judiciary is now preparing for the implementation of the Practice Direction in the middle of this year. A series of these tasks are being undertaken.

Lastly, I wish to add one point. Over the past seven years, the Government has accepted all recommendations on total provision and requests for creation of new posts proposed by the Judiciary for seven financial years in a row since the 2011-2012 financial year to ensure that the Judiciary can perform the constitutional functions stipulated in the Basic Law.

We will continue to proactively respond to the resource requirements of the Judiciary in a positive manner to ensure the effective operation of the Judiciary. The Government will also resolutely defend judicial independence and safeguard and respect the rule of law.

Deputy President, both Chief Justice FRENCH and Lord REED are distinguished Judges and their appointment will be beneficial to the Court of Final Appeal of Hong Kong in continuing to play a significant role in safeguarding the rule of law. I urge Members to support the relevant appointment. Thank you.

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

(Members raised their hands)

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

(No hands raised)

Mr Dennis KWOK rose to claim a division.
DEPUTY PRESIDENT (in Cantonese): Mr Dennis KWOK has claimed a division. The division bell will ring for five minutes.

(While the division bell was ringing, THE PRESIDENT resumed the Chair)

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

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

Mr LEUNG Yiu-chung, Mr Tommy CHEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Hak-kan, Mr CHAN Kin-por, Dr Priscilla LEUNG, Ms Claudia MO, Mr Michael TIEN, Mr Steven HO, Mr Frankie YICK, Mr WU Chi-wai, Mr CHAN Han-pan, Mr Kenneth LEUNG, Ms Alice MAK, Dr KWOK Ka-ki, Mr KWOK Wai-keung, Mr Dennis KWOK, Dr Helena WONG, Mr IP Kin-yuen, Dr Elizabeth QUAT, Mr POON Siu-ping, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan, Mr Jimmy NG, Dr Junius HO, Mr HO Kai-ming, Mr LAM Cheuk-ting, Mr Holden CHOW, Mr SHIU Ka-chun, Mr Wilson OR, Dr Pierre CHAN, Mr CHAN Chun-ying, Ms Tanya CHAN, Mr HUI Chi-fung, Mr LUK Chung-hung, Mr LAU Kwok-fan, Mr Kenneth LAU, Mr KWONG Chun-yu, Mr Nathan LAW, Dr YIU Chung-yim and Dr LAU Siu-lai voted for the motion.

THE PRESIDENT, Mr Andrew LEUNG, did not cast any vote.

THE PRESIDENT announced that there were 43 Members present, 42 were in favour of the motion. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

Members who wish to speak on the motion will please press the "Request to speak" button.

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

PROPOSED RESOLUTION UNDER THE CRIMINAL PROCEDURE ORDINANCE

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I move that the motion under my name, as printed on the Agenda, be passed. It seeks the approval of the Legislative Council for the Criminal Procedure (Witnesses' Allowances) (Amendment) Rules 2017 made by the Criminal Procedure Rules Committee under section 9B of the Criminal Procedure Ordinance.

At present, the maximum allowance payable to ordinary witnesses in criminal proceedings is $445 for each day of attendance or $220 for not exceeding four hours of attendance. The maximum allowance for professional or expert witnesses is higher, at $2,415 for each day of attendance or $1,205 for not exceeding four hours of attendance.

Under the adjustment mechanism approved by the Finance Committee of the Legislative Council, changes to the rate of allowance for ordinary witnesses would be made in accordance with the movements in the overall Median Monthly Employment Earnings of Employees ("MMEE") in Hong Kong while those for professional or expert witnesses would be made in accordance with the changes in the mid-point salary of a Government Medical and Health Officer. The Finance Committee also delegated the authority to approve the relevant adjustments to the Secretary for Financial Services and the Treasury.

The existing rates of allowances were set in 2015 based on the biennial review conducted in 2014. The Judiciary Administration reviewed the rates of allowances in 2016. Taking into account the movements in the overall MMEE and the mid-point salary of a Government Medical and Health Officer from the third quarter of 2014 to the third quarter of 2016, the Judiciary Administration proposed and the Secretary for Financial Services and the Treasury approved to increase the maximum rate of allowance for ordinary witnesses from $445 to
$515 for each day of attendance and from $220 to $255 for not exceeding four hours of attendance. For professional or expert witnesses, the maximum rate of allowance would be increased from $2,415 to $2,770 for each day of attendance and from $1,205 to $1,385 for not exceeding four hours of attendance. These adjustments aim to maintain the real value of the rates of allowances to minimize any financial loss suffered by members of the public testifying as witnesses in courts.

(The President's Deputy, Ms Starry Lee, took the Chair)

The Criminal Procedure (Witnesses' Allowances) (Amendment) Rules 2017 seek to implement the new rates of allowances. I urge Members to pass the motion. Thank you.

The Chief Secretary for Administration moved the following motion:

"RESOLVED that the Criminal Procedure (Witnesses' Allowances) (Amendment) Rules 2017, made by the Criminal Procedure Rules Committee on 10 February 2017, be approved."

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

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

(No Member indicated a wish to speak)

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

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

(No hands raised)

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

DEPUTY PRESIDENT (in Cantonese): Proposed resolution under the Coroners Ordinance to approve the Coroners (Witnesses' Allowances) (Amendment) Rules 2017.

Members who wish to speak on the motion will please press the "Request to speak" button.

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

PROPOSED RESOLUTION UNDER THE CORONERS ORDINANCE

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Deputy President, I move that the third resolution standing in my name on the Agenda be passed. This motion aims to seek the approval of the Legislative Council for the Coroners (Witnesses' Allowances) (Amendment) Rules 2017 made by the Chief Justice under section 54 of the Coroners Ordinance.

At present, the maximum rates of allowances payable to witnesses in coroners' inquests are the same as those for witnesses in criminal proceedings. The adjustment mechanism for the rate of allowances approved by the Finance Committee of the Legislative Council is also the same as that for the allowances for witnesses under the Criminal Procedure (Witnesses' Allowances) Rules. Following a review conducted in 2016, the Judiciary Administration proposed, and the Secretary for Financial Services and the Treasury approved, to increase the maximum rate of allowance for ordinary witnesses from $445 to $515 for each day of attendance and from $220 to $255 for not exceeding four hours of attendance. For professional or expert witnesses, the maximum rate of allowance would be increased from $2,415 to $2,770 for each day of attendance and from $1,205 to $1,385 for not exceeding four hours of attendance.
The Coroners (Witnesses' Allowances) (Amendment) Rules 2017 seek to implement the new rates of allowances. I urge Members to pass the motion. Thank you, Deputy President.

The Chief Secretary for Administration moved the following motion:

"RESOLVED that the Coroners (Witnesses' Allowances) (Amendment) Rules 2017, made by the Chief Justice on 10 February 2017, be approved."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

DEPUTY PRESIDENT (in Cantonese): Proposed resolution under the Interpretation and General Clauses Ordinance to amend the Air Pollution Control (Vehicle Design Standards) (Emission) (Amendment) Regulation 2017.
Members who wish to speak on the motion will please press the "Request to speak" button.

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

PROPOSED RESOLUTION UNDER SECTION 34(2) OF THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Deputy President, I move that the Air Pollution Control (Vehicle Design Standards) (Emission) (Amendment) Regulation 2017 ("the Amendment Regulation"), which aims to further improve roadside air quality by implementing more stringent vehicle design standards for specific vehicles, be amended. The amendments are set out on the agenda.

First of all, I would like to express my sincere appreciation to the Subcommittee led by Mr Frankie YICK, the Chairman of the Subcommittee, for their invaluable views offered during the vetting of the Amendment Regulation. In view of the comments of the Subcommittee, we propose the motion of amendment which has the support of the Subcommittee.

To improve roadside air quality and protect public health, our standing policy is to tighten motor vehicle fuel and emission standards in line with the latest international developments when there is a reasonable supply of compliant fuels and vehicles on the local market. The European Union ("EU") started tightening emission standards for newly registered vehicles in phases to Euro VI on 31 December 2013. Compared with their Euro V counterparts, Euro VI heavy duty diesel vehicles emit 80% less nitrogen oxides ("NOx") and 50% less respirable suspended particulates ("RSP") while Euro VI light duty diesel vehicles emit about 55% less NOx. In 2015, the Environmental Protection Department ("EPD") commenced the consultation and preparatory work on a new round of tightening of statutory emission standards for newly registered vehicles.

After considering the vehicle suppliers' timetable for introducing their Euro VI vehicles to the local market, we sought the support of the Panel on Environmental Affairs ("the Panel") of the Legislative Council in the end of 2015 on our initial proposal to implement the Euro VI emission standards in phases
starting from 1 September 2016, and to start consulting the transport trades and the vehicle maintenance trade on the proposal. We also indicated that we would review the current policy on new registration of diesel private cars to avoid the rapid growth of diesel private cars aggravating roadside air pollution.

With the support of the Panel on the initial proposal, we consulted the transport trades and the vehicle maintenance trade. The major view of the transport trades was that they would like the Government to defer the proposed implementation timetable for diesel goods vehicles and non-franchised buses at least to January 2018. For the vehicle maintenance trade, they did not object to our proposal. Having considered the views received during consultation, we acceded to the views of the transport trades and proposed to the Panel at the end of last year a revised timetable to implement Euro VI emission standards for diesel goods vehicles and buses in phases starting from 1 January 2018, allowing more time for relevant trades to prepare for the implementation. As for petrol private cars and taxis, the Euro VI emission standards would be implemented starting from 1 July 2017, while the standards for diesel private cars would be tightened to California LEV III on the same day. The Panel had no objection in principle to the revised proposal and subsequently held a hearing on 24 February this year to receive the views of diesel private car suppliers and the transport trades on the revised proposal. In view of the views received at the hearing on the revised timetable for implementation of the new standards, the Panel carried motions proposing the Government to further defer the commencement date.

At the same time, the Government tabled the Amendment Regulation under section 43 of the Air Pollution Control Ordinance (Cap. 311) at the Legislative Council for negative vetting on 22 February this year. The Legislative Council has set up a subcommittee scrutinizing the Amendment Regulation.

Deputy President, for diesel private cars, the trade requested to further defer the commencement date of the new standard. Their main argument is that they would like to have more time for adjusting their sales plan. We believe that as we already announced the implementation timetable for the new standards in October last year to the diesel private car suppliers, they should have sufficient time to adjust their sales plans. As for goods vehicles and non-franchised buses, the trades would like to defer the implementation date so as to allow more Euro VI vehicle models be introduced to the local market and more time for vehicle mechanics to pick up the maintenance skill for these vehicles.
For the supply of vehicles, it is our understanding that all major European and Japanese commercial vehicle suppliers have confirmed that they are able to supply Euro VI models for the concerning vehicle classes according to the schedule. The vehicle manufacturers of the Mainland also have no difficulty in supplying Euro VI buses to Hong Kong. As for the maintenance, EPD in conjunction with vehicle suppliers, commercial vehicle repair associations representing small and medium vehicle repair workshops, the Vocational Training Council and other organizations have been conducting seminars on repair and maintenance of modern diesel vehicles since 2015 and will continue to conduct these seminars. We will consult the view of the vehicle maintenance trade to add more in-depth materials to assist the trade to master the required maintenance skill.

While we consider that the original implementation timetable of the Amendment Regulation is well justified and has already duly considered the operational needs of the trades, we understand and respect the concerns of the trades. In addition, many Members in the Legislative Council would like to see that the Government understands the concerns of the trades and endeavours reaching a consensus with the trades so as to facilitate smooth implementation of the Regulation. After careful considerations, the Government agrees to defer the implementation date of the new standard for diesel private cars to 1 October 2017 and defer the implementation date of the Euro VI standard for goods vehicles with design weight of more than 3.5 tonnes and buses with design weight of more than 9 tonnes to 1 October 2018.

The said amendments have been generally accepted by the transport trades and supported by the Subcommittee. Deputy President, I hope Members will support the said amendments, such that the Regulation to implement more stringent vehicle design standards to further improve air quality can be put into effect as soon as possible. I thank the Subcommittee once again. Thank you, Deputy President.

The Secretary for the Environment moved the following motion:

"RESOLVED that the Air Pollution Control (Vehicle Design Standards) (Emission) (Amendment) Regulation 2017, published in the Gazette as Legal Notice No. 24 of 2017 and laid on the table of the Legislative Council on 22 February 2017, be amended as set out in the Schedule."
Schedule

Amendments to Air Pollution Control (Vehicle Design Standards) (Emission) (Amendment) Regulation 2017

1. Section 6 substituted

Section 6—

Repeal the section

Substitute

"6. Regulation 7B amended (vehicle design standards for certain motor vehicles registered on or after 1 January 2006)

(1) Regulation 7B(1)—

Repeal paragraphs (a), (b) and (c).

(2) Regulation 7B(1)(d)(ii)—

Repeal

"on or after 1 January 2006"

Substitute

"between 1 January 2006 and 30 September 2017 (both dates inclusive)".

(3) Regulation 7B(1)(d)—

Repeal

"Schedule 12;"

Substitute

"Schedule 12.".

(4) Regulation 7B(1)—

Repeal paragraphs (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p) and (q)."

2. Section 8 amended (regulation 7E amended (vehicle design standards for certain motor vehicles registered on or after 1 June 2012))

(1) Section 8—

Repeal subsection (1).

(2) Section 8(8), (9) and (10)—

Repeal

"31 December 2017"

Substitute

"30 September 2018".
3. Section 9 amended (regulations 7F, 7G and 7H added)
   (1) Section 9, new regulation 7F(6)(b)—
       Repeal
       "1 July 2017"
       Substitute
       "1 October 2017".
   (2) Section 9, new regulation 7G(12)(d), (13)(c), (14)(d),
       (15)(d) and (17)(c)—
       Repeal
       "1 January 2018"
       Substitute
       "1 October 2018".
   (3) Section 9, new regulation 7H, heading—
       Repeal
       "1 January 2018"
       Substitute
       "1 October 2018".
   (4) Section 9, new regulation 7H(2)(d), (3)(d), (5)(c) and
       (6)(c)—
       Repeal
       "1 January 2018"
       Substitute
       "1 October 2018".

4. Section 10 amended (regulation 8 amended (compliance
   with more stringent standards))
   Section 10—
       Repeal
       "7D, 7E, 7F"
       Substitute
       "7B, 7D, 7E, 7F".

5. Section 11 amended (regulation 9 amended (vehicles to
   which regulations 7, 7B, 7C, 7D, 7E and 14 do not apply))
   (1) Section 11(1)—
       Repeal
       "7D, 7E, 7F"
       Substitute
       "7B, 7D, 7E, 7F".
(2) Section 11(2)—
Repeal
"7D, 7E, 7F"
Substitute
"7B, 7D, 7E, 7F".

6. Section 13 amended (regulation 14 amended (certain motor vehicles to be equipped with on-board diagnostic system))
Section 13—
Repeal subsection (5).

7. Section 29 substituted
Section 29—
Repeal the section
Substitute

"29. Schedule 12 amended (vehicle design standards (emission) for certain motor vehicles registered on or after 1 January 2006)
(1) Schedule 12—
Repeal
"[regs. 7B & 7E]"
Substitute
"[reg. 7B]".
(2) Schedule 12—
Repeal paragraphs (a) and (c)."."

8. Section 32 amended (Schedules 17, 18 and 19 added)
Section 32, English text, new Schedule 17, Part 2, paragraph (c)(iii)—
Repeal
"Environment"
Substitute
"Environmental".

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for the Environment be passed.
MR FRANKIE YICK (in Cantonese): Deputy President, in my capacity as Chairman of the Subcommittee on Air Pollution Control (Vehicle Design Standards) (Emission) (Amendment) Regulation 2017, I report to this Council highlights of the Subcommittee's work.

The purpose of the Air Pollution Control (Vehicle Design Standards) (Emission) (Amendment) Regulation 2017 ("the Amendment Regulation") is to tighten in phases the emission standards for specific newly registered vehicles from Euro V to Euro VI, and the emission standards for newly registered diesel private cars from California LEV II to LEV III, starting from 1 July 2017.

The Subcommittee has held two meetings. Members support in principle tightening the vehicle emission standards with a view to improving roadside air quality. But some Members are concerned that the existing choices of brands and supply of Euro VI vehicles, heavy duty vehicles in particular, are insufficient in the local market. The prices of such vehicles remain high. Pre-mature implementation of the Euro VI standards will increase the compliance costs of the trades in the purchase and replacement of vehicles. In addition, the vehicle maintenance trade has yet to master the skills for repairing Euro VI vehicles. In these members' view, the Administration should defer the commencement dates of the new emission standards for heavy duty vehicles and diesel private cars.

The Administration has advised that it has consulted the transport trades when drawing up the implementation schedule, and deferred the proposed implementation schedule of Euro VI emission standards for diesel goods vehicles and non-franchised buses by one year. While the Administration considers the implementation schedule under the Amendment Regulation is reasonable, it understands the concerns and worries of the trades. Subsequent to the discussion with the Subcommittee, the Administration has agreed to defer the commencement date of the Euro VI standards for goods vehicles with design weight of more than 3.5 tonnes and buses with design weight of more than 9 tonnes by nine months to 1 October 2018, and the commencement date of the California LEV III standards for diesel private cars by three months to 1 October 2017.

The Subcommittee notes that the Administration will no longer accept first-time registration of diesel private cars only meeting the Euro petrol car emission standards. The Subcommittee has requested the Administration to
explain the relevant arrangement. The Administration points out that in recent years, some reputable organizations have found that the emissions from diesel private cars which have passed laboratory tests for Euro standards are substantially above the regulated limit in real-world driving. For this reason, the Administration is of the view that it should no longer accept first-time registration of diesel private cars only meeting the Euro petrol car emission standards.

The Subcommittee urges the Administration to step up its support for the vehicle maintenance trade and ensure that vehicle mechanics are competent in repairing Euro VI vehicles, and vehicle manufacturers should also open up the software related to the on-board diagnostic systems of Euro VI vehicles. The Administration has advised that the Vocational Training Council ("VTC") has been offering regular training courses on vehicle maintenance, and the Environmental Protection Department ("EPD") has also been organizing seminars in collaboration with VTC and other bodies to disseminate the latest vehicle maintenance information. As part of the Euro VI emission standard requirements, vehicle manufacturers are required to make arrangements for the public to have access to vehicle maintenance information and software on payment of a fee.

Given that the prices of Euro VI commercial vehicles are generally higher than that of Euro V models, some members have proposed that the Administration should consider raising the ex-gratia payments for phasing out pre-Euro IV diesel commercial vehicles, or introduce a new scheme to encourage early replacement of diesel commercial vehicles with Euro VI ones by the transport trades. The Administration has taken note of the members' views.

The Subcommittee supports the proposed resolution moved by the Administration. The Subcommittee will not propose any amendment to this item of subsidiary legislation.

Deputy President, my personal views on the Amendment Regulation are as follows. We are living under the same sky. The transport trades basically support any measures which may improve air quality, as long as they are in line with public sentiments and keep the adverse impact on the operation of the relevant trades to a minimum in implementation.
The Administration already introduced the proposal to tighten vehicle emission standards to Euro VI to members of the Panel on Environmental Affairs of the Legislative Council as early as in November 2015. Back then, Legislative Council Members already expressed concerns about the maintenance of Euro V and the future Euro VI vehicles. Subsequently, at the end of last year, the Government again made a report to the Panel on Environmental Affairs about the tightening proposal which had gone through consultation with the relevant trades. The commencement dates of the relevant proposals have been deferred from the original scheduled ones. For example, the commencement date for buses and goods vehicles has been deferred by one year to 1 January 2018. Such a revision has precisely reflected the impracticality of the original proposals put forward by the Bureau.

When a public hearing was convened by the committee on 24 February 2017 to receive views, representatives from the transport trades including container trucks, goods vehicles, non-franchised buses and even vehicle maintenance bodies present held the unanimous view that the schedule of the Government for tightening the vehicle emission standards to Euro VI was way too aggressive, rendering the market unable to cope, both in terms of vehicle models and maintenance. Pushing it through would result in serious impact on the transport trades. As to the tightening of standards for private cars to California LEV III of the United States, vehicle manufacturers and local dealers were not allowed adequate time to make adjustments and arrangements in relation to their products given the short notice, thereby affecting the business of vehicle suppliers. In this connection, on the day of the public hearing, I moved a motion requesting the Government to revise the commencement dates for tightening the vehicle emission standards, including further deferral of the commencement date for taxis and private cars to 1 January 2018, and implement the standards for goods vehicles and buses when sufficient choices of makes were available in the market and the technologies including software for emission testing adopted by vehicle manufacturers were readily made public. The motion was passed with the support of the majority of Members present.
In fact, heavy duty vehicles produced in Japan are more commonly used by the local transport trades. One reason is that its models are more suitable for use in Hong Kong, and the other is that the prices are more affordable than that of their European counterparts. Generally, the prices of heavy duty vehicles manufactured in Europe are about 25% higher than that of Japanese models of the same class. Nevertheless, as the emissions from Japanese vehicles have yet to meet the Euro XI standards, only a few choices of European makes, particularly heavy goods vehicles, were available in the market. Pre-mature tightening of the emission standards to Euro VI before introduction of compliant vehicles manufactured in Japan will only force the freight forwarding trade, being left with no choice, to switch to the more costly European models, thereby substantially increasing the operating costs of the trade.

Apart from the supply of vehicles, maintenance is another concern of the transport trades. While Euro V vehicles have been available in the local market for many years, vehicle owners still face maintenance difficulties. As vehicle manufactures have not opened up the technologies for the maintenance of new models, servicing of vehicles by the original manufacturers or designated repairers is the only option for vehicle owners. Due to the insufficiency of spare parts, the general waiting time is rather long, thereby affecting the business operation of the trades. At present, given the small number of Euro VI commercial vehicles in Hong Kong, it is even more difficult for local vehicle mechanics to master the relevant maintenance techniques. Although seminars have been organized to help technicians of the maintenance trade to master the advanced techniques necessary for Euro VI, the progress is unsatisfactory. In addition, the undue concentration on the design principles of the new emission reduction system in training programmes serves little purpose for the actual maintenance work in the future.

In view of the deviation of the market information available to the Bureau from the actual situation, after the first meeting of the Subcommittee, I arranged for an informal tripartite meeting, to which the Environment Bureau and EPD representatives, members of the Subcommittee and the transport trades were invited, hoping that members of the Subcommittee and government representatives would better understand why the latter should refrain from implementing the tightened vehicle emission standards hastily. At the meeting, a representative from vehicle suppliers indicated that compliant vehicles of
Japanese make meeting the Euro XI emission standards would probably be imported by 2018, but the quantity was uncertain. And the Government would strengthen communication with the vehicle maintenance trade, and raise both the number and quality of courses on the maintenance of Euro VI vehicles. Members present agreed that the commencement dates for tightening the emission standards should be further deferred, and proposed that the Bureau defer the commencement dates of the California LEV III standards for diesel private cars by six months from 1 July 2017 to 1 January 2018, and by one year from 1 January 2018 to 1 January 2019 for goods vehicles with design weight of more than 3.5 tonnes and buses with design weight of more than 9 tonnes. Nevertheless, the Government eventually only agreed to grant a deferral of three months instead of six months for diesel private cars, and a deferral of nine months instead of one year for heavy duty vehicles. The transports trades expressed disappointment at the Government's refusal to fully heed the views of the trades in amending the relevant commencement dates, and could only unwillingly accept the Government's amendments.

In 2014, the Government launched the ex-gratia payment scheme costing some $10 billion for phasing out aged Euro IV diesel vehicles. The relevant payments are calculated with reference to the average taxable value of Euro V vehicles at the time when the scheme was launched. As Euro VI vehicles are relatively new to which more novel technology is applied, their retail prices are about 20% higher than that of the existing Euro V vehicles. Even with the ex-gratia payment provided for phasing out aged pre-Euro IV diesel vehicles, given the price premium, basically the allowances are fully pocketed by vehicle manufacturers, tantamount to there being no allowance at all. For this reason, a number of members agree that the Government should consider raising the payments to encourage vehicle owners to replace Euro III vehicles with Euro VI vehicles direct, with a view to further improving roadside air quality in Hong Kong.

The trades are basically supportive of the scheme for phasing out aged diesel commercial vehicles, not to mention that new models of vehicles definitely perform better than the old ones in terms of emission. But financial concern is one of the important considerations of the transport trades. Environmental protection comes at a price. But if the price for environmental protection is fully borne by the transport trades, it will be downright unreasonable. If the
Government considers that Euro VI vehicles are far better than Euro V vehicles in terms of emission, being conducive to improving roadside air quality, it should consider providing further incentives to encourage vehicle owners to consider replacing their vehicles with Euro VI ones.

Under the scheme for phasing out aged pre-Euro IV diesel commercial vehicles, the licenses of Euro II vehicles will no longer be renewed from next year onwards, while those of nearly 30 000 Euro III vehicles will not be renewed by 2020, with some two years to go. I believe if the Government, apart from the existing ex-gratia payment for phasing out aged pre-Euro IV diesel commercial vehicles, can further provide those vehicle owners who are willing to replace their vehicles with Euro VI ones direct with additional financial support, it will help speed up the progress of replacement of such vehicles with Euro VI models and also reduce a financial loss amounting to tens of billion dollars incurred by air pollution. It is absolutely worth it.

President, I wish to reiterate that even if the transport trades accept the amendments introduced by the Government today, the trades hope the Government will continue to keep a close eye on the market supply of Euro VI models and the associated repair facility requirements. In case of demand and supply problems or inadequacy of repair facility, flexibility should be applied and further amendment to the commencement dates may be required, so as to avoid any adverse impact on the transport trades.

President, I so submit.

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 the Environment to reply. The debate will come to a close after the Secretary has replied.
SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I would like to express my appreciation again to Mr Frankie YICK, the Chairman of the Subcommittee on the Air Pollution Control (Vehicle Design Standards) (Emission) (Amendment) Regulation 2017 ("the Amendment Regulation"), and Members for their invaluable views offered during the vetting of the Amendment Regulation, and the speech given by Mr YICK earlier on. I also hope Members will support the passage of our amendments to the Amendment Regulation, such that more stringent statutory emission standards for newly registered vehicles to further improve air quality in Hong Kong can be put into effect as soon as possible. Thank you all.

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

(Members raised their hands)

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

(No hands raised)

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

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Ms Starry LEE will move a motion under Rule 49E(2) of the Rules of Procedure to take note of the Minimum Wage Ordinance (Amendment of Schedule 3) Notice 2017 and the Employment Ordinance (Amendment of Ninth Schedule) Notice 2017, which are included in Report No. 14/16-17 of the House Committee laid on the Table of this Council.

I will first call upon Ms Starry LEE to speak and move the motion, then call upon the Chairman of the Subcommittee formed to scrutinize the relevant subsidiary legislation, Mr Wilson OR, to speak, to be followed by other Members.
Each Member (including the mover of the motion) may only speak once and may speak for up to 15 minutes.

Finally, I will call upon the public officer to speak. The debate will come to a close after the public officer has spoken, and the motion will not be put to vote.

Members who wish to speak on the motion will please press the "Request to speak" button.

I now call upon Ms Starry LEE to speak and move the motion.

**MOTION UNDER RULE 49E(2) OF THE RULES OF PROCEDURE**

**MS STARRY LEE** (in Cantonese): President, in my capacity as Chairman of the House Committee, I move the motion as printed on the Agenda under Rule 49E(2) of the Rules of Procedure to enable Members to debate the following two items of subsidiary legislation included in Report No. 14/16-17 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments, which are respectively the Minimum Wage Ordinance (Amendment of Schedule 3) Notice 2017 and the Employment Ordinance (Amendment of Ninth Schedule) Notice 2017.

President, I so submit.

**Ms Starry LEE moved the following motion:**

"That this Council takes note of Report No. 14/16-17 of the House Committee laid on the Table of the Council on 29 March 2017 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>
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<tr>
<td>(1)</td>
<td>Minimum Wage Ordinance (Amendment of Schedule 3) Notice 2017 (L.N. 10/2017)</td>
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<tr>
<td>(2)</td>
<td>Employment Ordinance (Amendment of Ninth Schedule) Notice 2017 (L.N. 12/2017).&quot;</td>
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PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Starry LEE be passed.


The two Notices respectively seek to provide that, starting from 1 May 2017, the hourly Statutory Minimum Wage ("SWM") rate will be increased from $32.5 to $34.5, and specify that the monthly monetary cap on recording the total number of hours worked will be increased from $13,300 per month to $14,100 per month.

As regards the proposed SMW rate, some members consider that the rate should be set at a reasonable and higher level so as to allow grass-roots workers to meet the basic living expenses. Some members have expressed disappointment that the SMW rate would be adjusted upwards by $2 per hour only.

(THE PRESIDENT'S DEPUTY, MS STARRY LEE, took the Chair)

Some members have pointed out that SWM has induced the knock-on effect and the ripple effect since its implementation. Many employers, especially those of small and medium enterprises, need to not only adjust the wages of low-paid employees to the revised SMW level, but also increase the pay of employees at higher ranks in order to maintain staff morale of these employees and retain them, thereby further adding to the operating cost. These members consider that the wage level should be determined by the market.

The Administration stresses that in making its recommendation on the revised SMW rate, the Minimum Wage Commission ("MWC") has considered an array of indicators, including wage distribution data, socio-economic and labour market conditions, as well as price forecasts. MWC has considered the views of various sectors of the community. The Administration holds that MWC has proposed appropriate amendments to SMW in a reasonable and unbiased manner.
Deputy President, as regards the review cycle of the SMW rate, some members have pointed out that low-paid employees would only get a pay rise upon the adjustment of SMW in every two years. Therefore, these members have strongly requested that the SMW rate be reviewed annually so as to avoid employees' purchasing power being eroded by inflation.

The Administration stresses that the Minimum Wage Ordinance ("MWO") requires that SMW should be reviewed at least once in every two years, without precluding more frequent rate reviews. Should the circumstances warrant, the SMW rate can be reviewed in less than two years.

Deputy President, I will give my views as follows. The adjustment to SMW rate this time, according to information, will bring pay rises to approximately 154,000 employees. The trades and industries that will significantly benefit from it mainly include: property management, security and cleaning services, and catering and retail. MWO came into effect in 2011. According to the existing review cycle, SMW must be reviewed at least once every two years, meaning this is the third adjustment. However, there are many factors to consider when determining the SMW rate. To better protect low-income persons against the impact of inflation, we believe the review cycle should be shortened to at least once every year, so as to tackle economic fluctuations more accurately and make more realistic adjustments pertinent to the latest circumstances.

Deputy President, I so submit. Thank you, Deputy President.

MR LUK CHUNG-HUNG (in Cantonese): Deputy President, in-work poverty has been a long-standing problem in Hong Kong. No matter how hard and how many hours wage earners work every day, they still find it difficult to make ends meet and feed their family. This situation existed before and remains largely unchanged despite the Statutory Minimum Wage ("SMW") being increased to $34.5 now. For instance, if a person earning the minimum monthly wage of some $8,000 has to bear the expenses of a three-person or four-person family, even if the Low-income Working Family Allowance is counted in, he still lives under the poverty line. So, how can the minimum wage fully cover the living expenses of grass-roots workers?
Reviewing history, the fight for a minimum wage has been a tough process. The Hong Kong Federation of Trade Unions ("FTU") has over the many years been keenly concerned about the problem of in-work poverty and raised the appeal with the Government many years ago. Let us not go too far back in history, Members of FTU proposed a "Minimum wage, maximum working hours" motion in this Council in 2004, urging the Government to legislate for a minimum wage, which was unfortunately not adopted by the Government at the time. After that, similar motions were also proposed by Members in 2005-2006. FTU suggested to include 10 poverty alleviation measures in the 2004 Policy Address, including the setting of a minimum wage. After striving for it for five to six years, thousands of workers from different trades and industries initiated a procession in 2010, urging the Chief Executive to address squarely the problem of in-work poverty. In July 2010, after the failure of the Wage Protection Movement, the Minimum Wage Ordinance was enacted after three Readings by this Council and the implementation of SMW, which was $28 at the time, commenced on 1 May 2011. Disadvantaged workers finally received a certain degree of wage protection, and it was an important milestone in the fight for labour rights.

However, we do see some loopholes in the minimum wage. SMW has been implemented for six years since, we can see that the labour market is very stable. The alarmist talk by the business sector which claimed that a ripple effect would be induced, leading to large-scale layoffs and closures of business, did not happen. On the contrary, the employment rate repeatedly hit record highs and Hong Kong economy continued to gain steady development. However, as the loopholes in the relevant policy have not been plugged over the years, the minimum wage rate is embroiled in an increasingly serious lag, which significantly affects the effectiveness of the policy.

Under the Minimum Wage Ordinance, the Minimum Wage Commission reviews the SMW rate at least once every two years. However, after years of implementation, reviews were conducted only every two years, although the law allows a review within a shorter time period. In fact, the conclusion drawn from reference data used for review every two years unavoidably suffers a lag, the past several adjustment rates being a good example.

Take the minimum wage increase from $32.5 to $34.5 this time as an example. The mere 6% increase over two years is considered low by workers compared to the rise in the cost of living. The rate is detached from the
prevailing economic condition and unable to relieve the pressure exerted on grass-roots wage earners by the ever-rising prices. It reflects that wage earners are not able to share the fruits of economic development.

Sometime ago FTU recommended that SMW should be adjusted to $41 per hour in 2017 so as to meet wage earners' actual needs in living. This recommendation has taken into account various factors, such as the Comprehensive Social Security Assistance rate, basic work and living expenses, the median hourly rate of $62.9 in 2015, and the 4.7% increase of the median hourly rate in the past four years.

On the other hand, we see that the number of beneficiaries of SMW has been on the decrease. At the beginning of its implementation in 2011, the minimum wage was $28 per hour. According to the data of the Census and Statistics Department, around 180 000 people benefited from the minimum wage, accounting for 6% of the total number of employees; in 2013 when the minimum wage increased to $30, the number of beneficiaries dropped to 100 000, accounting for 3% of the total number of employees; and in 2015 when the minimum wage increased to $32.5, the number of beneficiaries dropped further to 42 000, accounting for only 1% of the total number of employees.

How about this year? According to the data of last year and the year before that, the numbers of employees earning less than $34.5 per hour were 154 500 and 90 400 respectively. The figure has dropped by 60 000 in one year. And another year has passed, how many employees will be left to benefit from SMW on 1 May this year? In the document submitted to this Council by the Administration, a conservative estimate of the number of employees earning less than $34.5 per hour in the first half of this year will be around 74 000, accounting for 2.5% of the total number of employees in Hong Kong. I am not very optimistic about that. I estimate that the number of beneficiaries will be under 2%.

How can we consider a wage protection policy successful when the number of beneficiaries is always under 5% or even 3%? Drawing reference from overseas experience, the number of workers eligible for minimum wage protection is about 5% to 10%. We are worried that, with the continual drop in the number of beneficiaries, this policy will exist in name only. Therefore, we should look forward and consider how best to improve the mechanism.
Deputy President, wages are a yardstick in workers' mind. It is also a reward for their toil and recognition by society. This year is 2017, 150 years ago, Karl MARX's famous writing on economy, Das Kapital, was published for the first time. The book described a historical scenario where capitalists paid workers a minimum wage barely enough to make a living, so that people would continue to make money for the capitalists by working in the factories. One hundred fifty years have passed, yet a group of workers are still treated the same way as 150 years ago, earning barely enough to survive, unable to share the fruits of economic development.

Hong Kong is the most economically developed region in Asia or even worldwide and holds the status as an international financial centre. Is this a reasonable rate? The minimum wage of $34.5 per hour is definitely not the level the labour sector hoped for, it is merely better than nothing. Although we approve of this amendment, we do not agree that $34.5 is a reasonable level. We approve of this amendment simply because we do not want to see grass-roots wage earners with the least bargaining power being denied even a minimal wage increase and forced to remain stagnant.

Hence, FTU must solemnly urge the SAR Government once again to address squarely the loopholes in the minimum wage system and optimize the relevant mechanism expeditiously, including conducting an annual review of the minimum wage, taking into account the actual living expenses of wage earners which must include the basic needs of dependent family members. The factor of economic growth should also be taken into account, in order to establish a scientific, reasonable and highly-operable benchmark, including using 60% of the median hourly rate or covering 10% to 15% of the working population as a reference point for discussions on each adjustment, so as to reduce unnecessary disputes between employers and employees.

I so submit. Thank you, Deputy President.

MR TOMMY CHEUNG (in Cantonese): Deputy President, I really have no intention to debate minimum wage with Honourable colleagues today. Moreover, I have heard quite a lot of sophistry. Actually, I have no idea if Honourable colleagues from labour unions have met with low-income workers. In-work poverty really exists. And the Liberal Party has time and again proposed that the Government should provide subsidies for the working poor.
Now, they seem to suggest that it is very difficult to resolve the problem of in-work poverty or minimum wage. I believe Honourable colleagues from the Hong Kong Federation of Trade Unions seldom hear me speak. Deputy President, now eateries doing the best business are located in housing estates. Why? Since people living in housing estates have high disposable incomes even after the deduction of expenses, they can choose to dine out. I often say that if the industry has in their pockets abundant cash like me and can pay their employees in cash, then there is absolutely no need to worry about failing to recruit hands, even if the wages offered are cut by 20%.

Two weeks ago, we mentioned in the Panel on Housing those people who were waiting for or living in public rental housing ("PRH") flats. Given that a dishwashing worker can now earn a monthly income of $16,000 to $17,000, should a household of two persons work as dishwashing workers and earn a combined monthly income of more than $30,000, then they will be ineligible to apply for PRH flats. As such, it is now difficult to recruit workers. Is it still necessary to conduct an annual review? Actually, wages are rising daily. Since higher wages must be offered if we fail to recruit workers, why should we wait for the minimum wage to be adjusted? If someone says that there is no "ripple effect", I really must ask where he is living. Even the Government, which said a couple of years ago that there would be no "ripple effect", cannot deny it now. But he is now saying that there is absolutely no "ripple effect", for people are only speaking nonsense.

Deputy President, as a Legislative Council Member representing the catering industry, I am deeply disappointed with the recommendation made by the Minimum Wage Commission to increase the prevailing hourly wage rate by up to 6.1%, from $32.5 to $34.5. In my opinion, its decision is wrong because no regard is given to the reality of a weakening economy and the plight of the catering industry. The industry is gravely concerned that, with the drop in tourist arrivals, coupled with the weakening spending power in Hong Kong, eateries might not be able to, as in the past couple of years, pass on the minimum wage increases to consumers. This will have a very strong impact on the catering industry, which is already making a low gross profit. I often say that increasing the minimum wage is only a means employed by politicians to lobby public support. Not only will it push society to become more and more populist, for people will join those who are in more favourable situations, but it will also become a kind of sugar-coated poison in the long run.
Labour union representatives often seek to divert people’s attention by, as I pointed out just now, alleging continuously that the impact of rentals is greater than that of wages on the industry. Moreover, the minimum wage has had no impact on the economy at all, for it has not resulted in any business closures—as I said just now, these people were talking nonsense—or produced any ripple effect. Nonetheless, Deputy President, I have to reiterate that the catering industry has never denied the pressure brought about by rentals, but wages remain the largest cost item insofar as the catering industry is concerned. In general, rentals account for 10% to 15% of our turnover—only someone who is blind or simply does not wish to read the information provided by the Government will deny this, but such information is prepared by the Government, not stated by me, Tommy CHEUNG—but wages account for more than 30% of our turnover. Furthermore, rent adjustments are generally made once every two or several years, but the wage level can rise with the day. Since employers have to increase wages should they fail to recruit workers, they actually face the pressure of raising wages daily.

In fact, the operating costs of the catering industry are rising in recent years. Since the industry has more types of work and is labour-intensive, with Chinese-style eateries and Hong Kong style cafes in particular having more divisions and hierarchies of job types, the share of payroll costs is generally greater. As such, the continual increase in minimum wage will only continue to aggravate the ripple effect on wages. As a result, various pay hierarchies are facing pressure from wage increases. Moreover, the problem of manpower shortage will become even more acute, and in particular, small and medium eateries will be the first ones to bear the brunt.

It is also pointed out in the 2016 Report on Annual Earnings and Hours Survey published by the Census and Statistics Department that, according to the breakdown by industry, the catering industry has seen the highest rate of increase in monthly median wage, 6% higher than the corresponding period in 2015, or two percentage points higher than the overall average rate of increase of 4.1% recorded in territory-wide figures. Actually, the 50% rate of increase is quite alarming. Meanwhile, a number of figures show that since 2013, the catering industry has been facing uncertainties. In terms of quantity, the gross proceeds of eateries have recorded a year-on-year drop during 2013 to 2016. Honourable colleagues from labour unions might say that this is an illusion and that Tommy CHEUNG is only talking nonsense. However, just look at the figures provided by the Government and one will see that the rate of overall
earnings of eateries has also dropped year on year from 5.7% in 2012 to 5% in 2015, with taxes and depreciation not yet deducted. It is thus evident that, even if Hong Kong economy was thriving in the past couple of years, the number of the people patronizing eateries has continued to fall. Coupled with the sharp rise in various operating costs, the proceeds of eateries are actually shrinking. Nevertheless, the figures for 2016 are not yet available. The situation is expected to worsen.

Members should understand that it is not rare to find the closure of an eatery to be followed by the opening of a new one. In recent years, it is more common to find the trend of eateries adopting a mode of operation that seeks to streamline manpower. Although the number of fast food shops, which require less manpower, is still growing steadily, the number of fast food ventures in 2015 increased by nearly 8%, or about 70, compared to 2014, for instance. The number of labour-intensive Hong Kong style café ventures, however, decreased by more than 6%, or about 170, during the same period. That was indeed a sharp contrast.

I have pointed out repeatedly that, under pressure from minimum wage, the catering industry will only be compelled to expedite the streamlining of manpower. In the past couple of years, in order to ease the manpower shortage, chain enterprises have resorted to such means as central kitchens, mechanization, compressed job types, and so on. In my opinion, the posts thus deleted can hardly be reinstated. Given the macro environment, small and micro enterprises can only be at their wits’ end and struggle for survival, making it even harder for them to compete with chain enterprises. As such, the continual rise in minimum wage will only stifle the vitality of small and micro enterprises and help major enterprises. It is even more worrying that should the economic downturn persist and Hong Kong continue to be caught in this manpower shortage, not only will more small and medium enterprises close down their business and leave because they have lost interest, but investors will also be scared away. As a result, they will prefer to leave Hong Kong and make investments in other places. It will be very difficult to lure them back in future.

The industry has been urging the Government to resolve the relevant problems, rather than pushing the minimum wage higher to allow the problem to continue to worsen. It is really disappointing that the authorities have turned a deaf ear to us.
I reiterate that the industry strongly opposes the stifling of the minimum wage level of small and micro enterprises and opposes the exceedingly high minimum wage level, for the competitive edge of these enterprises will be compromised. If this situation remains unchanged, the market will only become more and more tilted, and the opportunities of upward social movement will be reduced, too.

Deputy President, I so submit.

DR LAU SIU-LAI (in Cantonese): Deputy President, where there is discussion of minimum wage, there is Mr Tommy CHEUNG, and we will hear some strange fallacies and a web of lies. One of the main arguments he advanced just now is that it is easy for businesses in public housing estates to make profits. It is a matter of course for businesses there are operated by large consortia and large enterprises. Link REIT has monopolized over all spaces and shops by forcing small shops to move out and charging exorbitant rents. As a result, residents there are bound to consume standardized food and buy monotonized commodities only. It is natural for businesses enjoying monopolization to reap profits easily. Businessmen like this practice most. Has the implementation of minimum wage protected the living of the public, particularly that of the grass roots? The answer is definitely in the negative.

Back to the subject, some time ago, the Finance Committee of the Legislative Council held six meetings in three days to discuss the salary increase for senior government officials, adding to this the discussion time spent by the Panel on Constitutional Affairs at the seven meetings held in four days. Finally, the motion was passed under the strong attitude of the Government. Those in the senior level like the Secretaries for Departments, as well as those in the junior level likes Under Secretaries, will enjoy a salary increase amounting to tens of thousand dollars, and their salaries will eventually exceed those of Donald TRUMP and OBAMA.

As for the minimum wage which we have spent much time discussing it, under the principle of negative vetting, the minimum wage rate will be increased by $2 per hour in the coming May. Through this incident, we experience the reality of disparity between the rich and the poor and the drastic widening of that disparity. On the other hand, I also witnessed how the Government had shown concern about senior government officials and been indifferent to the grass roots.
The minimum wage has been implemented for five years by now. Has the living of wage earners been improved over the past five years? Let us look at the figures. Since the implementation of minimum wage in 2011, the median wage of the territory has increased from $11,000 to $15,500, yet the minimum wage rate has only been pitched at the middle of the median wage, which is evident that the problem of disparity between the rich and the poor is growing increasingly serious.

According to the report published by Oxfam in 2016, the number of working poor households in 2015 was 180,000, with a population of 620,000, which is 4.5 times of that in 2011. The discrepancy of median household income between the richest and the poorest has widened to nearly 30 times. I think the situation will be more serious this year.

In response to these situations, the Government says that the objective of prescribing the minimum wage is to ensure that the living of the people reaches a certain level, which should not be interpreted as the public leading a most desirable life. We note that the Government is acting haphazardly and leaving things half-baked. While it desires to win commendation with bold actions, it chooses to put on the safety helmet to play safe. Under the pressure of the civil society, trade unions and grass-root organizations, the minimum wage was implemented in Hong Kong eventually. However, subject to the pressure from the privileged class and the small coterie, the minimum wage rate can only be set at an extremely low level, just sufficient for maintaining subsistence.

In this May, the minimum wage rate will be increased to $34.5 under the biennial review arrangement. An increase of $2 in two years means an average increase of $1 for each year. Will such an increase meet the needs of the grass roots? I would like to draw Members' attention to the meaning of this $34.5. If one goes to a fast food chain shop offering cheaper lunches, a plate of assorted BBQ meat rice and a drink will cost him $48.5. In other words, grass roots earning the minimum wage cannot afford a lunch box with an hour of work. If they happen to live in New Territories West, a place "Ms 777" considers remote, the transport fare for commuting to the urban areas will exceed the minimum wage they earn for an hour. This is the life of the grass roots.

Why would this happen? The minimum wage has already been implemented, why would the grass roots still live a miserable life? Why would the disparity between the rich and the poor keep widening? There are many
reasons, yet one of them is definitely the continued intimidation made by major employers like Mr Tommy CHEUNG, that small and medium enterprises face difficulties in their operation. As such, the minimum wage was set at an extremely and unreasonably low level when it was first introduced.

Yet, the biennial review arrangement is even more ridiculous. Do inflation and prices in Hong Kong rise once in every two years? No, they rise continuously. If so, why would the minimum wage be reviewed only once in every two years, causing the grass roots to live a hard life? According to the replies of the Government in past, the biennial review is a basic arrangement, and the review can be conducted at a more frequent interval when necessary, yet this has never happened. At a meeting of a subcommittee held this year, Mr POON Siu-ping asked the authorities when an annual review would be necessary. The Government just beat about the bush, without answering when it would be necessary.

In the past, I thought the Government would either adopt stalling tactics or avoid offering a reply by beating about the bush. Yet, recently, I heard the Government present a new perspective, saying that the implementation of an annual review will prompt employers to exploit loopholes in law or even resort to unethical practices, thereby worsening the problems of casual workers and bogus self-employment, which they consider undesirable. What kind of remark is that?

It sounds correct in the first place, for not every employer is scrupulous and some may exploit loopholes in law, and the authorities should avoid doing a disservice out of good intentions. However, have the authorities given it the second thought that if employers resort to exploiting loopholes in law, it may adopt other measures such as amending the Employment Ordinance to stop employers from doing so? Why should grass-roots workers be subjected to exploitation? When we urged the authorities to increase housing allowances, the authorities said that the increase would benefit property owners and should be avoided. As a result, the public in general suffered. When we requested that the minimum wage be reviewed on an annual basis to adjust the rate to a reasonable level, the authorities said that employers would exploit the loopholes in law. The authorities have no commitment at all to fulfilling its obligation. What kind of government is it?
The Government has also made another remark, that is, the minimum wage has been implemented not for a long period of time and the experience gained is limited, so it has to pay attention to it continuously and see what amendments are required in future. In fact, the minimum wage has been implemented for five years, whereas the term of office of the Government is only five years. Why can an annual review not be conducted for the minimum wage five years into its implementation?

As I said earlier, in every discussion of minimum wage, we will meet Mr Tommy CHEUNG. In addition to the Government’s attitude of shirking responsibilities, the criticisms from the business sector are extremely severe. These icon figures often raise alarmist talk that the implementation of an annual review of the minimum wage will constitute tremendous pressure for various trades and industries, the catering industry in particular, resulting in problems like manpower shortage and increased operating cost, and so on. Is Hong Kong the only place implementing minimum wage? Does the catering industry only exist in Hong Kong? Why have other places with minimum wage and a catering industry not expressed that they are facing problems of ever-increasing operating costs, recruitment difficulty and a manpower shortage, and that they are in deep waters? The problems faced by the catering industry are not merely the result of low wage but also excessively long working hours. Who will be willing to walk into this hot kitchen? On this issue of hot kitchens, it does not come up only in the discussion of minimum wage of the catering industry but also that of the salary increase of senior government officials. In the discussion of the latter, Members from the pro-establishment camp mentioned in their speeches the heat of the hot kitchen. They said if the environment was not improved, which suggested we should stop making extensive criticisms of senior government officials, and if the salary was not increased, no one would be willing to take up the jobs. A final word, we should increase the wages of grass-roots workers and shorten their working hours to improve their employment conditions, and then people will be willing to take up the jobs. Why would Members adopt a generous attitude and apply these rationales in the discussion of salary increase for senior government officials but not for the minimum wage and working hours of the grass roots and workers?

An annual review of the minimum wage is the international trend, which has already been adopted in the United Kingdom, Japan, Taiwan, South Korea and Australia, and Australia has adopted this practice since 1907. I do not see
any special condition in Hong Kong that justifies this lag for over a hundred years. Why has the annual review arrangement not been implemented in Hong Kong? Why is the minimum wage level still so low in Hong Kong?

Hong Kong is ranked the 12th or 13th around the world, including underdeveloped regions, in terms of the gap between the rich and the poor. Why would the grass roots in a place with an affluent economy have to suffer like this? Why would the Government continue to find excuses to shirk its responsibilities and make no commitment to fulfilling its obligation?

Indeed, an overwhelming majority of Members from different political parties and groupings in this Council have come to a consensus on the proposal for implementing an annual review in increasing the minimum wage rate. I hope the Government will make an extra effort to strive for the rights and interests of the grass roots as it has done in pursuing the salary increase for senior government officials. The Government has already failed to handle macro politics, if it even refuses to act in micro politics, what kind of government is it?

I hope Members will reflect on this. Thank you, Deputy President.

MR LEUNG YIU-CHUNG (in Cantonese): Deputy President, today we are going to approve the increase of the minimum wage rate from $32.5 to $34.5 with effect from 1 May this year. If it is not approved this time, there will be big trouble because according to the law, we have to wait until next year to increase the minimum wage rate again. If we have to wait until next year to increase the minimum wage rate, as Members may do the calculation, the workers will have no pay rise for three years. If there is no pay rise for three years, it will be unprecedented. How unprecedented? As we all know, actually all along, it has been the custom of us Chinese to have the wages increased once a year, but now the workers have not had any pay rise for two years. If they have to wait for three years for a pay rise, the whole community will really be hurt in my view.

Not only will we, Members, be hurt because we will be slammed, but actually, the grass-roots workers will be hurt more seriously. Why, Deputy President? Because as we can see, in recent years, the consumer prices have kept rising at a considerable rate. Among them, the increase in rent is most drastic. Just now Mr Tommy CHEUNG mentioned that the rents in the catering industry were exorbitant. As we are not operators in the catering industry, we
do not know how exorbitant the rents are. However, if we have visited the districts to look into the situation, and even if we did not pay any visit, we may still notice that the Housing Authority increased the rent just last year. The rate of increase, which is even more shocking, is 10%. By how much do we request the minimum wage rate be increased on this occasion? Only some 6%. In fact, it is unable to catch up with the increase in prices.

The majority of grass-roots workers either live in public housing or dwell in subdivided units or cubicle apartments. The rent of public housing has increased by 10%. As regards the subdivided units or cubicle apartments where the grass roots live, we have not compiled any statistics, and the Government does not have any statistics in this regard either. We do not know what the rental increase is, but the residents have relayed to us that the increase rate is far more than 10%. Ten percent is only the minimum. The rate should be over 10%. It takes two years for grass-roots workers to have a pay rise of some 6%. How can it catch up with inflation? Leaving aside the prices of goods, the pay rise is in fact unable to catch up with the rental increase. What can they do? When we talk with the ordinary wage earners, usually they will say it is very simple. Their only choice is to tighten their belts.

Deputy President, when they need to tighten their belts, a social cost will actually be incurred. Why? Because if they have to tighten their belts, needless to say, their health will certainly worsen. If their health worsens, coupled with the long working hours as mentioned by Members just now, will exhaustion together with malnutrition not lead to illnesses? If they fall ill, what will happen? They will go to the public hospitals for medical consultation. This is a cost. Such a vicious cycle will keep repeating itself. What good can this bring?

Furthermore, another point which the Secretary for Labour and Welfare knows best is that now the Government has provided a low-income family allowance, transport subsidies, etc. Why are there such things? Because low wages lead to low family income. For this reason, the Government has to provide financial assistance and subsidies. The provision of subsidies for workers is in fact indirectly providing subsidies for their bosses with taxpayers' money. Can Members say this is fair? This is really unfair. Given their low income, they cannot cope with the living expenses, so the Government has to provide them with subsidies.
What is even meaner, which I hope the Secretary for Labour and Welfare will understand, is that the low-income family allowance requires the applicant to do more work for more pay. Please bear this point in mind. They have to do more work for more pay. They have to work longer hours in order to get a bigger subsidy. Otherwise they will be unable to claim any. How mean this is! Now when we have exactly pointed out that the working hours are too long, the Government says the working hours cannot be too short. Workers need to work long hours, or else they cannot receive a greater rate of subsidy. Come to think about it. How miserable the grass roots are! Workers suffer from long working hours, low income, malnutrition and exhaustion. All of these added together will indeed have a great impact on society.

Yet regrettably, similar to those representatives of the business sector like Mr Tommy CHEUNG, the enterprises, large or small, did not think about a more important point, that is, raising the workers' income will actually bring a positive impact on society. What will be the impact? Because in the last 10-odd years, the Hong Kong economy largely relied on domestic consumption. As a matter of fact, solid domestic consumption can boost commercial development. With higher wages, workers are likely to spend more money. If workers spend more money, businessmen will stand to benefit. That means aside from paying the wages, businessmen can in fact benefit from the workers' spending in another aspect. This can give impetus to internal economic development. Income and the relevant development are linked with each other. This point is very important. The businessmen, however, do not look at the picture in this way. Being rather short-sighted, they have only noted that if the wage rate is raised, they will have pay more money. Yet they do not realize that it can bring them back more business. Hence, I consider this point very important. We should not be so short-sighted in dealing with the issue.

During our discussions on this matter, the businessmen often say that even if the wage rate is to be raised, it should not be done once a year. Instead, the review should be conducted once every two years. I have got to tell the Secretary that this runs counter to our long-standing principle. What principle? Every year, Chinese people will wish to receive double pay at the end of the year and then get a pay rise after the Chinese New Year. Regrettably, now the practice of "double pay" has largely disappeared. Very few trades still issue double pay. Workers can only hope for a pay rise after the Chinese New Year, but to their surprise, there will not be any pay rise until a year later. That means the wages will be raised only once every two years. This has already run
counter to our customary practice. Workers engaged in small enterprises usually hold such a hope, but even this hope has come to nought, thus changing our customary practice.

On the contrary, let us take the Civil Service as an example. Will it be feasible if their salaries are increased only once every two years? It is infeasible in the Civil Service no matter what. Their salaries have to be increased once a year. If there is any delay in the pay rise, the raise can even be retrospective. How unfair it is! We are not asking for the same increase rate in wages. Even if the rate cannot be the same, can the frequency and timing be the same? It turns out that discrimination exists in this matter. They cannot enjoy the same treatment. It turns out that our society discriminates against the grass roots and wage earners. Some people enjoy privileges and have their salaries increased every year. As for some other people, it cannot be helped that they have a low social status and low wages. As a matter of course, they receive poorer treatment and become second-class citizens.

Secretary, is that the case? From the perspective of social welfare, I do not believe the Secretary will consider recipients of social welfare as second-class citizens. Will the Secretary regard low-income persons as second-class citizens? I do not believe the Secretary will do so. In that case, why are the meetings convened in such a way under our system? Why is the review conducted only once every two years? The Secretary said that the review would be conducted once a year under special circumstances, but now almost six years have slipped away. Has the review ever been conducted once a year? Never. I do not know if it will happen in the future, but so far it has never happened. Why do the authorities still tolerate and maintain the existence of such an unjust and unfair system? I do not know if the Secretary will respond to our request for conducting the review once a year in his speech later on. I believe he will respond that the law stipulates that a review may be conducted once every two years, and it does not state that the review cannot be conducted once a year, but it will be carried out only under special circumstances. Can the Secretary propose to the Civil Service conducting a pay review once every two years and doing an annual review only under special circumstances? Can he do that to the Civil Service? The Secretary will not do so. We should treat everyone equally, but now the Civil Service will not be treated in this way. Hence, in my view, this system is really unfair to the grass roots.
Deputy President, I think we are really helpless today. We must approve the new minimum wage rate because if it is not increased, it will definitely affect the life of the grass roots. But I wish to tell the Government that when we pass the legislation for increasing the minimum wage rate every two years, we feel utterly helpless in that we can do nothing but approve it. This is absolutely not satisfactory. In my opinion, first, we strongly oppose the practice of conducting a review once every two years and hope the Government had better revise it. Second, we do not agree to the percentage rate of increase on this occasion because it is too low. As Dr LAU Siu-lai mentioned just now, this rate really makes people lose their dignity. Why? Because after working for an hour, one still cannot afford a lunch. Is this not outrageous? Let us not take those fast food shops like Maxim's as an example—to the workers, this is already very high class—for example, in Fairwood, the food of which is cheaper and affordable to the grass roots, is there any lunch selling at $32.5? There is really none. What about $34.5? There is not any either. How can they afford buying a lunch with the minimum wage rate? In fact, they cannot afford it. Speaking of the life and dignity of members of the public, the Secretary has said that even recipients of social welfare should have their dignity. The Secretary also attaches importance to their dignity, right? However, why are these workers living without dignity? As the saying goes, work pays. Workers should have dignity, too. Why have they lost it now? Why do we deal with problems in such a way?

There is a little time left. I would like to talk about the problem of working hours. The minimum wage seems to be irrelevant to working hours. However, to maintain a better living standard with such low wages, workers need to work long hours. Otherwise they will be unable to make ends meet. But when we discuss the issue of long working hours, there is another big problem. What is it, Deputy President? The problem is that the Secretary has never dealt with this issue. He has never done so since the reunification. We have designated 1 May as a statutory holiday. We attach importance to the Labour Day on 1 May, but has the Government ever told us the origin of the Labour Day? Has it ever told us what the actual aspiration of the Labour Day is? The Special Administrative Region ("SAR") Government has never said anything about it. It will only propose a toast with representatives of labour unions in celebration of the Labour Day on 1 May each year. What do they celebrate? Does the Secretary know the significance of the Labour Day on 1 May? The objective of the Labour Day is to strive for eight hours' work, eight hours' rest and eight hours' personal life. It strives for eight hours' work daily. Yet today, the
Secretary has told us that the low-income family allowance is premised on the idea of more work for more pay. Will the Secretary please tell me, given such low wages, coupled with the need to work long hours to cope with the living expenses, what there is to celebrate on the Labour Day on 1 May? The Secretary should feel ashamed. Having set the Labour Day on 1 May as a holiday, the SAR Government should have attached importance to its significance, which is eight hours' work daily, but has it done so? No. Even the implementation of standard working hours which we are now discussing is not to be seen in the foreseeable future, and when it will take place remains unknown. Is this situation not deplorable? I do not know how the SAR officials will pass the Labour Day on 1 May this year. Will they propose toasts in celebration? After all, what is the meaning of the Labour Day on 1 May? Do the workers have any dignity? Do the workers have any status? Is the workers' life respected? No, not at all. How deplorable! It has been so many years since the reunification. Regarding our workers, the other issues aside, the problem of working hours alone remains unsolved. What is there to celebrate on the Labour Day on 1 May?

In closing, let me say it again in all earnestness. Since the SAR Government has designated the Labour Day on 1 May as a statutory holiday, I hope it can also attach importance to eight hours' work daily and at the same time ensure that everyone can maintain a basic living standard with their income. Only then will it be meaningful. Will the SAR Government please raise the minimum wage rate and conduct a review once a year to protect the workers' livelihood.

Deputy President, I so submit.

**DR KWOK KA-KI** (in Cantonese): Deputy President, Hong Kong is one of the most affluent cities in the world. Whenever it attends an international conference, the Government sings high praises of Hong Kong in boasting of very good infrastructure and very good super luxurious flats, and offices in Central costing some $100 to $200 per square foot in rent and also a large pool of talents. But would they care go take a look at the kitchens of restaurants where workers hired for dishwashing and cleaning work are leading lives of the lowest standard in Hong Kong. As we talk about the minimum wage, the latest statistics show that the lowest income of cleaners is $8,700. Many people engaging in the catering industry, including Mr Tommy CHEUNG who is not in the Chamber
now, are always good at claiming how the minimum wage has affected them. The cleaners make ends meet with what is most valuable in them, namely, labour, whereas in the catering industry, the average weekly working hours are 54 hours and even 57 hours in Chinese restaurants, and by multiplying their working hours by the minimum wage, all they can make are only meagre earnings.

This Government is callous. It was only in 2011 that the minimum wage was introduced in Hong Kong. As Members all know, even for the Mainland Government, which is actually very mean to the grass-roots people and workers even though it claims to be committed to labour protection, it put in place a minimum wage in 2003 and in Taiwan, the same has been implemented since 1968. Recently, Shanghai has for the 24th time adjusted upward the minimum wage to an hourly rate of RMB19. This Government of ours which has become so fat that it cannot even pull up its socks has amassed a reserve exceeding $3,000 billion, and there are also many large enterprises with incalculable wealth. In fact, there is no particular formula for calculating the minimum wage and as we all know, the Government is awesome. Under the fare mechanism of the MTR Corporation Limited ("MTRCL"), productivity is deducted from such factors as wage increase and inflation in calculating the annual fare levels. If workers' wages can be reviewed once a year, just as how the Government has brought MTRCL under its wings, even though the sum of the nominal wage increase plus inflation is deducted by half, it would not have been necessary to vigorously put up a fight every two years for an increase of a mere $2, just as what has to be done now.

Civil servants were given a pay rise of 4.19% to 4.68% in 2016, and in 2015, it was 3.96% to 4.62%, adding up to 8.2% to 9.2% over a period of two years. Actually these figures are not too accurate, and it should be close to 9% if compound growth is factored into the calculation. I have yet given an account of how mean the junior civil servants have been treated. Now that an increase in the minimum wage is said to be like leading us to the doomsday. If we look up the figures, we will see that only about 90,000 people are affected. Who are these 90,000 people? They are people with the least bargaining power in society. They are the security guards at each and every of the housing estates where we live, cleaners hired to do cleaning work in housing estates, dishwashing workers and servers in restaurants, food delivery workers, and cleaners working in public toilets of the Food and Environmental Hygiene Department ("FEHD"). Yet, the Government can turn a blind eye to this situation.
In fact, the Government set the minimum wage to seek redemption. Why did I say so? Junior civil servants in FEHD, the Leisure and Cultural Services Department, the Housing Department, and so on, could originally enjoy the minimum benefits for civil servants, and I am talking about the minimum benefits because how can they compare to senior civil servants? At least they could have enjoyed civil servants' subsidies for medical consultation and they could have received subsidies for their children's education, and it is not the case that they could enjoy these benefits by sitting idly by. When the Government abolished tens of thousands of junior civil servant posts, grass-roots workers are employed under the outsourcing system to be their stand-ins. The Government has deceived these workers for years, and it was only in 2011 that they were given a minimum wage but the wage level is still calculated in an unclear, ambiguous way, not to mention that it is reviewed only once every two years.

Why does the Government carry out a review annually in respect of many issues? Civil service pay rise is definitely reviewed once a year; MTR fares are definitely reviewed once a year; the electricity tariffs can certainly be reviewed once a year and so can bus fares, and many other organizations can also increase their fees and charges as they like. All these will render the elementary workers affected.

Many Members of the Legislative Council representing the business sector will certainly say that an increase in the minimum wage will drive up their costs and hence make the business environment increasingly difficult. They just cannot tell right from wrong. The nastiest thing about the business environment in Hong Kong is that everyone engages in the real estate business and everyone pitches in to push up the land price through speculation and increase the rent. Go to Russell Street and take a look. That is where rent is the highest in the world, which can be close to $1,000 per square foot in the most expensive cases, and it is just the rent, not the selling price. Such a deformed society can allow the major landlords and property holders to increase rents or prices arbitrarily. Some people said that the minimum wage may have a bearing on the applications for public rental housing (“PRH”). Mr Tommy CHEUNG made some very mean remarks about PRH tenants, about them having so much money that they can never use it up. If all the people who are paid at the rate of the minimum wage can live in PRH flats, this world would be a far better one. The fact is that many of them only live in cubicle apartments and subdivided units in factory buildings. Is their rent reviewed once every two years? Of course not. Even an interval of one year is considered too long. The rent will be increased
frantically a year later, and the tenants can only take it or leave it. Knowing only too well that the tenants have no other options except to live there, the owners, therefore, have no hesitation to increase the rents.

We in this world have to understand that the minimum wage cannot provide protection to a lot of people. Fortunately, Hong Kong is still a market economy and so, the employers cannot hire workers of certain job types by paying them the minimum wage and therefore have to offer higher wages for the purpose. But those 90,000 workers simply do not have any bargaining power. Many of these workers are indeed pitiable. We can see in public toilets elderly people in their 60s or 70s working as cleaners, and in restaurants we also see that many dishwashing workers are elderly people. How can they bargain? The boss will say that he has given you a magnanimous imperial favour in taking you on at your age, telling you to go look in the mirror! He will tell you that it is already very good that he pays you at this level of wages. The only protection that these people can enjoy is the minimum wage which enables them to enjoy the fruits of their labour in a relatively fair manner. That there is such a huge gap between the lowest and the highest incomes or between the minimum wage and the highest wage level is precisely the origin of the many deep-rooted conflicts in Hong Kong.

Let us not talk about the private sector but just take a look at the public sector. Apart from the Secretaries of Departments and the Directors of Bureaux who are remunerated at several million dollars, how about the Hong Kong Monetary Authority, the Airport Authority Hong Kong and the Hong Kong Trade Development Council? These organizations are wholly owned by the Government, and there is also MTRCL, of which the Chief Executive Officer is paid $15,008,700 annually. Tell me, how can it be fair in society? How can the grievances be relieved? How can people in the lowest stratum make ends meet? As we all know, just go to any restaurant to have dim sum … let us not talk about having dim sum, and while the Secretary and many rich people may have dim sum at five-star hotels or Michelin three-star restaurants every day, people in the lowest stratum may not have a chance to take dim sum even in a month, and they may not have the chance to enjoy a sumptuous dinner just a few times a year, for they mostly prepare their own meal boxes because it costs at least $38 to $48 for a meal even in fast food shops and eateries where prices are the cheapest. At Café de Coral and Fairwood Fast Food, drinks are no longer included in a meal, and while they used to provide meal sets, they have now excluded beverages from any meal and made customers pay extra money for beverages by various means.
Members should understand that the social structure is now full of unfairness. In other words, society is tilted to industries with the most resources, such as the real estate sector. Wealth creates wealth, and the real estate business has created a market that can be monopolized continuously. All the grass-roots people are made to bear all the adverse consequences by being paid the minimum wage. Can they ask the boss of a fast food shop in a shopping arcade to charge them $2 less because they are paid the minimum wage? The boss declined, telling you that even Norman CHAN would be charged this price and so, it is only fair to charge you the same price. Is this fair at all?

Second, the tax regime in Hong Kong. Speaking of the tax regime, the next Chief Executive has outrageously suggested a reduction of tax. Tax rates in Hong Kong have already skewed in favour of all major consortiums and high income earners. We have proposed that consideration be given to implementing universal retirement protection with the revenue generated by a progressive profits tax. But Carrie LAM, probably wishing to win votes, even proposed a two-tier regime for assessment of profits tax and salaries tax as if she was worried about not giving enough concessions to the enterprises and their bosses. Then she went on to say that they do not make a lot of profit and face difficulties in operation. It is because the entire Hong Kong is tilted to a particular industry and the real estate sector is not subject to regulation. Now that not only Chinese-funded but even Mainland-funded companies have taken part in pushing up the land price through speculation. They have come to Hong Kong to make money together, channelling their money to Hong Kong.

Take a look at One Kai Tak and the property development project in West Kowloon put up for sale by Sun Hung Kai recently. It costs over $20,000 per square foot. A flat of 400 sq ft is put up for sale at $10 million. What kind of society is this? This society is full of injustice. In fact, the Government should act as a referee. It is because the Government can benefit from these industries as a large part of its revenue comes from the real estate sector, such as stamp duty, land sale, land premium, tax revenue from stock speculation, and so on. The Government has, in fact, made a lot of money and to put it plainly, these earnings are made from an unjust cause. Therefore, the Government should play the role of a referee. While the minimum wage is implemented not out of the pockets of the Government, as I have always said, it is put in place by the Government as some sort of redemption because had it not been the Government pushing the grass-roots people further into an even more deplorable situation by, among others, subjecting them to many tiers of exploitation under the outsourcing system, this society may perhaps have been a bit fairer.
What has the current-term Government given them? Members must understand that the minimum wage was not introduced by this Government, and LEUNG Chun-ying should stop talking nonsense. This Government has only undertaken to implement standard working hours. Has this been achieved? No. Workers have to work for 50-odd hours and be paid at the minimum wage rate in order to make ends meet. In Hong Kong, calculations have to be made for everything, say, if you have to pay school fees, apply for remission for textbook costs, apply for PRH flats, and so on, calculations have to be made for all these things. But they also wish to have a formula for them to survive, enabling them to enjoy rent protection even if they live in subdivided units, to know how much they will have to pay in rent next month, to know when they can move into a PRH flat, and to know if there is a way for their children to go to university. None of these is possible for them, and this society will only continue to degenerate. People in the lowest stratum will continue to be treated like dirt, while the Government will keep on getting prestigious newcomers to handle this issue. The Minimum Wage Commission has recently included in its composition members who are not from the labour sector and as Members may know, they are "blue blood" from the legal profession. Why is it that the practice of conducting a biennial review adopted by the Government upon the introduction of the minimum wage can continue to apply as the Government still refuses to make changes to this unjust system after all these years? I very much hope that as the Government continues to adopt this practice, it can tell us at the same time that those unjust systems whereby fees or charges can be increased once a year, whether it be MTR fares, rent charged by The Link, bus fares or electricity tariffs, will also be subject to review once every two years as in the way the Government deals with the minimum wage.

MR HO KAI-MING (in Cantonese): Deputy President, I did not intend to speak originally, but it seems that Honourable colleagues are not at all versed in the condition of the public, so I must make a speech to tell everyone about it.

Deputy President, everyone in the Council plays a different role. The business sector has the role of the business sector to play, and trade unions have the role of trade unions to play. We understand that the business sector needs to make profits. After all, making profits is a must for doing business. We, the trade unions, must stand on the side of grass-roots workers and fight for their benefits. The Government is to impose regulation and conduct secondary distribution of wealth, so that the people can feel social equality, that they can
live in peace and work in contentment here and that justice is seen to be done. What do we mean by justice? It is just the hope for "half a catty meaning eight taels", that people can make a living, which is the most fundamental justice.

(THE PRESIDENT resumed the Chair)

Some Honourable colleagues said just now that the ripple effect is significant and that they are suffering from it. President, if Members have noted previous reports, they will know that we did not wish to see such a significant ripple effect and we did not demand nothing but minimum wage. The problem was that back then the hourly wage of toilet cleaning workers was a single-digit amount. If there was no minimum wage and their salary remained at this level, would it be possible for them to survive in this society? They may apply for Comprehensive Social Security Assistance, and they may apply for public housing, but they would not be able to survive in this society practically.

On the contrary, we did not see any large-scale layoffs after the introduction of minimum wage. Of course, people may find price increases in foodstuff and in restaurants, but we must understand that in labour-intensive industries, such as the catering industry, staff cost always accounts for the largest share of the total costs. However, I can assert to Members that what leads to the highest cost increase in the catering industry is rent. Rents keep rising. My family runs a shop in an old-style market, for instance, where the new rent is more than double than the original rent of some $10,000. Is this the biggest increase rate? Of course, rent does not account for the largest share of their costs even after it has doubled, but this increase did add a lot of pressure on them.

Second, the price of foodstuff has a great impact on the public. The price of some basic foodstuff, such as sugar, has increased from several tens of dollars to over a hundred dollars a catty. The price increase will ultimately be borne by the public.

The Hong Kong Federation of Trade Unions once conducted a survey on the price of "two dishes and one soup". We made some basic home-cooking dishes: a stir-fried vegetable with beef, a steamed fish with preserved cabbage and a potato and tomato soup. When my mother shopped for food in the old days, several tens of dollars were sufficient to buy enough food. However, according to our most recent survey, the purchase of food to cook these three
dishes for a family costs $110.2. Does it really cost more than $100 to buy food for three dishes? I spent some $200 every time I shop grocery in the market. Can the Government step up efforts in respect of the prices of foodstuff? In Shenzhen, foodstuff of lower prices is provided to the people. The Government currently does not offer any assistance in respect of food provision to grass-roots shops or people but instead simply lets the free market exploit the people.

Foreign economist Adam SMITH proposed using the invisible hand to regulate the market. However, the Hong Kong market is a strange one, where the invisible hand will only exploit the people and the employees. By how much have employees' wages increased since the SARS pandemic? Not much. But their workload has increased enormously. To retain one's job, one's workload has increased by one third or two thirds compared to that in the past. We should have the "Lion Rock Spirit", but it should be achieved not through exploitation of employees and non-provision of basic protection to the people and the employees.

How are employees exploited? Before, some dishwashers used to receive a fixed salary. Now, their salary is some $20,000, which the public may think is a result of the minimum wage. Sorry, this is not the case. One receives a salary of some $20,000 only if one washes all the dishes all day long. A job that used to require two to three people to work is now all handled by one person for him to receive a salary of $20,000. Otherwise, it would still be handled by two to three people. Would this workload be reasonable without the minimum wage?

Therefore, while advocating the "Lion Rock Spirit", we hope basic protection is provided to the people, and the minimum wage is precisely that safeguard that can enhance the basic protection of the people. The problem of the existing biennial review mechanism is that there is a serious lag behind inflation. Prices increase with inflation annually, but due to the biennial review, the minimum wage can be adjusted only the next year, so the salary of grass roots can never catch up with inflation. This is exactly why we propose that the review be conducted once every year. If the biennial review is purely meant to provide data provision or facilitate matching measures, then I hope consideration can be given to aligning the practice for both the civil service and grass roots. Otherwise, the grass roots should be afforded the same practice for civil servants, that is, a review is conducted once every year, so that the people are convinced and the salary of the grass roots can catch up with inflation.
Therefore, although we are not satisfied with the rate of increase, we hope that this piece of legislation can be passed expeditiously, so that the grass roots will receive protection and a $2 hourly rate increase. Thank you, President.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Members have already spoken. I now call upon the Secretary for Labour and Welfare to speak. This debate will come to a close after the Secretary has spoken.

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, subsequent to the tabling by the Government of two pieces of subsidiary legislation relating to raising the Statutory Minimum Wage ("SMW") rate, namely the Minimum Wage Ordinance (Amendment of Schedule 3) Notice 2017 and the Employment Ordinance (Amendment of Ninth Schedule) Notice 2017, before the Legislative Council on 8 February this year, a Subcommittee was set up to scrutinize the two Notices.

First of all, I would like to express my heartfelt gratitude to the Chairman of the Subcommittee, Mr Wilson OR, and 19 members for their scrutiny of the Notices. I am pleased to note that no member of the Subcommittee raised any objection or proposed any amendment to the motion on the aforesaid Notices. After the completion of examination of the Notices by this Council today, the new SMW rate will come into effect on 1 May this year, as the third adjustment of SMW by the current-term Government. The Labour Department will make preparations for the implementation of the new SMW rate and launch extensive publicity campaigns to facilitate the understanding of and compliance with the relevant provisions by employers and employees.

I also thank the seven Honourable Members who spoke earlier for their views. I would like to give a concise response here.
Under the Minimum Wage Ordinance ("MWO"), the Minimum Wage Commission ("MWC") is tasked with reviewing the SMW rate. MWC is composed of members from the labour, business and academic sectors as well as public officers. In the course of reviewing the SMW rate, MWC upheld the evidence-based approach by conducting comprehensive analyses of relevant information and data of various aspects, including the Annual Earnings and Hours Survey and the Annual Survey of Economic Activities conducted by the Census and Statistics Department, the Array of Indicators and its latest data, as well as relevant factors which were pertinent to the review of SMW but could not be fully quantified. Meanwhile, MWC fully considered the views of various sectors of the community on the review of the SMW rate through intensive and extensive consultation.

After a comprehensive study and in-depth discussions, MWC, by unanimous consensus, recommended that the current SMW rate of $32.5 per hour be adjusted to $34.5 per hour. I appreciate the diverse views held by some Members on this recommendation. SMW might have an impact on Hong Kong's labour market, business operation (including the affordability of small and medium enterprises), productivity, inflation, competitiveness, and so on. For this reason, the review of SMW rate must, according to the evidence-based approach, maintain an appropriate balance between the objectives of forestalling excessively low wages and minimizing the loss of low-paid jobs, while giving due regard to the need to sustain Hong Kong's economic growth and competitiveness.

Regarding the remark made by a Member just now that there was a time lag in the data referred to by MWC, I must point out that it was a serious misunderstanding of the review conducted by MWC. Actually, MWC closely monitored changes in the Array of Indicators, which covered four areas, namely general economic conditions, labour market conditions, competitiveness and social inclusion. During the review, MWC made reference to a large quantity of monthly, quarterly or more up-to-date data (such as labour supply and demand, inflation, Gross Domestic Product, price forecasts, unemployment rate, etc.), to grasp the socio-economic conditions of Hong Kong and the latest conditions and trend of employment. Moreover, MWC adopted an enhanced impact assessment framework that covered various levels to estimate the possible impact of different SMW test levels on employees, businesses, unemployment rate and inflation, and
considered the economic outlook in a forward-looking manner to take into account the time gap between recommending the SMW rate and its implementation.

Regarding the concern expressed by Members on the number of employees covered by the SMW rate, I would like to point out that, since the implementation of the SMW rate in May 2011, sustained improvement has been seen in the earnings of low-paid employees. During the period between November 2016 and January 2017, the average monthly employment earnings of low-paid full-time employees (excluding government employees and live-in domestic workers) rose 49.1%, compared to the quarter before the implementation of SMW, or an 20.7% real growth after discounting inflation. As pointed out in the 2016 Report of the Minimum Wage Commission, the uprating of SMW did not only benefit the SMW earners, but some employees earning wages above the SMW rate also enjoyed a corresponding pay rise in tandem with the uprating of SMW. MWC believed that taking into account the impact of knock-on effect on pay hierarchies, the number of employees given a pay rise owing to the uprating of SMW would eventually be greater than the number of employees earning just the revised SMW rate.

Some Members have mentioned the problem brought about by inflation as a result of the uprating of SMW. During the period from the implementation of SMW in 2011 to 2016, inflation largely showed an easing trend, with the annual underlying inflation rate (after discounting the effects of all Government's one-off relief measures) standing at 5.3%, 4.7%, 4%, 3.5%, 2.5% and 2.3%. It is thus evident that the uprating of SMW has not posed any significant pressure on Hong Kong's overall inflation.

As regards the view of whether or not SMW had led to recruitment difficulties experienced by certain sectors, I understand the concern expressed by some Members for manpower supply. In reviewing the SMW rate, MWC already examined in detail the impact of the implementation of SMW and its uprating on employment, society and economy, including the labour demand of different sectors and their vacancies. In fact, SMW helps encourage the workforce to enter or re-enter the labour market and actively enhance their incentive to work. According to the latest data for the period from December 2016 to February 2017, total employment in Hong Kong saw an increase of
282,100, with 70% of them being female, from 3,542,300 prior to the implementation of SMW to 3,824,400. Moreover, the most notable increases among females were found among older (aged 50 and above) and lower-skilled employees. Although these are the overall figures calculated in total employment in Hong Kong, they also reflect that SMW can actually lure more people to enter the employment market.

Being the most precious resource in Hong Kong, manpower can also boost the momentum for the sustainable development of Hong Kong society and economy. The Government will fully implement the series of initiatives proposed in the policy addresses in the past two years, in order to effectively address the challenges faced by Hong Kong in manpower resources.

As regards the request made by some Members for review of the SMW rate annually, I would like to reiterate that MWO stipulates that the SMW rate should be reviewed at least once in every two years. Limiting the SMW review cycle to not longer than two years is not only a pragmatic arrangement, but also the consensus reached during enactment of the law on SMW. Actual experience shows that since the implementation of SMW, together with the two previous adjustments, Hong Kong economy, society and employment have been generally stable, with the unemployment rate maintaining at a low level. Moreover, there has been an increase in the number of employed persons, and the earnings of low-income employees have continued to see improvement, too. The existing review mechanism can basically achieve the goal of SMW and balance the factors in all aspects. Hong Kong does not have a long history of implementing SMW. Moreover, the existing arrangement of conducting a review once in every two years works well in general. At the present stage, it is appropriate to maintain the practice of conducting a review at least once in every two years. MWC will closely monitor the employment and socio-economic conditions after the implementation of the new SMW rate and start the preparatory work for a new round of SMW review.

I also note the proposal put forward by Members for adopting a formula to adjust the SMW rate. Considering that SMW may have an impact on various aspects like society and economy and these factors, bearing their respective weight, would interact with each other and adjust with different socio-economic conditions, a formula founded on individual indicators, such as median hourly
wages or labour force coverage, might not enable MWC to consider the multiple relevant factors and their interactions in a comprehensive and timely manner. In fact, many economies implementing SMW (such as the United Kingdom, Germany, Australia, New Zealand, South Korea and Taiwan) will consider a series of factors in the course of reviewing their SMW rate.

President, since the implementation of the SMW, the pay for low-income employees has continued to record increases, and the overall employment market has remained stable, due to the joint efforts of and support by all sectors of society (including Legislative Council Members). I would also like to take this opportunity to thank the Chairperson of MWC, Mr JAT Sew-tong, and all of its members for completing the review smoothly and reaching a unanimous consensus on the proposal for uprating the SMW rate.

The commencement of the new SMW rate on 1 May this year, the Labour Day, also marks the sixth anniversary of the implementation of SMW in Hong Kong. I hope under the collaboration of various sectors of the community, SMW will continue to work smoothly to give effective protection to the income of wage earners.

President, I so submit.

PRESIDENT (in Cantonese): In accordance with Rule 49E(9) of the Rules of Procedure, I will not put any question on the motion.

PRESIDENT (in Cantonese): Debate on motion with no legislative effect. The motion debate on "Urgently improving public healthcare services in Kowloon East".

Members who wish to speak in the motion debate will please press the "Request to speak" button.

I now call upon Mr Wilson OR to speak and move the motion.
URGENTLY IMPROVING PUBLIC HEALTHCARE SERVICES IN KOWLOON EAST

MR WILSON OR (in Cantonese): President, I move that the motion, as printed on the Agenda be passed. The motion today is "Urgently improving public healthcare services in Kowloon East".

President, life is priceless. People are the most valuable asset of society. Therefore, any responsible and government of commitment must attach importance to healthcare policies. As the basic protection net for the general public, public healthcare services are the top priority of healthcare policies. However, it is regrettable that public healthcare services provided by the Government fall far short of satisfying the needs of society. Kowloon East is the most heavily hit district by the shortage of public healthcare services. The Government must face up to the problem and allocate additional resources to Hong Kong public healthcare so as to improve healthcare services territory-wide.

It is commonly known that there is a persistently growing demand for public healthcare services in the territory for two major reasons. The first one is the persistent growth in population; and the second one is rapid population ageing. According to data and projections, by 2043 the population of Hong Kong will reach 8.22 million. Twenty years later, one in every three people in Hong Kong will be an elderly person. I must stress that, according to data and projections, the rates of population increase and population ageing of Kowloon East rank the highest compared among all districts in Hong Kong. The rate of population increase of the Kwun Tong District in the past 10 years has way surpassed that of the territory-wide rate. Among the 18 districts, Wong Tai Sin and Kwun Tong Districts have the lowest median resident income and the highest proportion of elderly persons. In a nutshell, there are three "most's" regarding the population of Kowloon East: the first "most" is the most rapid population increase; the second "most" is the most aged population; and the third "most" is the poorest population. We can imagine that residents of Kowloon East have a greater demand for public healthcare services than other districts. At present, public healthcare services in Kowloon East greatly fails to respond to residents' demand for healthcare services. I find it an urgent need to improve public healthcare services in Kowloon East to protect public health.
President, what are the insufficiencies of public healthcare services in Kowloon East? I wish to point out that the first insufficiency is the long waiting time for specialist outpatient services. Even though overly long waiting time is a problem in various districts in the territory, according to the information of the Hospital Authority ("HA"), the current waiting time for stable new case booking for four specialties is longer than the territory-wide average waiting time.

I want to use a chart to illustrate the waiting time for new case booking for specialist outpatient services of the United Christian Hospital. President, as you can see, this chart clearly shows that the waiting time for eye is 135 weeks, basically until October 2019. How about orthopaedics and traumatology? The waiting time is 120 weeks; even the simplest specialty requires quite a long wait. Then how about medicine? The waiting time for medicine is 101 weeks; and that for surgery is 87 weeks. It is an irrefutable fact that there is a problem of long waiting time in the Kowloon East Cluster ("KEC"). The Data of the chart were taken on 8 March 2017. Also, this chart clearly illustrates that new case booking for geriatric outpatient services needs to wait until March 2019, while that for adult orthopaedics and traumatology is January 2019. What about that for children? March 2019.

President, having discussed the situation of KEC, I wish to use another chart to illustrate the present situation of the Our Lady of Maryknoll Hospital. Here I have chosen the picture of a giraffe to mean a "long" wait. President, as regards the waiting time for new case booking for specialist outpatient services of the Our Lady of Maryknoll Hospital, that for surgery generally will be until November 2019, while that for orthopaedics and traumatology is more ridiculous, until May 2020. Needless to talk about others, the waiting time for these two specialties already highlight the problem of long waiting time for new case booking of the Our Lady of Maryknoll Hospital. I believe many people also wonder why the situation of the Our Lady of Maryknoll Hospital is so "unreal"? People find it hard to believe it will be until May 2020. Compared to other clusters, the waiting time in Kowloon East is relatively longer, which is more than three years, meaning 165 weeks before one can see a doctor. Such a long wait will turn healthy people into patients. However, it is the harsh reality residents of Kowloon East have to face every day. Many elderly persons have poured out their woes to me that they will not be able to attend any medical consultation even when they die. It is the practical problem faced by Kowloon East right now.
President, I still wish to illustrate the problem of long waiting time with the help of two examples. First, just now in the demonstration area I heard the story of a 40-odd-year-old resident. He was found to have slow heart rate in 2016 and had to receive an examination. Guess how long the waiting time is? He can receive an examination only in 2019. The second example is about joint replacement surgery, which involves a wait of more than four years. How about colon examination? It is a better case which entails a wait of a year and so. Frankly speaking, these cases are commonplace in KEC, and overly long waiting time is not exclusive to specialist outpatient services, but also a problem for general outpatient services.

In view of this, the first motion I proposed after becoming an elected Legislative Council Member is improving public healthcare services in Kowloon East, which requests the Government for additional resources to shorten the waiting time for specialist outpatient services and general outpatient services of public hospitals in Kowloon East. I hope to hereby urge the Government to expeditiously strengthen healthcare manpower to respond to people's needs so that they will receive appropriate treatment as soon as possible.

What is the second insufficiency? That is even today, there is no accident and emergency ("A&E") department in the Wong Tai Sin District. There are currently three hospitals in the Wong Tai Sin District, but surprisingly none of them provide accident and emergency services. In the event of unexpected incidents, what should the 430 000 residents of Wong Tai Sin District do if they need to access the A&E department? They have to go to other districts. The most peculiar point is they need to go to several different hospitals in other districts: some to the United Christian Hospital, some to the Queen Elizabeth Hospital and some to the Kwong Wah Hospital. I consider it absolutely unfair to the residents of Wong Tai Sin District. The Wong Tai Sin District Council and local groups have been putting forward such a demand many times, but still to no avail.

President, indeed in the event of emergencies which warrant the use of the A&E department, each minute and second are a matter of life or death. It is most desirable to send patients to the hospital immediately. Yet at present, given the absence of an A&E department in the Wong Tai Sin District, people have to seek medical consultation in other districts. I think it does not make sense. Therefore, in item (2) of the motion I clearly request the Government to expeditiously introduce 24-hour A&E services in the Wong Tai Sin District.
Let me give another example. I have just spoken to another elected District Council member, Mr HO Hon-man. He told me his experience in his district: a resident called an ambulance in Tsz Wan Shan to seek medical attention in the A&E department. Which A&E department was he sent to? The Queen Elizabeth Hospital. Given the road traffic conditions, let us guess how long it took to arrive at the Queen Elizabeth Hospital? President, it took 40 minutes. In my view, these problems need to be squarely addressed.

At the same time, to prevent possible overloading of the A&E department, such as during the surge of influenza, I also propose the introduction of 24-hour general outpatient services in the Wong Tai Sin District.

President, next I wish to talk about the Our Lady of Maryknoll Hospital. The hospital was built in 1961, which was 56 years ago. At present, the building facilities of the hospital are in fairly poor conditions: there is seepage on walls, ceiling and along windows in wards. Hospitals are places where lives are saved, and their ancillary facilities should be kept up to date. Nowadays, there is no reason for residents of Kowloon East to seek medical consultation and receive treatment in a hospital built more than 50 years ago. It is most unfair to residents of the Wong Tai Sin District.

In this connection, in item (3) of the motion I expressly request the Government to expeditiously implement the Our Lady of Maryknoll Hospital redevelopment project. It is time for the Government to honour its promise to give appropriate inpatient services to residents and patients of Kowloon East. Moreover, what must be mentioned is the United Christian Hospital expansion project. By the same token, to expeditiously provide appropriate inpatient services to residents of Kowloon East, I request the Government to closely monitor and supervise the United Christian Hospital expansion project to ensure its speedy completion.

President, having discussed the redevelopment projects of existing hospitals, I would like to talk about the new Kai Tak Hospital. According to HA’s projections, from 2013 to 2023, the population of Kowloon East will increase by nearly 12% to 1.2 million, in which elderly persons aged 65 and above will even increase by close to 50% to almost 230 000. In the light of the new and enormous demand for healthcare services in Kowloon East, apart from redeveloping existing hospitals, I also hope the Government can ensure the timely commissioning of the Kai Tak Hospital and the Hong Kong Children's Hospital. It is also a concern to Kowloon East.
President, besides increasing the healthcare manpower, shortening the waiting time, redeveloping the existing hospitals and building new ones, which I have just suggested, I would also like to talk about the issue of resource allocation. In fact, the Government can implement many other measures. Let me cite an example. Due to population ageing in Kowloon East, there is a persistently growing demand for elderly dental service. But the Elderly Dental Assistance Programme of the Community Care Fund currently only covers elderly persons who are Old Age Living Allowance recipients aged 75 or above. I often say the coverage of elderly benefits should be unified to cover all elderly persons aged 65 or above. The age limit should not be 65 for some benefits and 70 or 75 for others. Too many criteria render people at a loss as to which one to follow. If the Government is willing to allocate resources to expand the Elderly Dental Assistance Programme to cover all elderly persons aged 65 or above, their basic needs for oral health can be instantly met.

I am glad that the Government has accepted the suggestion of the Democratic Alliance for the Betterment and Progress of Hong Kong to lower the age limit of beneficiaries of Elderly Healthcare Vouchers from 70 to 65. Such an adjustment meets not only our needs but also those of elderly persons. Generally speaking, the provision of healthcare vouchers is a benevolent policy, for it provides extra healthcare services to elderly persons while alleviating the pressure on public healthcare services. However, many elderly persons have told me that $2,000 is not enough and hope the Government will increase the amount and study an expansion of the coverage of Elderly Healthcare Vouchers.

Moreover, I wish to stress that we request the Government to enhance public-private partnership and monitor the private healthcare organizations participating in the public-private partnership programme in healthcare. Many elderly persons in the community have told me they have been charged "seasonal prices" when using healthcare vouchers. The amount of medical fees depend on whether or not healthcare vouchers are used. The fees are higher when the vouchers are used; and the fees are different when no voucher is used. How can such situations be eradicated? I hope the Government will conduct a study on it. I have received quite a number of similar complaints.

It is important to strengthen monitoring of the programme. We hope every cent of the healthcare vouchers is well spent on elderly persons. By the same token, if the Government is willing to allocate additional resources to enhancing the public-private partnership programme in healthcare and expand the
types of subsidized drugs in the Drugs Formulary of HA, residents of Kowloon East and citizens in the whole territory can be instantly benefitted without further ado.

President, I wish to give a conclusion. I believe, given the severe shortage of public healthcare services in the district, compared to other clusters, Kowloon East has seldom let the figures and facts speak for itself. Enumerating the predicament and demands of the residents will keep me going for at least three days and three nights without end. But I really hope the Special Administrative Region ("SAR") Government, after listening to this motion, can make real efforts to urgently improve public healthcare services in Kowloon East and propose a timetable and a roadmap, in order to address the pressing needs of residents of Kowloon East and think what they think, thereby improving healthcare services in Kowloon East.

President, I so submit. Thank you, President.

Mr Wilson OR moved the following motion: (Translation)

"That at present, public healthcare services in Kowloon East fail to effectively respond to the persistently growing demand for healthcare services resulting from population increase and ageing in the district, and the waiting time for stable new case booking for specialist outpatient services of specialties such as eye, orthopaedics and traumatology, medicine and surgery is longer than the territory-wide average waiting time; in this connection, this Council urges the Government to urgently improve public healthcare services in Kowloon East to protect and promote public health; the relevant measures include:

(1) allocating additional resources to shorten the waiting time for specialist outpatient services and general outpatient services of public hospitals in Kowloon East;

(2) expeditiously introducing 24-hour accident and emergency services and 24-hour general outpatient services in the Wong Tai Sin district;

(3) expeditiously implementing the Our Lady of Maryknoll Hospital redevelopment project;
(4) expediting the completion of the United Christian Hospital expansion project;

(5) expeditiously constructing the Kai Tak Hospital and ensuring its full commissioning in 2024;

(6) ensuring that the Hong Kong Children's Hospital, which is expected to be completed in 2017, will be fully commissioned as soon as possible;

(7) expanding the Elderly Dental Assistance Programme of the Community Care Fund to cover all elderly persons who are Old Age Living Allowance recipients aged 65 or above;

(8) allocating additional resources to enhance the public-private partnership programme in healthcare; and

(9) expanding the types of subsidized drugs in the Drug Formulary of the Hospital Authority."

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

PRESIDENT (in Cantonese): Six Members will move amendments to this motion. Council will now proceed to a joint debate on the motion and the six amendments.

I will call upon Members who move the amendments to speak in the following order: Mr HO Kai-ming, Dr Pierre CHAN, Dr KWOK Ka-ki, Mr WU Chi-wai, Mr SHIU Ka-chun and Mr LEUNG Yiu-chung; but they may not move the amendments at this stage.

MR HO KAI-MING (in Cantonese): President, the background of the healthcare services in Kowloon East was already mentioned by Mr OR just now. I am not going to dwell on it any further except for the problem of the allocation of healthcare resources for the Kowloon East Cluster ("KEC") which I wish to talk about here.
As we all know, the Hong Kong Hospital Authority ("HA") has its own mechanism for distribution of resources among the hospital clusters. However, over the past period, many people in the community, including doctors who served in the public healthcare system in the past or who are doing so now, have pointed out the uneven distribution of resources among the hospital clusters. In my opinion, such an uneven distribution of resources largely originated from the lack of thorough consideration of an important factor, the demographic characteristics of each district, when HA determined the allocation of resources for the clusters. Why did I say so? Let me explain it by citing some figures.

According to the population projections provided by the Administration, in 2016 the population in KEC reached 1.12 million, ranking the fourth among the seven hospital clusters. Regarding the elderly population, 170,000 elderly people in total lived in the service area of KEC, ranking the third among the seven clusters. But what was the amount of resources allocated to it? According to the figures provided by HA, out of the overall budget of $49.24 billion of HA in 2015-2016, the funding received by KEC was only $5.32 billion, which was the smallest among the seven clusters. In fact, over the years, the funding received by KEC has always been the smallest among the seven hospital clusters.

If the resources allocated to the clusters are disproportionate to the overall population and the elderly population, it is only natural that a gap will arise in the provision of services because to a certain extent, the amount of funding received by a cluster will affect the supply of healthcare manpower in that cluster. Simply put, there has got to be money for the employment of doctors, nurses and allied health staff. According to the information of HA, in 2015-2016 the total number of doctors in KEC was 668. In terms of the ratio of the population, that means every 10,000 residents were served by only six doctors. Kowloon East was a drag because overall speaking, every 10,000 people were served by nine doctors on average in Hong Kong. There are similar situations in the ratios of nurses and other allied health staff. In KEC, the ratios of the three types of healthcare professionals mentioned just now were in fact the lowest in Hong Kong, thus really dragging down the whole territory.

The manpower problem caused by insufficient resources has at the same time affected the quality of quite many healthcare services in the region. No matter how hard the doctors work and how high the quality of their work is, each of them has only two hands. The manpower problem has certainly led to the
series of problems related to the waiting time for specialist outpatient services. Among them, I especially wish to point out that the waiting time for total joint replacement surgery in Kowloon East has remained high for a long period. According to the figures of HA, the waiting time for total joint replacement surgery in KEC is 74 months, exceeding six years. This figure is far higher than the average of all the clusters in HA, which is 53 months. Many people in the community have told us why they would rather stay in the public hospitals to wait for joint replacement even though they have to wait for years. It is because in the present situation, if a patient gives up having this operation in a public hospital and receives it in a private hospital instead, the fee is $180,000. However, if he receives this operation in a public hospital, the fee is only $100 per day. If his condition is poor and he needs hospitalization for two weeks, he will have to pay only $1,400. If his condition is fine and he needs hospitalization for just a week, he will have to pay only $700. Given such an enormous difference in the amount, members of the public will certainly stay in a public hospital to receive the service. In our view, this precisely reflects the problem of uneven distribution of resources. Apart from impacting the frontline healthcare services, it has also affected the quality of the healthcare services needed by the elderly.

My amendment particularly suggests that the Government appropriately allocate additional resources according to the population characteristics of Kowloon East and properly deal with the gap in the provision of healthcare services in KEC in a timely manner to avoid any delay in the development of healthcare services in the region and missing the opportunity of making early planning to address the challenges of population ageing.

Moreover, I have proposed that the authorities expeditiously identify a site in KEC for setting up a Joint Replacement Centre to shorten the waiting time for joint replacement surgery in the region so that the people in Kowloon East, especially the elderly people who often need to trudge up and down the hills, can have their strain disorders, such as degenerative joint disease, treated as soon as possible, thus reducing their suffering. Regarding population ageing, I would like to point out that it is essential for the authorities to acknowledge the importance of primary healthcare, expeditiously conduct proper long-term primary healthcare planning and set up more primary healthcare facilities in the community to share the pressure on the services of public hospitals in the front line.
Kowloon East is a place with more hills than flat land. There is not sufficient space for the construction of a large general hospital. I suggest that the Government put in place additional community health centres or mobile clinics to provide the local residents with one-stop primary healthcare services. More importantly, apart from doing triage for healthcare services, these primary healthcare facilities can also get into contact with more potential users of healthcare services in the community and promote public health through health education and check-ups, thereby reducing the number of patients at source.

I believe many Honourable colleagues have also mentioned to Secretary Dr KO that planning is very important. In particular, the healthcare centre which we wish to be set up in Yau Tong is yet to be constructed, now pending the population requirement to be met. I hope the relevant planning can envisage this project and identify a site in a timely manner for its expeditious construction.

In closing, I wish to express my support for the redevelopment and expansion projects of some hospitals mentioned in the original motion, but here I must express my strong concern for the progress of construction of the Kai Tak Hospital. Over the years, we have been striving for the construction of the Kai Tak Hospital because we have noticed the present strain of services overall in Kowloon, including KEC and the Kowloon Central Cluster. All along, we have expected the Kai Tak Hospital to deal with the lag in the provision of services in the region upon its completion. However, since the Government's strategic study on the construction of the Kai Tak Hospital commenced, its completion time has been repeatedly postponed, being revised from around 2020 as originally stated to around 2024. We have got to know that in Kowloon East, apart from the supply of healthcare services falling short of demand, the Hong Kong Children's Hospital adjacent to the Kai Tak Hospital will be completed soon. As far as we understand it, the Hong Kong Children's Hospital, which is going to be completed in 2017, is a specialist hospital providing more than 200 beds. A lot of services in the hospital will need the concerted efforts and support of a general hospital nearby in order to give full play to its functions. My worry is that under the present plan, the Kai Tak Hospital will not be completed until 2024, presenting a time gap of six or seven years during which the Hong Kong Children's Hospital, without sufficient support, will only be able to provide limited services and thus rendered useless. At the same time, it will also be unable to effectively relieve the pressure on healthcare services in Kowloon East overall.
Hence, we hope the Administration can adopt a more proactive attitude to ensure that the Kai Tak Hospital can be completed on schedule, and at the same time expeditiously conduct thorough planning for primary healthcare services in various districts in Kowloon East to prevent the healthcare services from persistently lagging behind the actual demands in the districts, and avoid missing the final opportunity of preparing for population ageing.

I so submit. Thank you, President.

DR PIERRE CHAN (in Cantonese): President, I have made some amendments to the motion proposed by Mr Wilson OR, the main purpose of which is to make the Administration and Members appreciate that the shortage of public healthcare services is a territory-wide issue not unique to Kowloon East.

I wish to draw Members' attention to three points, which I will elaborate on in my speech later. The first point to note is that I find it a bit strange in terms of logic if the motion discussed this time around only seeks to improve public healthcare services in Kowloon East. Why? It is most likely that this motion will be passed. In that case, will those directly elected Members of other districts such as New Territories West hang banners in their districts, stating their success in fighting for an increase in public healthcare services in Kowloon East? What about those Members and members of the public of New Territories West? I find this most strange.

Moreover, in the next couple of years, should we change the motion title to "Urgently improving public healthcare services in New Territories West", and then discuss the motion in the Council again and again for seven times? I think this is one of the strange things, which is the first point to note.

The second point to note is that if we only increase the resources and services in Kowloon East while keeping the annual recurrent funding model for healthcare unchanged, in reality, resources must be deployed from other districts, such as New Territories West. The logic is as simple as such.

As to the third point to note, a Member also mentioned earlier that our public healthcare is funded by the Government. We have long been spending within our means and limiting our spending with limited resources, while the
Hospital Authority ("HA") has also long been advocating that "the problem lies not with scarcity but uneven distribution". As to items (6) to (9) of the original motion, I have discussed them with the Secretariat and found them most strange. While the motion title is public healthcare services in Kowloon East, items (6) to (9) are about territory-wide measures, such as ensuring that the Hong Kong Children's Hospital will be fully commissioned as soon as possible, expanding the Dental Assistance Programme to cover all elderly persons who are Old Age Living Allowance recipients aged 65 or above, expanding the Drug Formulary of HA, etc. I fully support all of these, which can benefit people in need across the territory. This is not unique to Kowloon East, but I do not know why the focus has been placed on Kowloon East. I have added the Haven of Hope Hospital to item (4), seeking to stress that in the catchment districts covered by various hospital clusters, services are not provided to residents in a single constituency only, and this also bears out my expectations of joining the Legislative Council.

I very much subscribe to Mr Wilson OR's view that the growing demand for public healthcare services results from population increase and ageing. I have repeatedly pointed out that over the past few years, the recurrent funding for healthcare has either been frozen or reduced. It is only until recently that we have seen an increase in funding again, yet it still fails to catch up with inflation, resulting in a failure to respond to the demand given the resource and manpower constraints, which is a territory-wide issue. As the saying goes, "The problem lies not with scarcity but uneven distribution". In my view, apart from making an increase in funding, the Government is obliged to urge the management of HA to make optimal use of resources and manpower and avoid unfair distribution. Some hospital clusters have more resources and manpower than other clusters do, and Kowloon East may be one of the districts plagued by more serious problems in relation to healthcare services. But no matter what, the Government and HA should fully examine the issue instead of accoring special treatment to certain District Council members' aspirations in respect of localized problems.

According to Mr OR, the waiting time for stable new case booking for specialties such as eye, orthopaedics and traumatology, medicine and surgery in Kowloon East is longer than the territory-wide average waiting time. As shown by the data of HA last year, in the Kowloon East Cluster ("KEC"), the waiting time for 90% of new case booking, specialties of eye and surgery was indeed longer than that in other clusters. However, the waiting time for specialties of orthopaedics and traumatology was longer in Kowloon West and New Territories East Clusters than that in KEC, while the waiting time for specialty of medicine
in New Territories East was longer than that in Kowloon East. As I said earlier, should we again spend two days discussing "Urgently improving public healthcare services in New Territories East" next time?

Furthermore, the waiting time for specialties of gynaecology, paediatrics and psychiatry was also not the longest in Kowloon East. In other words, the demand for services in a number of districts also requires attention, which is a territory-wide issue not unique to Kowloon East. I certainly understand that votes matter much, but the unduly long waiting time faced by patients is of the utmost concern to the community as a whole. In announcing the waiting time, HA does not expect Members to piggyback on it. Rather, it serves to enable patients to make an appointment for specialist outpatient services in a cluster of their choice. This message is highlighted on HA's website. If patients notice that the waiting time in their districts is unduly long, they may choose to make their first appointment in other clusters.

We have to monitor the overall performance and services of the Government and HA for public accountability. If Members are only concerned about the healthcare issues in their own constituencies, I hope that through my amendment, Members will understand how to put themselves into others' shoes and look beyond KEC to other clusters, with a view to benefiting people across the territory.

If we just allocate additional resources to Kowloon East without increasing the overall funding or addressing the long-standing issue of "who foots the bill", it will only mean a reduction in resources in other districts, thereby affecting the services in such districts. For this reason, I strongly oppose the practice of competing for resources among various communities.

Hence, I have amended the proposal only benefiting Kowloon East in item (1) of Mr OR's motion as "in accordance with a population-based funding model, allocating additional resources to shorten the waiting time for specialist outpatient services and general outpatient services of public hospitals in Hong Kong, with a view to benefiting residents of Kowloon East". A motion proposed in this way caters for the situation as a whole and also partially.

Mr OR's proposal in item (2) is expeditiously introducing 24-hour accident and emergency (A&E) services and 24-hour general outpatient services in the Wong Tai Sin District. In fact, 24-hour A&E services are available in the Queen
Elizabeth Hospital and the Kwong Wah Hospital, which serve residents including those living in the Wong Tai Sin District. I agree that we should fight for residents of a certain district. But after we have fought for residents of the Wong Tai Sin District, what about those residents of the Kowloon City district? Hence, I still think that as Legislative Council Members, we should broaden our vision and mind. For example, as I live in Kowloon West, will the Member belonging to the Kowloon West Constituency fight for the setting up of an A&E department in Kowloon West for me next time? Moreover, A&E departments are normally attached to larger hospitals. Why? We cannot just set up additional A&E departments. Sufficient ancillary facilities must also be put in place, like such service facilities as radiology departments, operating theatres, intensive care units and clinical laboratories. They are not like the 7-Eleven convenience stores, which can always be found nearby.

As a matter of fact, in recent years, there has been news about A&E departments being overwhelmed, particularly during surges of influenza. But in order to address the issue of A&E departments being overwhelmed, an appropriate measure should be increasing outpatient instead of A&E services, particularly 24-hour outpatient services. For this reason, I have amended the proposal in item (2) as "expeditiously studying the introduction of outpatient services in various districts in Hong Kong, with a view to benefiting residents of Kowloon East". By the same token, a motion proposed in this way has taken effective allocation of resources into full account.

I notice that the Wong Tai Sin District Council has set up an ad hoc group to discuss the A&E services in the district, while Mr WONG Kwok-kin, also belonging to the Kowloon East Constituency, likewise raised a question in this Council in relation to the demand of residents of the Wong Tai Sin District for A&E services two years ago, and suggested whether it was feasible to provide A&E services in the Our Lady of Maryknoll Hospital in Wong Tai Sin before the commissioning of the Kai Tak Hospital. I approve of fighting or the provision of A&E services in the Our Lady of Maryknoll Hospital during its redevelopment where practicable. And even if A&E services cannot be provided in the Our Lady of Maryknoll Hospital, we may make use of the opportunity presented by the redevelopment to make holistic planning in order to meet local healthcare needs. I also support expeditiously constructing the Kai Tak Hospital and expect its full commissioning in 2024. By that time, A&E services and a full range of healthcare services can be provided to residents of the Wong Tai Sin District as well as other neighbouring communities, such as the Kowloon City district.
As to Mr HO Kai-ming's amendment, I consider that there is a minor issue of duplication of resources. For example, in item (10), he requested the setting up of additional community health centres to provide residents of Kowloon East with one-stop primary services covering general outpatient services, chronic disease management, health education, etc. In fact, there are currently three community health centres in Hong Kong, with the one in Kwun Tong being the largest. The daily consultation slots for outpatient services it provides double that of the other two centres. Given that there are at least six government clinics providing general outpatient services in Kowloon East, its services are not in shorter supply than in other communities.

He mentioned the setting up of a Joint Replacement Centre in the Kowloon East Cluster in item (11). But I have to remind Members that a Joint Replacement Centre is precisely available in the Buddhist Hospital in Wong Tai Sin, Kowloon East. I consider it most strange to set up another Joint Replacement Centre in Wong Tai Sin.

As time is running short, let me move on to my concluding remarks. I wish to stress again that I appreciate that residents of Kowloon East also face a shortage of healthcare services. But as a medical practitioner and Legislative Council Member, I seek to ensure the well-being of people across the territory, and my amendment gives regard to the needs of residents of Kowloon East as well as all residents of Hong Kong.

With these remarks, I implore Members to support my amendment.

DR KWOK KA-KI (in Cantonese): President, first of all, I would like to thank Mr Wilson OR for moving this motion. Dr Pierre CHAN has just spoken and I have profound feelings about this subject. Before talking about the public healthcare services in Kowloon East, I would like to say that all healthcare services in Hong Kong need improvement. Of course, I agree that there is a significant structural problem in Kowloon East, mainly due to two reasons.

It is because there is only one leading hospital in Kowloon East (the United Christian Hospital), and due to historical reasons, the United Christian Hospital was a supporting hospital. It has long since been under the operation of the Hospital Authority ("HA") which hopes to bring it on par with other leading
hospitals, but I believe that has yet to be fully achieved even now. Second, the elderly population in Kowloon East is rather large compared to all other districts. The neighbouring Wong Tai Sin and Kwun Tong Districts have the second and third highest proportions of elderly population in Hong Kong. The proportion of people aged over 65 is 57.4% in the Wong Tai Sin District and 17.3% in the Kwun Tong District, both higher than the territory-wide average of 14.3%.

Besides, there is an issue of income caused by the demographic structure. For instance, 85% of the 430 000 population in the Wong Tai Sin District live in public housing; and 70% of the 640 000 population in the Kwun Tong District live in public housing or Home Ownership Scheme flats. On top of that, there are many new public housing estates in Kwun Tong, such as Choi Ying Estate, Choi Fook Estate, Choi Tak Estate, as well as the Anderson Road development area. Income and background indeed give rise to a particularly high demand for healthcare services in the area.

But before talking about Kowloon East, let us first talk about what is wrong with the existing healthcare system. It is actually horrible. Our population will grow from 7.23 million in 2014 to 8.47 million in 2041, however, the proportion of elderly population will increase from 14.8% now to 30% in 2041. According to HA's statistics, the demand for acute beds services of people aged 65 or above is eight times that of those under 65. This has been the reason for the shortage of beds in Kowloon East or other districts, and indeed territory-wide over the years.

I agree that Secretary Dr KO Wing-man is more ambitious than his predecessor. This is true. Although I do not know if the Secretary will continue to rise in the hierarchy or be re-appointed, I must thank him for this efforts in increasing the number of beds in public hospitals during his term of office. This is a fair comment I must make. But is this enough? Figures speak it all. In 1997, the bed-population ratio was 4.2 beds per thousand population; in 2007, it was 4; in 2015, it was 3.8.

The bed-population ratio keeps dropping, while the proportion of elderly population keeps rising. If "weighting" is added to this, that is, the "beds needed by elderly people" are included, we project that—of course the Secretary may discuss with us in detail—there will be a shortfall of no less than 10 000 beds, even counting in the 5 000 additional beds in the next 10 years under the
$200 billion provision. This is because the beds demand of people aged 65 or above cannot be compared with that of people under 65, and the services they need can also not be compared to those of people under 65. For this reason, we thought the Government would give a substantial response. Unfortunately, the overall response of the Government is disappointing.

In 2014-2015, healthcare expenditure accounted for 17% of the total public expenditure, which was a promise made by the previous-term Government, a promise made by Donald TSANG. Only in 2014-2015 did it reach 17%, but the percentage dropped to 16.8% the next year, and further to 16.5% the year after that. This year—the Government may be very clever and indeed it needs to massage the figure—the Secretary added $200 billion to bring the percentage back to 17%. This 17% is just a return to the promise made by the previous-term Government five years ago. The demand for healthcare services grows with the population, does it not require more funding and care? Instead, we have made no progress. This reminded me of the story "Three in the morning and four in the evening; four in the morning and three in the evening". It should be 17%, but it dropped to 16.8%, then 16.5%, now that it has returned to 17%, seemingly packaged as a huge favour. Do employees of HA, doctors, nurses and patients need to kowtow for that? Do not play this kind of games. This is not fair.

In fact, here lies a structural problem, that is, the problem of HA clusters. I did have some expectations when the Secretary announced the institutional reform of HA, with regard to its clusters in particular. But honestly, how can we accept the report issued last year? Nothing was really done apart from the regrouping of the Kowloon West and Kowloon Central clusters, as well as the relaxation of cross-cluster medical services. This is one point; and second, many non-essential services are still placed under the management of HA. Ultimately, policies or measures should be adopted to alleviate the pressure exerted on specialist services in public hospitals, so that their manpower can really be used to take care of patients in need. As everyone knows, often patients return to medical outpatient service just to collect drugs—the same case happens in surgery and orthopaedics, because some drugs are not provided in general outpatient clinics—therefore, I was disappointed, not only by the shortcomings in the services in Kowloon East, but also by the fact that after five years of implementation, nothing has been done except the $200 billion "verbal promise"—I call it a "verbal promise" because the Financial Secretary who made
the promise has run away. It is not sure whether the approach of the new Financial Secretary will be to the Chief Executive's liking. I hope there will be no political persecution afterwards and the amount promised will be not written off.

Having said that, I would like to raise several requests through this debate. The manpower ratio in Kowloon East, of psychiatric services in particular, is not sufficient. I would also like to take this opportunity to request the provision of evening outpatient services, because many patients at work do not want their mental illness known by others or their jobs affected, so evening outpatient services can help solve the labelling problem that they are facing. Besides, the Elderly Health Centres, Woman Health Centres and Maternal and Child Health Centres are all insufficient in Kowloon East, and other districts as well. This is especially true for Elderly and Woman Health Centres. Currently, the Woman Health Centre in Lam Tin is the only one. Residents in other areas have to depend on Maternal and Child Health Centres. But as we all know, their services are vastly different. In fact, many grass-roots women who do not have the means to see private doctors can only rely on Woman Health Centres for limited help. Unfortunately, no progress has been made over the years. The situation is the same for Elderly Health Centres.

With regard to public dental services, I believe the Secretary is aware of the recent petition made to you by some disadvantaged people and persons with intellectual disabilities. Yet they are not alone for some low-income groups, elderly people and grass-roots families also do not have the means to care for their teeth. I am raising this question and I do not know when the Government will respond to this.

Finally, the general outpatient service has been under discussion for a long time. The former Secretary introduced the telephone booking service not to help the public but to achieve two purposes: first, he got rid of the queues at five or six in the morning; and second, he made it even more difficult for the public to access general outpatient service, as they cannot queue up nor get through the telephone lines for bookings. So, they have to either give up treatment in spite of their illnesses, or cope with the situation and visit private doctors. I hope the Secretary will respond to these policy failures and resolve them within your term of office (The buzzer sounded) … and provide booking telephone lines answered by operators …
MR WU CHI-WAI (in Cantonese): President, the question today is "Urgently improving public healthcare services in Kowloon East". In discussing this question, however, we often hear repeated but inaccurate descriptions of the Kowloon East Cluster ("KEC") because Tseung Kwan O is covered by it as well. This is why I hope members of the general public who are watching the television live broadcast can understand that Kowloon East currently covers the Wong Tai Sin and Kwun Tong areas, but these two areas are under two separate clusters of the Hospital Authority ("HA"), namely the Kowloon Central Cluster ("KCC") and KEC.

Insofar as the ratio between the district population and hospital beds is concerned, KCC currently has a population of 1.18 million and 4 850 beds for general care; whereas KEC has a population of 1.10 million and 2 527 beds for general care. Against this background, we can see that the shortage of resources faced by the Kwun Tong District or KEC as a whole is even more acute. On the other hand, according to the information of HA, the waiting time for stable new case booking for services of some specialties, including eye, in KEC is the longest among clusters territory-wide. While the waiting time in KEC is 135 weeks, the waiting time in KCC is only 87 weeks. As regards surgery services, the waiting time in KEC is 87 weeks, but the waiting time in KCC is 51 weeks. In other words, some members of the public have to wait 135 weeks, or more than two years. This figure is not only ironic but also despondent. What is more, it reflects the severe shortages currently in public healthcare services. Certainly, to my understanding, HA has employed some methods, such as cross-district waiting arrangements, to ameliorate the waiting situation. Nonetheless, the saying that "there are only nine lids for 10 tea pots" clearly reflects that the actual demands for healthcare services are enormous.

According to the population by-census conducted in 2016, the two District Council Districts in Kowloon East had the largest numbers of persons aged over 65 in Hong Kong, accounting for 17.2%. We will therefore support the
proposals put forward by other Members for increasing healthcare services in the districts and hospital expansion projects. But next I shall focus on discussing the amendment proposed by the Democratic Party.

As regards the expansion project of the Our Lady of Maryknoll Hospital ("OLMH"), during a meeting with officials from the Food and Health Bureau in 2015, we already expressed our hope that, when the expansion project was being undertaken, 24-hour consultation services could be provided to enable patients suffering from minor diseases to receive immediate treatment, with a view to facilitating patients in the districts while reducing the burden on the accident and emergency ("A&E") departments of hospitals.

We have made enquiries with experts and found that OLMH now will stop providing outpatient services at 10:00 pm, but given that services will still be provided at night by OLMH, two to three doctors will actually be stationed in the hospital. Therefore, if 24-hour consultation services are feasible, such services can be launched with the provision of only a little extra manpower without exerting any serious pressure on manpower or finance. On the contrary, the pressure on the A&E departments of other hospitals can be ameliorated.

In fact, overnight outpatient services had been provided by OLMH until 2002 when such services were ceased. As a result, residents have to seek treatment from the A&E departments of the Queen Elizabeth Hospital or the United Christian Hospital, for treatment to be administered at midnight. Certainly, the purpose of the proposal put forward recently by HA for increasing the fee charged by A&E departments to $220 is to deter abuses. Meanwhile, however, we propose that the Government increase the provision of general outpatient services, evening consultation services, holiday outpatient services and overnight outpatient services. Otherwise, the shortage of A&E services cannot be resolved by merely relying on the fee increase.

Elderly dental care has also been an issue of concern in the districts. Actually, elderly dental problems may or may not be serious. Dental problems will not only affect the social life of the elderly, but also their food intake, absorption of nutrition, and subsequently physical health. According to the information of the Government, the findings of an Oral Health Survey conducted in 2011 among the people of Hong Kong revealed that there was a need to improve dental care services for purposes of promoting oral health, particularly
the provision of care services for the elderly. We have been calling on the
Government to make reference to the practice of general outpatient services to
implement a public private partnership ("PPP") programme and subsidize elderly
persons in need to visit private dental clinics for annual dental check-ups. Furthmore, the Government should also provide additional government dental
clinics in various districts, increase the number of chips, and provide filling
services in addition to pain relief and teeth extraction services. In fact, the
existing dental clinics in various districts mainly deal with the needs of civil
servants and have yet to be expanded to meet general dental needs. Hence, I
think that the Government should consider this because, actually, dental services
are a very important domain of primary healthcare services. The Government
should launch the relevant work in this area.

The Outreach Dental Care Programme for the Elderly, which was launched
by the Government in 2014 to provide free dental care services to the elderly in
residential care homes and day care centres, will come to an end on 30 September
this year. The Democratic Party hopes that the Secretary can give a response in
his speech later on in respect of the relevant services in the context of enabling an
extension of these arrangements which seek to provide the elderly with essential
dental care services direct.

In fact, the dental care services I mentioned just now are a very important
foundation, as well as a cornerstone for the development of primary healthcare
services. Prevention is better than cure. It is mentioned in the Primary Care
Development in Hong Kong: Strategy Document published in 2012 by the Food
and Health Bureau that, in order to promote the health of the whole population,
we need to reduce people's risk of contracting chronic diseases, and to prevent
disease deterioration and complications for people who already have chronic
diseases. This involves a variety of strategies across society, including the
promotion of healthy behaviour to reduce the risk of diseases, detect diseases
early, and provide high quality management with the ultimate goal of reducing
the incidence of complications and associated morbidities and mortality. As
proposed in my amendment, the Democratic Party calls for the setting up of a
seed fund to subsidize the public to undergo regular physical check-ups and hence
perfecting the primary healthcare services. If commonly seen chronic diseases,
such as hypertension and diabetes mellitus, are detected at an early stage, the
healthcare cost incurred as a result of deterioration at the latter stage can actually
be reduced significantly.
In fact, I have asked a written question today in relation to the prevention of colorectal cancer. The Government's willingness to subsidize members of the public to undergo colonoscopy examination is precisely a good start. In particular, the waiting time for and number of cases of receiving colonoscopy examination are on the rise. Given the trend of people suffering from colorectal cancer at a younger age, the Government should adopt more measures, including subsidizing members of the public to receive colonoscopy examination conducted by private doctors in order to detect patients and provide treatment. Certainly, the coverage of the current colorectal cancer screening programme is limited. I hope the Government can expand the coverage of the relevant subsidies and examinations, so that adequate resources can be provided to arrest the trend of people suffering from colorectal cancer at a younger age. In particular, the Government should provide a subsidy for people aged between 40 and 50 through an PPP programme to expand the scope for early prevention.

The reply given by the Government today, however, is most disappointing. I would like to take this opportunity to exchange views with the Secretary because the Government has indicated in its reply that people with high risk not covered by the Colorectal Cancer Screening Pilot Programme will not receive any subsidy for receiving colonoscopy examination. Moreover, anyone who has suspected symptoms should seek early consultation at relevant medical institutions. Actually, people with a higher risk may, if consent is given by the Government, seek assistance from private doctors or non-profit-making healthcare institutions through an PPP programme. However, should the Government adopt such an attitude, how can the effect of taking preventive measures be achieved, even though it is better than cure? Hence, I hope the Secretary can say a few words about the Government's specific strategies in his reply later on to complement the viewpoint that prevention is better than cure, thereby making the promotion of primary healthcare more extensive and comprehensive to ensure worth for our healthcare expenses.

Lastly, the development of all healthcare services face the problem of healthcare manpower planning. Despite a 10-year Blueprint for Hospital Development having been proposed by the Government last year, a review by the Government of healthcare manpower planning has all been thunder but no rain. In a document submitted by the Government to the Legislative Council in 2015, it was estimated that HA would experience a shortfall of 400 and 330 doctors in 2016 and 2020 respectively. Although the Government has said that the first territory-wide strategic review of healthcare manpower planning and professional development will be completed early this year, the review has all been thunder
but no rain. I very much hope that the Government can expeditiously commence work on healthcare manpower planning and submit a report to enable us to meet the rising demands for healthcare services by way of healthcare manpower planning.

With these remarks, President, I support the various amendments. Thank you, President.

MR SHIU KA-CHUN (in Cantonese): President, first of all, I would like to thank Mr Wilson OR for proposing the motion on "Urgently improving public healthcare services in Kowloon East", giving us the opportunity to conduct a thorough discussion on the relevant social policies, including the consideration of whether our healthcare policy should be geared towards public ownership or privatization.

Should social policies go left or right? This is the classic question in the formulation of social policies. In my view, the thrust of social policies lies not in the technicality of policies but society. It is a matter about what kind of society, social relationship, distribution of benefits and social values the authorities intend to establish through social policies. Regrettably, social policies in Hong Kong lack any social orientation and are interpreted as a means to "provide individual services to the needy". This direction will only result in the reproduction of vested interests, where social policies will be reduced to a mere tool and welfare-based, evading the inherent function of establishing a fair and just society.

After clarifying the thrust of social policies, I would like to talk about privatization in social policies. What is privatization? A British scholar in social policies, Prof Alan WALKER, has put forth a simple definition. He points out that when the obligation of providing social services is delegated in part or in whole to private organizations in tandem with the introduction of principles of market economy, such as the application of profit maximization and emphasis on purchasing power as the principles for service provision and distribution, it is privatization of social services.

The establishment of the Hospital Authority ("HA") in Hong Kong is actually the privatization of healthcare services. The Government's role in making direct healthcare commitment has long since been lessened. Though the Government may still have control over healthcare services by means of its power
to make decisions, provide subsidies and make appointments, the consequences resulted from work implementation and relevant commitment will be borne by HA. HA has become the Government's buffer in healthcare service provision, where the Government is in a position to take aggressive action or to remain conservative and the financial and political pressure on it is thus alleviated.

In recent months, HA has stressed time and again its intention of paring down the discrepancy in service charges or cost recovery between HA and the private sector. This is the evidence revealing the privatization of public healthcare services. The objective of narrowing the discrepancy between public-sector and private-sector healthcare charges or to recover the costs does not give priority to the public's affordability nor the provision of healthcare protection to the public by the public sector. This on the contrary emphasizes the purchasing power of the public in procuring healthcare services, making the payments made by users a major source of income for healthcare services. Recently, HA’s proposal for increasing the charges of A&E departments, general outpatient clinics and special outpatient clinics is proof of such cost recovery.

Moreover, the Government has refused to implement financing of public healthcare services. Discussions had been held again and again, and the authorities eventually decided to implement the Voluntary Health Insurance Scheme. Under the Scheme, the public are encouraged to take out private healthcare insurance, so they can only pray for blessings and shelter from risks of falling sick in future. The arrangement turns a blind eye to the disparity between the rich and the poor in society. This private healthcare insurance will drive the demand for healthcare services and divert patients to the private sector, adjusting the ratio between public and private hospital services, thereby reducing the funding and manpower burden of public hospitals. This will eventually create different classes in healthcare services, where the affluent will have access to more and better services and the underprivileged can only use less desirable services.

The fundamental problem of the healthcare system in Hong Kong lies in the shortage of resources. The expenditure committed to healthcare by the Hong Kong Government only accounted for 5.7% of our Gross Domestic Product, the figure for 2014, which was lower than the percentages of European countries and the United States being at 10%, South Korea being at 7.4% and Taiwan being at 6.2% in comparison. In the face of an acute shortage of resources, no wonder the implementation of public healthcare services is subject to criticisms.
The objective of privatization of public healthcare services is to alleviate the pressure faced by the Government as a result of the insufficient provision of resources for healthcare services. This is a tactic employed by the Government to shirk its responsibility, as a result of which the primary healthcare protection enjoyed by the general public in Hong Kong will diminish gradually as a result of privatization.

Regarding the motion of Mr Wilson OR, I generally agree with it, yet several points require clarification. First, as in the letter issued by Dr Pierre CHAN to all Members, if public healthcare services in Hong Kong are a zero-sum game, which means enhancement of the public healthcare services in Kowloon East will result in resource cuts in public healthcare services in other districts, I cannot agree with Mr Wilson OR's motion. I disagree with the idea that the enhancement of public healthcare services will develop into a scramble for resources among various hospital clusters. Hence, in my amendment, I supplement that public healthcare services of Hong Kong should be enhanced as a whole, financing and overall planning for public healthcare services must be made and that the authorities should stop relying on the present arrangement of supporting the healthcare system with tax revenue solely, for only by doing so will public healthcare services in Kowloon East be enhanced in the long run.

Second, I do not agree with Mr Wilson OR's proposal in the original motion for allocating additional resources to enhance the public-private partnership programme in healthcare. For I consider that the programme will offer another excuse for the Government to refuse to make financing arrangement for and stop making improvement in public healthcare services by pushing patients in need of treatment to the private market. It is also my aspiration for the Government to step up or enhance the services at general outpatient clinics and special outpatient clinics in the public sector, so the enhancement of public-private partnership runs counter to my belief in public healthcare services. So, sorry, I cannot support this point. For privatization of public services can in no way enhance service quality, yet it will deny patients in poverty the necessary services, creating inequality and class division in society.

Third, I agree that the Government should shorten the waiting time for specialist outpatient services and general outpatient services, yet it should be achieved by the enhancement of public services. I propose that the Government should step up evening consultation services and even introduce 24-hour
outpatient services in individual general outpatient clinics, which will cater for
the consultation needs of the public on the one hand and alleviate the pressure of
A&E departments on the other. There is an urgent need for enhancement of
psychiatric services. I think one of the options that the authorities must consider
is the introduction of evening consultation services to cater for the need of
ex-mental patients who have to work and to attend follow-up appointments.

Fourth, as the saying goes, early intervention is the best cure of diseases.
It is true that resources invested in public healthcare in Hong Kong are
insufficient, yet the problem of resource mismatch should not be overlooked.
HA has invested a large amount of resources in specialist healthcare services but
the resources for primary healthcare and disease prevention remain inadequate.
Since primary healthcare services are dominated by the private market, minor
diseases are allowed to develop into serious conditions. Hence, I agree that in
the medium-to-long term the Government and HA must give priority to the
enhancement of primary healthcare and disease prevention work in resource
allocation.

The crux of the problem of the healthcare system of Hong Kong is the
heavy pressure on public healthcare services. Since the charges of private
healthcare services are expensive, low-income patients who cannot afford the
relatively expensive private services have no alternative but to wait for public
healthcare services long term. As a result, there is always a shortage of public
hospital services. Because of such problems as population ageing, increases in
healthcare costs, as well as the severely inadequate funding allocated to public
services by the Government, the Government continues to resort to privatization,
and privatization alone, as the tactic to address the problem, hoping this will drive
patients to the private market continuously. The Government refuses to
redistribute resources through the implementation of public policies to narrow the
disparity between the rich and the poor in society and to shoulder its obligation of
providing public services. This is the crux of the problem in public healthcare.

President, I pointed out in the beginning of my speech that the major
concern of social policies is not about how much is spent under the policies but
what is the best or the most efficient approach. The key word for social policies
is not "policy" but "society". What kind of society are these healthcare policies
or various social policies trying to establish? Is it a society where winners can
win all and losers will lose all, or one that enables sharing and emphasizes caring
and happiness? This question pops up constantly in the formulation of various
I would like to put forth in this debate that: Social policies are for the establishment of social values, relationship and a caring spirit in society. I so submit.

MR LEUNG YIU-CHUNG (in Cantonese): First of all, President, I have to emphasize one point. Although the situation of population ageing and the lack of healthcare resources in Kowloon East is quite serious, this is a problem not unique to Kowloon East. Rather, it is a problem of the whole territory.

Simply put, now the biggest problem of the public healthcare system of Hong Kong, as mentioned by many Honourable colleagues just now, is that the increase in resources lags far behind the growth in demand for services. As we all know, the problem of population ageing in Hong Kong is very serious. According to the information of the Census and Statistics Department, at present, the number of people aged 65 or above is about 1.17 million, accounting for approximately 16.6% of the Hong Kong population. Moreover, the percentage of the elderly will rise to 30% in 2034. Population ageing has led to a substantial increase in the demand for public healthcare services. The bed occupancy rates of various public hospitals have stood at over 90% for a long period. During the influenza peak season, the overall occupancy rate of A&E beds in the public hospitals in Hong Kong has actually reached 120%. Among them, the situation in Kowloon East, Kowloon West and New Territories East is the most severe.

In the face of such circumstances, the most direct solution is of course to increase resources. However, as pointed out by many Honourable colleagues already, the healthcare expenditure in Hong Kong is less than 6% of Gross Domestic Product ("GDP"), far lower than that in Korea, Taiwan and most European and American countries. Many years ago, the Government promised to raise the amount of healthcare expenditure to 17% of the recurrent expenditure by 2012, but regrettably, this year the relevant expenditure still accounts for only 16.7% of the recurrent expenditure. The Government needs not say by how much the relevant expenditure has already increased. We only wish to know why the target cannot be achieved after all. As a result of the Government's broken promise, the healthcare resources are far from being sufficient to cope with an ageing population and the development of medical technology. This is indeed greatly disappointing.
On the problems of the healthcare policy, as mentioned by an Honourable colleague just now, we can hardly finish discussing them in just a couple of days. This is true. I totally agree because there are in fact too many problems. However, owing to the time constraint, today I can only focus my speech on three areas. The first one is community dental services, the second one is the issue of subsidized drugs in the Drug Formulary, and the third one is public-private partnership in healthcare, since community organizations and people outside have relayed to me the problems in these three areas from time to time.

First, regarding dental services, needless to say, we all know that the present public dental services in Hong Kong are seriously inadequate. In all the 18 districts in Hong Kong, there are only 11 dental clinics which provide emergency dental services for members of the public. Moreover, they are unevenly distributed. Eight of them are located in the New Territories. Consequently, many patients must travel to another district to seek consultation. Furthermore, the figures obtained by us indicate that more than half of the patients seeking consultation in dental general public sessions are elderly people. As we all know, in the past decade, the situation of population ageing has been rather serious, but the number of discs allocated by the clinics has not seen any increase. For example, Kowloon accounts for about 30% of the Hong Kong population, and Kowloon East is one of the districts where the problem of population ageing is the severest. It is believed that the ageing population will keep growing in the future. But there are only two dental clinics in this district now. How many discs can be offered to dental patients in the whole Kowloon region every week? Roughly less than 200. How will they be sufficient?

Many elderly people will go queue up at clinics before dawn, but will they be able to get a disc certainly? Not necessarily. If they cannot get any, what can they do? They will be told to go there again the following week. But we have got to know that many dental clinics do not provide services daily. Instead, they are open only one to three days each week. Even on the day they are open, they may provide only half-day rather than whole-day services. Hence, even though many patients will queue up early, they are still unable to get any disc. Even if they can get a disc, what then? The dental services provided are not comprehensive. The patients will only be given anti-inflammatory drugs, pain relief treatment or extraction services. If the patients need any other services, they will be told to seek consultation with private doctors. If the patients could afford the fees of private doctors, they would not have queued up at these clinics.
As we all know, private dental services are particularly expensive. The ordinary masses can utterly not afford them. That is why they have to use public services, but the public services are so limited.

Hence, this problem is very serious. We expect the Government to inject more resources into dental services, but the Government often excuses itself with the claim that no matter how many resources are injected into dentistry, they will still be insufficient because the amount of resources needed by dental services is huge. It can hardly bear the full amount. Moreover, the Government holds that now subsidies are not unavailable. But the question lies with the profound impact of teeth on a person. If he has got a problem with his teeth, he will have difficulty eating. Later, he will certainly become more feeble and subsequently contract other illnesses. As far as the Government is concerned, it is not something good because it will generate some other demands for medical consultation, thereby causing a continual increase in social cost. For this reason, we expect the Government to make more efforts in this regard and inject more resources. Apart from putting in place a clinic in each district, it should also expand the scope of services to include dental examination, scaling, crowning, filling, etc. to ensure protection for the health of the grass roots.

Second, I would like to talk about the Drug Formulary. I have proposed my amendment because I have received the strong requests repeatedly raised by many patients and patient groups. They have pointed out that a lot of rare diseases require treatment by certain special drugs, but regrettably, these drugs are really expensive. Very often, they can only sigh with longing eyes. Why? Because the drugs are available in the market, but they do not have the money to buy them and cure their illnesses. In this regard, they are indeed deeply worried because these rare diseases really cannot be treated by the ordinary approaches. They must take certain designated and special drugs. Yet regrettably, many such drugs are not listed in the Formulary. Although the Government said that patients can receive subsidies through the Community Care Fund or the Samaritan Fund, many patients are actually ineligible for the subsidies. We have got to understand that these are chronic diseases which cannot be cured by simply taking the drugs once or twice. The drugs to be taken each time are also expensive, costing some $10,000. This is a grave problem. We hope the Government can expeditiously incorporate the drugs set out in my amendment into the Formulary to ensure that patients' lives can be sustained.
Moreover, regrettably, here I cannot but raise a point to Dr KO, that is, I wish to help a group of patients arrange for a meeting with the Secretary's colleagues to talk about their situation, but over the past two years, although I have kept sending letters or emails, the Secretary's colleagues have ignored us completely and refused to have any meeting. Why? I really do not get it. They are even unwilling to meet the patients and look into their actual situation. It is indeed very regrettable. I hope the Secretary's colleagues can spare some time to meet the patients. Although the meeting may not be able to fulfil their wish, it can serve as a kind of therapy, letting them know that the Government does care about them, thus making them feel better. But the Government is even unwilling to do this. How regrettable! As a matter of fact, some drugs are really quite effective in treating their conditions, but the Government's standard for the application of drugs to patients is indeed too high. For example, interferon has good efficacy in treating multiple sclerosis, but a patient is required to walk as many as 100 steps in order to get the approval of the hospital for using this drug. It really adds more difficulties to the patients' plight. Even though they know that the drug can help them, they cannot have access to it, thus making them feel helpless, worried and sad.

For this reason, I consider that the authorities should expand and expedite the vetting and approval of the types of subsidized drugs, relax the standard for subsidizing the administering of drugs to patients, and allow patient representatives to join the committee relating to the approval work to enhance the transparency of the approval process.

As regards public-private partnership, to cut a long story short, I consider that given the present shortage of manpower and resources in public hospitals, enhancement of public-private partnership is understandable, but the Government must provide additional subsidies to ensure that the patients can afford the service fees. Moreover, patients referred by public hospitals to private clinics for treatment should be assured of return to public hospitals for treatment when necessary. This point is greatly important.

In closing, I wish to emphasize again that in the long term, the Government must allocate additional resources to cope with the increasing demand for healthcare, and allocate the resources to various clusters more effectively. I hope the Government can hear our voices and make rectifications as soon as possible.

I so submit.
SECRETARY FOR FOOD AND HEALTH (in Cantonese): Before all else, Deputy President, I would like to thank Mr Wilson OR for proposing this motion. In this speech, I will first give a brief description of the overall efforts made by the Government in further enhancing public healthcare services in Kowloon East. After Members have delivered their speeches, I will respond in my concluding speech to the views put forward by Members as well as their suggestions.

Hong Kong is currently facing the challenges posed by a rapidly ageing population, and so is Kowloon East. In 2015, people aged 65 or above account for 18.1% or so of the population in the Kwun Tong and Wong Tai Sin Districts, and this proportion is expected to rise to 23% in 2024. Compared to the overall proportion of elderly persons in Hong Kong population, the proportion of elderly persons in Kowloon East is higher by 2.7 percentage points.

To meet the increasing demands for services in the districts, the Hospital Authority ("HA") has been providing the Kowloon East Cluster ("KEC") with additional resources over the past couple of years. In the past four years, KEC provided 172 additional acute beds and rehabilitation beds in total. On the other hand, HA has also planned to provide 58 additional acute beds and rehabilitation beds in KEC in this fiscal year.

KEC has also implemented a number of initiatives for improvement of services, including enhancing the capacity of renal replacement therapy for patients with end-stage renal disease and providing additional endoscopic sessions to expedite the handling of waiting patients. From 2017-2018 onwards, KEC will also provide 24-hour emergency intravenous thrombolytic therapy for acute ischaemic stroke patients.

On outpatient services, HA is currently operating four specialist outpatient and eight general outpatient clinics in KEC. Among these clinics, the general outpatient clinic in Tseung Kwan O provides evening consultation services, whereas the Kwun Tong Community Health Centre even provides the public with evening as well as Sundays & Public Holidays outpatient services. Meanwhile, KEC has also increased the consultation quotas for episodic disease patients in general outpatient clinics to enable target patients to receive primary healthcare services within a shorter period of time. KEC will also provide an additional 2 000 Family Medicine Specialist Clinic attendances and 2 250 allied health outpatient attendances under a collaborative Orthopaedics & Traumatology and Family Medicine service model, with a view to improving the waiting situation of specialist outpatient services.
As regards rehabilitation services, starting from the latter half of 2017-2018, rehabilitation services provided for patients with stroke, lower limb fracture and arthroplasty will be extended to cover weekends and public holidays, with the provision of an additional 1,150 physiotherapy attendances in 2017-2018. A nursing coordinator will also be provided for the fragility fracture service. Moreover, in order to help discharged elderly patients, KEC has planned to enhance medical-social collaboration in 2017-2018 to provide more elderly inpatients in need with assessment, discharge planning and post discharge rehabilitation service for discharged elderly patients.

On clinical support services, KEC has enhanced the provision of laboratory testing services for cancer patients to ensure a quality and safety culture. KEC will further enhance diagnostic services in 2017-2018 by, for instance, providing 165 additional molecular tests for lung cancer patients and performing 575 visual field tests for glaucoma patients. Moreover, laboratory testing for the diagnosis of Tuberculosis will be enhanced.

Coming to mental health services, KEC has, in the past couple of fiscal years, provided additional manpower for multi-disciplinary teams for Child & Adolescent Psychiatric services, strengthen the support provided by multi-disciplinary teams of psychiatric specialist outpatient service for mentally ill patients in general, and introduce a pilot scheme on peer supporters for ex-mentally ill patients in order to enhance community support for mentally ill patients. In the next year, KEC will recruit additional peer supporters and further enhance psychiatric hospital care and clinical psychology service.

In 2014, HA launched the General Outpatient Clinic Public Private Partnership Programme in three districts, namely Wong Tai Sin, Kwun Tong and Tuen Mun, to enable clinically stable patients having hypertension or diabetes mellitus currently taken care of by HA general outpatient clinics to freely choose private doctors participating in the Programme to be their family doctors and receive primary care services from the private sector. The general outpatient consultation places released under this Programme will be given to other patients in need so as to meet the service needs in the districts. As of late February this year, 5,507 patients from the Wong Tai Sin and Kwun Tong Districts have participated in this Programme.
The Government will also continue to provide additional resources to improve facilities for KEC. The United Christian Hospital and the Haven of Hope Hospital, which belong to KEC, are now undergoing expansion to upgrade a number of existing services, with a view to meeting social needs more properly. The Government's 10-year Hospital Development Plan also covers the construction of a new acute hospital in the Kai Tak Development Area and the redevelopment of the Our Lady of Maryknoll Hospital in the Kai Tak Development Area. The Hong Kong Children's Hospital, which is currently under construction, will further upgrade the quality of the paediatric healthcare service in Hong Kong upon its commissioning.

Deputy President, I have given a preliminary response to the overall efforts made by the Government in improving public healthcare services in Kowloon East. After listening to the speeches of Honourable Members, I will give a more detailed response to the latest development of these services and the improvement measures being planned by the Government.

Thank you, Deputy President.

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

MR LAM CHEUK-TING (in Cantonese): Deputy President, today, Mr Wilson OR has proposed a motion urging for the urgent improvement of public healthcare services in Kowloon East. The Democratic Party fully supports this motion as well as other relevant amendments.

Deputy President, Kowloon East is not the only district in Hong Kong facing public healthcare service problems. As a District Council Member of the North District, I think there are many problems with the services of the North District Hospital, too. I have been told by staff of the Hospital Authority ("HA") that there is an acute shortage of doctors in Hong Kong, particularly in areas like North District. Though many doctors are willing to work overtime to help out at different hospitals, like hospitals in the Kowloon East Cluster ("KEC"), they usually do not choose to work in remote districts like the North District. As a result, there is a general shortage of doctors in hospitals in the North District. I believe not only the North District and other districts encounter this problem, KEC may also encounter a similar problem.
Why is there an acute shortage of doctors in Hong Kong? Let us look at some figures. Before the reunification, it was easier for doctors who had obtained the qualification for practice in Commonwealth regions to return to Hong Kong for practice. Yet after the reunification, it has become much more difficult. We may look at the relevant figures. Before the reunification, 49 licences on average were issued each year to doctors passing the examination and internship training. Yet after the reunification, only 9.7 licences are issued each year. Three examinations are involved, Deputy President, including the examination in professional knowledge, the proficiency test in medical English and the clinical examination, and candidates must pass all the three examinations. The passing rate was 6.6% before the reunification, which has dropped nearly by half to 3.6% after the reunification.

These licensing examinations are criticized by many medical students overseas and outside Hong Kong for being too difficult. They have told me one example to illustrate their point. The examination covers questions related to legislation on occupational health and safety in Hong Kong. Since they studied medicine overseas, they had not studied these laws, and this posts a tall challenge to them. Moreover, some medical students have complained to me about the arrangement of these licensing examinations in Hong Kong. Since they are given an advance notice of only two or three days prior to the examination, they have to take a taxi to the airport in the United Kingdom to get a ticket to return to Hong Kong. Upon arrival, they have to sit for these professional examinations immediately under tremendous pressure even before they have adjusted to the jet lag. All these arrangements are considered quite unreasonable, which have also prompted candidates to suspect the licensing examinations as deliberate hurdles meant to prevent their practice in Hong Kong.

Many children of the people of Hong Kong who are studying overseas, particularly in Commonwealth countries, have obtained the qualification for local practice, why can the authorities not make their practice in Hong Kong easier so as to increase the supply of doctors in Hong Kong as a whole, thereby increasing the supply of doctors in KEC and other clusters in the territory? As many Honourable colleagues have said earlier, the waiting time for various healthcare services, particularly specialist services, is becoming increasingly long, which often takes a year or two.
Some time ago, my daughter had a cut in her forehead after a bump at school and had to seek treatment at the A&E department, so I accompanied her in the wait for treatment. We had waited for three hours and then another three hours, yet the queue only grew longer as more and more emergency cases were sent to the hospital. In the end, I gave up waiting. Regrettably, I am not "Sir TAM" and I do not have express access. However, many people in Hong Kong are always waiting in such a manner, one after another.

The waiting time at A&E departments may be half or one day, sometimes more than one day. As for specialist services, the waiting time counts months or years. During the wait, the condition of patients deteriorates, where minor diseases turn serious and serious diseases become incurable. This is extremely undesirable. Hence, here, I urge the Government and the medical sector to reconsider whether a review of the licensing examination in Hong Kong is necessary, whether the examination standard is too harsh and whether the examination arrangement is convenient to overseas candidates.

I understand that there should be no compromise in the quality of doctors. I totally agree with this. Yet this should be within a reasonable scope. There is a description in the medical sector. Some doctors are dubbed "men from the moon" (月球人), which refers to doctors making a million dollars in a month, or "men from outer space" (星球人), which refers to doctors making a million dollars in a week. I do not know why they can earn such an enormous amount of money, probably because their medical skills are exquisite, like the legendary Chinese doctor Huatuo. If they earn great sums because of their exquisite medical skills, it is not a problem, for Hong Kong is a free economy. However, if certain members of the medical sector are practising protectionism to try to control the supply of doctors in the market and create a shortage of doctors against the tremendous demand in the market, such that the income of doctors may increase, this will jeopardize public interest in Hong Kong.

Deputy President, we are now talking about public healthcare services. In the healthcare market in the territory, public healthcare services account for a relatively significant share. Hence, I hope HA, the Government and the medical sector will heed the opinions of the general public, as well as the aspiration of young people who have studied medicine overseas for several years and obtained qualification for local practice and make their practice in Hong Kong easier.

I so submit. Thank you, Deputy President.
IR DR LO WAI-KWOK (in Cantonese): Deputy President, first of all, I would like to thank Mr Wilson OR for moving the original motion "Urgently improving public healthcare services in Kowloon East". Honourable colleagues of the Business and Professionals Alliance for Hong Kong ("BPA") and I basically support the objective and proposals in the motion. In fact, BPA has urged the Government on multiple occasions in the past to allocate additional resources and strengthen public-private partnership in healthcare, so as to upgrade the standard of healthcare services in Hong Kong. Therefore, we are puzzled by the deletion of "allocating additional resources to enhance the public-private partnership programme in healthcare" in the amendment proposed by Mr SHIU Ka-chun.

The original motion mentioned the demands and aspirations of the public for healthcare services. In fact, these are not restricted to Kowloon East. Here I have to make a declaration of interest. I am a member of the Hospital Authority ("HA"), but no pecuniary interest is involved. To my understanding, there is a significant gap between public demands and existing facilities in various districts throughout Hong Kong. Therefore, I believe we should look at this issue from a territory-wide perspective. If the Government can prescribe the right remedy to the illness and improve the overall standard of healthcare services, residents of Kowloon East will also benefit from it.

In fact, the current-term Government has injected plenty of resources into healthcare services. For example, the estimated recurrent expenditure for healthcare services in 2017-2018 is $61.9 billion, accounting for 17% of the Government's total recurrent expenditure. An additional $2 billion will be allocated to HA to finance its recurrent expenses on increasing the number of beds and the quota for various types of diagnostic services in public hospitals. It is worth noting even more that the Administration has announced a $200 billion 10-year Hospital Development Plan which includes construction of one new acute hospital in the Kai Tak Development Area and redevelopment or expansion of more than 10 existing hospitals.

Despite the huge resources injected, the existing healthcare services still fall short of public expectation due to various reasons, such as the facts that resources deployment and allocation are pending enhancement, and that expansion projects of some hospitals are still under planning and construction. I believe the Government must "observe, hear and smell, inquire and feel the
pulse". It should listen to the views of the public and stakeholders, analyse comprehensively the problems of Hong Kong's healthcare system and prescribe the right remedies by taking appropriate short-, medium- and long-term measures.

In the short term, the Government should enhance resource deployment and allocation in order to achieve instant improvements in public healthcare services. It should also strive to shorten the waiting time for specialist and general medicine outpatient services in all public hospitals. Mobile clinics should be introduced to provide consultation services to the elderly or people with mobility difficulties throughout Hong Kong. The Internet platform should be leveraged to provide people with public and private healthcare information. Also, the HA Drug Formulary and drugs subsidy system should be reviewed expeditiously.

In the medium term, the Administration should seek public support for the implementation of various public works projects of hospital expansion, including the redevelopment of the Our Lady of Maryknoll Hospital and the hospital construction in Kai Tak, so as to ensure its full commissioning in 2024. As for the Government's decision to finance the construction of a Chinese medicine hospital on a reserved site in Tseung Kwan O as announced by the Chief Executive in the 2017 Policy Address, I believe the public expects concrete follow-up actions by the current- and next-term Governments.

In the long term, the Government should address our population growth, in particular the trend of ageing population, by formulating a comprehensive healthcare policy to make early planning for the healthcare resources required in the future. The Administration has commenced the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" planning study. In my opinion, future land planning must take into account both economic development and people's livelihood in a holistic manner. Apart from increasing housing supply and supporting the development of industries, comprehensive community development planning should be conducted, including reserving land for various healthcare and community facilities, as well as for hospital expansion projects. It is also imperative for the Administration to address the manpower problem of healthcare professionals. Resources should be allocated to ensure a stable supply of healthcare manpower and to upgrade the standard of the healthcare profession by providing more training opportunities.
Deputy President, the Government must adopt policies and measures with a greater degree of flexibility, in order to alleviate the pressure currently faced by public hospitals throughout Hong Kong. In addition to an expedited review of the collaboration and support between various hospital clusters, the public-private partnership programme should also be encouraged. For example, the Administration should take forward quickly the next stage of work of the public-private partnered Electronic Patient Record sharing system launched in March last year and encourage active participation by patients and healthcare professionals. Besides, as suggested by BPA on multiple occasions, in the long run, the Voluntary Health Insurance Scheme should be implemented and tax allowances for medical insurance should be introduced, so as to encourage people who can afford it to take out medical insurance, thereby using more private healthcare services and hence reducing the burden on public healthcare system.

Deputy President, a number of proposals were included in the amendments, showing that Members of different political parties and groupings all adopt a pragmatic approach and follow the same direction on this subject. From this we can see that there is indeed room for cooperation and consensus on livelihood issues. I hope this will become a new trend of Honourable colleagues working together in this Council.

Deputy President, I so submit.

MR CHAN HAN-PAN (in Cantonese): Deputy President, early this year, an alarm was sounded for the psychiatric healthcare services in Hong Kong after incidents involving sexual abuses of patients in psychiatric wards were uncovered one after another in the Kowloon Hospital and the United Christian Hospital.

Sometime ago, I went on an inspection visit of the Tai Po Hospital, a psychiatric hospital for acute cases equipped with essential ward facilities. However, I found that the environment of its wards was so crowded that 18 beds were crammed into one single ward, and the gap between the beds was less than 1 ft. What is more, two additional beds were placed in the corridor. When I asked whether the patients would fight among themselves when so many patients were crammed together, the healthcare personnel told me that the patients would become bad-tempered due to over-crowdedness. When I asked why the last ward was not opened, the healthcare personnel said that since only one nurse and
one assistant worked on the night shift but they had to take care of 50 to 60 patients, it was very likely that they could not detect any incident or take follow-up action should it happen.

I have looked up the population data and found that the Tai Po Hospital has seen no increase at all in the number of beds since 2003, despite the monumental increase in population since then. Today, New Territories East has a population of more than 1.8 million, compared to 1.54 million in 2003, but there has been no increase in the number of psychiatric beds in New Territories East as a whole. The gravity of the problem is thus imaginable. A survey conducted by the Alliance for Advocating Mental Health Policy on the degree of satisfaction with psychiatric healthcare services provided in the public sector has found that the dissatisfaction of the interviewees with the hygiene condition of psychiatric wards is far greater when compared to other wards. Moreover, the interviewed psychiatric patients felt that they were not respected. I believe this has something to do with the acute shortage of healthcare manpower.

(THE PRESIDENT resumed the Chair)

According to the standard of the World Health Organization, there should be one psychiatric doctor to every 10,000 persons. If a calculation is based on the 7 million-odd population in Hong Kong, we should have more than 700 psychiatric doctors. However, in 2014, HA had 338 psychiatric doctors and 2,400 or so psychiatric nurses only. According to a survey conducted by the Association of Hong Kong Nursing Staff, all interviewed nurses indicated that both psychiatric specialist outpatient clinics and day rehabilitation centres faced a serious manpower shortage. Moreover, the waiting problem faced by psychiatric specialist outpatient clinics was also very serious. The waiting time for psychiatric specialist outpatient service also reflects the shortage of psychiatric manpower, with Kowloon East being the hardest hit and facing the most acute shortage problem. While the waiting time for new case booking in most clusters is three weeks or so, the waiting time for semi-urgent case booking in the Kowloon East Cluster is five weeks. What is more, the waiting time for stable new case booking is 96 weeks, or nearly two years. In February 2014, a patient suffering from depression died after jumping off a building due to the failure to receive proper treatment after waiting for a long period. This reflects the gravity of the failure of psychiatric patients to receive appropriate and relevant treatment.
Community rehabilitation resources are also seriously inadequate, despite the efforts previously made by the Government to promote the community rehabilitation concept to encourage psychiatric patients to make good use of community resources and integrate into the community. It is a pity that HA has taken the opportunity to slash the number of psychiatric beds, such that the number of psychiatric beds in 2016 was even 1,000 less than that in 2003. Let me cite the Tai Po Hospital as an example. When I asked a doctor there how the patients would be treated should the number of inpatients exceed the hospital capacity, I was told that some patients considered to be relatively stable might be arranged to be discharged and return home first. However, even if they were discharged, they would mostly be re-admitted after a couple of days. We can thus see that the problem is quite serious.

HA has also launched a Personalised Care Programme under which case managers will be arranged to follow up psychiatric patients in the communities. Since the service standard, which is currently set at 1:50, should be set at 1:20 according to the overseas standard, the existing ratio of 1:50 is lower than the international standard. Currently, the majority of case managers have to follow up 60 to 80 cases. As a result, some case managers might be unable to conduct a monthly visit. Worse still, when case managers conduct visits, they have to spend some time reminding themselves of the identity of the patients before them, what has happened, and so on, for they might very probably have forgotten the relevant information since they are required to follow up too many cases. Hence, we propose that the Government should recruit additional psychiatric doctors and shorten the waiting time, while strengthening the training of nurses, particularly psychiatric nurses, actively promoting the services provided by case managers and providing more resources. Most importantly, the Government should expeditiously redevelop old psychiatric hospitals and wards.

Secretary Dr KO, I think you have made a great effort during your tenure because you have worked very hard to enable the redevelopment of a number of hospitals. However, I believe this is a long-term task. If the opportunity arises, we earnestly hope that Secretary Dr KO can continue to stay in his post. Should that be the case, we hope he can help promote more hospital redevelopment projects to improve healthcare services in Hong Kong.

President, I so submit.
MS STARRY LEE (in Cantonese): President, today Mr Wilson OR has proposed a motion which describes the improvement of public healthcare services in Kowloon East as "urgent". I think it is a most accurate description.

First of all, I have to present some figures to explain why residents of Kowloon East consider improvement of public healthcare services in the district indeed very urgent. Kowloon East comprises the two districts of Wong Tai Sin and Kwun Tong. According to the 2011 Population Census, the population of the Kwun Tong District is over 620 000 and that of the Wong Tai Sin District is more than 420 000, and the population of the two districts combined numbers at over a million, which makes up about one seventh of the total population of Hong Kong. One salient point to note is the proportion of elderly population aged 65 or above. There are more than 70 000 elderly persons in the Wong Tai Sin District, representing a proportion of 17.6% which is the highest in Hong Kong. And the Kwun Tong District also has over 100 000, equivalent to a proportion of 16.3% which ranks the third territory-wide.

Besides being populated by elderly people, Kowloon East is also predominantly a grass-roots community with many public housing estates where most occupants are grass-roots families. According to statistics, in the Kwun Tong District, the population with a personal income of less than $10,000 makes up 43.23% while in the Wong Tai Sin District, that with a personal income of less than $10,000 accounts for 42.7%. In terms of median household income, it is obvious that Kwun Tong is the most grass-roots community with the lowest income, for its median household income is only $15,960. The Wong Tai Sin District ranks the third in Hong Kong where its median household income is only $17,000. The figures of the two districts are far below the territory-wide median household income of $20,500. It indicates that Kowloon East has the largest number of elderly persons and grass roots. Under the "three largest's" circumstance—the largest number of people, the largest number of elderly persons and the largest number of grass roots—the district naturally has a very keen demand for public healthcare services.

Despite Mr CHAN Han-pan's earlier remark about the Secretary having made a great effort in the hospital redevelopment projects—and I recognize his efforts—residents of Kowloon East think the Government has not squarely addressed the peculiarities of the demographic structure of their community and meet their healthcare needs accordingly. President, as a matter of fact, almost
on every of my visit of Kowloon East, residents especially elderly persons would tell me that they do not receive healthcare services they consider appropriate in the district.

Today, a resident of Kowloon East who came to take part in the demonstration told me that he had attended a cardiology consultation earlier and his heart rate was found to be below 40. Just by hearing him talk I could tell it was serious. But he said that after the consultation, the date of the follow-up consultation would be 2019. Of course, I respect medical decisions but people may wonder if it is because of the currently scarce healthcare resources in Kowloon East that the waiting time for the follow-up consultation is so long.

President, citizens, especially those in Kowloon East, consider the provision of healthcare services in the district quite outrageous. The first outrageous point is, as we all know, sectarianism is prevalent within the Hospital Authority, leading to uneven resource distribution. Taking Kowloon East as an example, the population of Kowloon East accounts for over 14% of the total population of Hong Kong. However, according to our investigation, the funding appropriated to the Kowloon East Cluster only accounts for about 10%. With regard to the proportion of population, the number of patients and usage of the A&E department, the Kowloon East Cluster surpasses the Hong Kong East Cluster or other clusters. But comparing healthcare funding given to Hong Kong East, Kowloon East has received not even half of it. This is the first thing people find outrageous.

The second outrageous point is there is only one hospital providing A&E services in Kowloon East. The Secretary knows that we are talking about the United Christian Hospital. As I have mentioned, the two districts in Kowloon East, namely Wong Tai Sin and Kwun Tong, have a combined population of 1 million, of which over 170 000 are elderly persons. Particularly in the Wong Tai Sin District, I have been receiving endless complaints about there being no hospital in the district to provide A&E services. Surely there are three hospitals in the Wong Tai Sin District but in the event of emergencies, residents must seek medical attention in other districts. According to some statistics, over 50% of patients would be sent to the Queen Elizabeth Hospital, 25% to the Kwong Wah Hospital and the remaining to the United Christian Hospital. Traffic in Kowloon is known to be extremely busy. In case of traffic congestion, people would think it is a waste of time if they were sent to the A&E department of a hospital in another district. If the situation is critical, does it mean their lives would easily be at peril?
President, the third outrageous point is, according to information, the general public holds that the hospitals located in the Wong Tai Sin District do not primarily serve residents of the district. There are currently three hospitals in Wong Tai Sin, namely the Our Lady of Maryknoll Hospital, the Tung Wah Group of Hospitals Wong Tai Sin Hospital ("Wong Tai Sin Hospital") and the Hong Kong Buddhist Hospital, which are care hospitals or community hospitals by nature and mainly provide general, rehabilitation and very limited specialist services. A study conducted by a local group in 2012 revealed some most ironic phenomena. First, there were 74,500 admissions in that year, and only 10% of them were local residents; second, 480,000 residents in the district were in need of specialist outpatient services, but only 12% of them sought medical consultation at the two hospitals in the district, and the Wong Tai Sin Hospital does not provide specialist outpatient services. Therefore, people are puzzled why residents still need to seek healthcare services in other districts when there are three hospitals in the Wong Tai Sin District.

The fourth outrageous point is certainly the redevelopment of the Our Lady of Maryknoll Hospital. The Secretary has repeatedly mentioned that the soon-to-be-completed Kai Tak Hospital will serve the Wong Tai Sin District. But we all know the Kai Tak Hospital is meant to replace the Queen Elizabeth Hospital, so it is wrong to say there will be a new hospital in Kowloon East to meet the enormous demand for healthcare services in the district.

President, simply put, I hope the Secretary will face up to the issues raised by Members today. Residents of Kowloon East do have an urgent demand for improvement of healthcare services in the district.

President, I so submit.

**MS YUNG HOI-YAN** (in Cantonese): President, according to the information on the website of the Hospital Authority ("HA"), the main objective of HA in implementing hospital clusters is to "ensure that patients receive a continuum of high quality care within the same geographical setting and throughout their episode of illness—from acute phase through convalescence, rehabilitation, and community after-care. This is achieved by rationalizing operations of the hospitals within each cluster, so that a comprehensive and complementary range of services can be delivered to the community". In other words, hospitals of the same cluster serve the population in the relevant geographical setting by cooperating with and complementing each other.
The number of hospitals covered by the Kowloon East Cluster ("KEC") is the smallest. There are only three, namely, the United Christian Hospital, the Haven of Hope Hospital and the Tseung Kwan O Hospital, mainly serving the residents in Kwun Tong and Sai Kung. As a matter of fact, the population in Tseung Kwan O has rapidly grown in recent years. The present population in Tseung Kwan O has already reached 400,000, and it will continue to increase in the future, thereby bringing great pressure of demand for public healthcare services. For this reason, it is necessary for the authorities to further enhance the public healthcare services in Tseung Kwan O to cater for the needs arising from rapid population growth in the district.

President, I have learnt from the Tseung Kwan O District Council members that general outpatient services are currently not available in Tseung Kwan O South. If the residents fall ill, they can only go to the general outpatient clinic in Tseung Kwan O North to seek consultation. However, it turns out that many residents in Tseung Kwan O South, especially the elderly, do not wish to make a long journey and spend nearly a whole day on transport since their homes are far away from the general outpatient clinic in Tseung Kwan O North. So they would rather not see a doctor even when they are sick. Consequently, the minor ailment of some elderly people has turned into a serious illness. Hence, the residents in Tseung Kwan O hope that the authorities will expeditiously honour their past promise of setting up an additional general outpatient clinic in Tseung Kwan O South to provide public healthcare services which should be made available to the residents.

(THE PRESIDENT'S DEPUTY, MS STARRY LEE, took the Chair)

As far as I understand it, the authorities have reserved a site in Area 56, Tseung Kwan O, for the long-term development of primary healthcare services. I hope the authorities can expedite the construction of a general outpatient clinic on this reserved site to address the residents' demand. At the same time, I hope the authorities will increase the existing quota for general outpatient services in Tseung Kwan O, and enhance and upgrade the existing general outpatient clinic telephone appointment system. I believe it will help relieve the pressure on the general outpatient clinics in KEC.
Moreover, the Tseung Kwan O Hospital was originally designed to provide obstetrics and gynaecology ("O&G") services, but over the years, it has been capable of providing only gynaecological services owing to manpower shortage. Obstetric services are still not available. Very often, pregnant women in Tseung Kwan O need to go to the United Christian Hospital for delivery. Not only has it brought inconvenience to young couples in Tseung Kwan O but also increased the pressure on the O&G department of the United Christian Hospital.

Similarly, if the residents in Tseung Kwan O wish to seek dental outpatient services, they can only choose to go to the Mona Fong Dental Clinic in Sai Kung or the Kwun Tong Jockey Club Dental Clinic for consultation. Although it is cross-district consultation, the dental clinics in Sai Kung and Kwun Tong are already the nearest options for the residents in Tseung Kwan O. However, since the quotas for dental outpatient services are limited, it is by no means easy for the residents in Tseung Kwan O, including many elderly people, to succeed in getting such services.

As a matter of fact, now the public dental outpatient services in Hong Kong are seriously inadequate. I know such services are under the charge of the Department of Health ("DH") rather than being provided by HA. DH has incorporated dental service as one of its main service items with the aim of providing a range of promotive, preventive and curative services to the community. However, throughout the years of development of the public healthcare services in Hong Kong, I have all along wondered whether the Government has actually incorporated dental service into the public healthcare service. Has it really done so? I believe many members of the public have encountered the following situation: when they need dental services, they never know where to seek consultation. Neither do they know where there are government dental clinics. In a nutshell, I think it is because the Government neglected the people's needs for dental services in the past. It may even wish to rely on private dental services. If that is the case, the Government is really irresponsible.

Deputy President, the public healthcare system in Hong Kong has always been criticized for its manpower shortage. According to the reply of the Food and Health Bureau to Members' questions relating to the Estimates of Expenditure 2016-2017, as at the end of March 2014, there were a total of 627 doctors in KEC. In terms of the ratio of doctors to the population in the district, the number of doctors per 1 000 people was only 0.6, and that per 1 000 elderly
people aged 65 or above was only 4.1. Be it the ratio of doctors to the overall population or to the elderly population, the figures of Kowloon East were the lowest among the seven clusters of HA. Its ratio of nurses also ranked last among the seven clusters, indicating that the shortage of healthcare power in KEC was more serious than that in the other six clusters.

Through this motion, I hope the Government can address the problem squarely and adopt appropriate measures to relieve the existing shortage of public healthcare services in Tseung Kwan O. And such measures should include expediting the implementation of the construction of a general outpatient clinic in Tseung Kwan O South, enhancing the government dental services in New Territories East, expanding the gynaecological services in the Tseung Kwan O Hospital to O&G services, and speeding up the completion of the expansion projects of the United Christian Hospital and the Haven of Hope Hospital, with a view to further enhancing the public healthcare services in KEC to meet the actual needs arising from the growing and ageing population.

Deputy President, I so submit.

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

MR PAUL TSE (in Cantonese): In principle, Deputy President, I fully support this motion proposed by Mr Wilson OR and the amendments proposed by the other Honourable colleagues, and I must thank them for all of these.

A number of Honourable colleagues have spoken not only on the situation in Kowloon East. In fact, it can even be said that they have made use of this subject to allude to other issues, pointing out the shortage of resources in various districts in Hong Kong, where the allocation of additional resources by the Government is necessary. To my understanding, I entirely agree with the remarks made by Mr Wilson OR earlier. As a matter of fact, in terms of the long waiting time and the shortage of resources, Kowloon East really ranks first among all the districts. In this connection, needless to say, we must help Kowloon East more. However, I agree that the healthcare resources in Hong Kong need improvement in various aspects. The situation of population ageing is more serious in Kowloon East, and its proportion of elderly population is greater. This is an indisputable fact. We must make improvements to the situation in this district.
Nevertheless, since some Honourable colleagues have made use of this topic to bring up the situations in other districts, let me also shift from this question to talk about the point of prevention being better than cure. In fact, needless to say, if we can enhance our awareness of preventive care and health, it is only natural that we will be able to maintain our health. We will also be able to reduce health risks and the ultimate medical fees at root. Please allow me to share my experience in the district. I have just reviewed the fundraising events organized by us for the so-called leading hospital in the Kowloon East Cluster, the United Christian Hospital ("UCH"), last year and this year. Being the only general hospital in the district, UCH has to serve a large number of patients. The work is indeed hard. In particular, UCH is undergoing expansion which will take a decade or even longer time to complete. The expansion project of UCH, a government subsidized hospital, needs to rely not only on the Government to provide a large amount of funding to meet the expansion cost. In fact, the parent organization of the hospital itself will also meet at least $100 million of the cost. Hence, during this period, various enthusiastic locals and I wish to make more efforts for the financing of the UCH expansion project.

I recall a joke. A year or so ago, Ms Carrie LAM, who has now become the Chief Executive-elect, attended an evening charity party as the officiating guest. She asked why it was still necessary to raise funds since the Government had already granted a large sum of funding to the hospital. I certainly do not hope it was a joke which came about during the Chief Executive Election because we might consequently come to think that Ms Carrie LAM was not well-versed in the situation in the community. As a matter of fact, UCH needs to rely not only on government funding. Its parent organization also needs to bear part of the expansion cost. This is a digression. But the fact is, apart from relying on the strong financial assistance from the Government, healthcare services in the community also necessitate the full assistance of members of the community. This is one of the points.

The second point follows the concept that prevention is better than cure as mentioned by us. For example, we have cooperated with the mobile clinic of The Hong Kong Polytechnic University in Wang Tau Hom on a long-term basis, providing regular check-ups for the local residents. Deputy President, the importance of this kind of regular check-ups lies in the support for the so-called hidden elderly because very often, they may not pay attention to or be aware of the need for regular physical check-ups. On many occasions, we were surprised by the acute conditions found upon the check-ups of the elderly who needed
immediate hospitalization for appropriate follow-up, especially with regard to heart problems. Our colleagues would say with joy from time to time that another life had been saved. Otherwise, something might happen at any moment.

Moreover, Deputy President, I would like to mention another organization which often work with us. It is an organization called the Angel of Diabetic, which is particularly concerned about the residents in Kowloon East. The Angel of Diabetic has all along been promoting preventive measures against diabetes through roving talks, with the emphasis on dietary habits of low sugar, no sugar, etc. I consider this an important link which warrants our attention because reduction in the intake of sugar can actually prevent a lot of diseases.

Moreover, our office in Ngau Tau Kok, Kowloon, has also cooperated with healthcare organizations to conduct free tests of intelligence quotient and hearing impairment at regular intervals. These things may be minor. I believe the Deputy President has also provided this kind of services in or even outside the district she serves. However, we should not look down on these preventive services which appear to be minor. In fact, they are conducive to optimizing the use of healthcare resources in Hong Kong in the long term. I also wish to remind members of the public a point often carried on the lips of doctors: "we are what we eat". That means what we eat will determine how we turn out. I once proposed a motion in this Council, requesting the Government to promote the conversion of used cooking oil into biodiesel to eradicate the use of "gutter oil" in food establishments, with a view to promoting healthy diet.

Another point is about levying a sugar tax. We have repeatedly raised and advocated this subject, but so far the Government seems to remain unmoved. A candidate in the Chief Executive Election proposed taking forward government policies through tax incentives. Many other developed countries have already imposed a sugar tax which has actually achieved great effects. Certainly, the tax revenue is insignificant, but more importantly, it can strike home the message of encouraging less intake of sugar. As a matter of fact, sugar can cause great harm to health.

To sum up, Deputy President, I have always hoped that the Government can provide more opportunities of private-public partnership. An example is the Colon Assessment Public-Private Partnership Programme recently launched by the Government. I also remember that the Government has implemented a
pretty good programme, the Cataract Surgeries Programme. Given that healthcare resources are short in supply and the healthcare services cannot be instantly improved in Kowloon East, these programmes can meet the urgent needs of the people in need. In this connection, I wish to make a digression to emphasize the importance of preventive medicine.

Thank you, Deputy President.

PROF JOSEPH LEE (in Cantonese): Deputy President, the motion today is proposed by Mr Wilson OR and six Members have proposed amendments to it. I have just gone through all the amendments. We all consider that there are various inadequacies in Kowloon East, where facilities and services are both inadequate. To put it rudely, "One's mother must be a woman", yet this is not our concern, for our concern is to ensure that our mother is young, beautiful and rich. The proposals in the various amendments are addressing these concerns, and they must be addressed by the Secretary.

Some Honourable colleagues have pointed out the characteristics of Kowloon East and urged the authorities to allocate funds and formulate policies according to the demographics of the district. The Secretary should know that the population in Kowloon East is mainly elderly people and the ageing problem there is relatively serious. We project that a few years later, that is 2020, the population aged 65 or above in the district will have increased from 150 000 to around 200 000, which is a significant number.

Regarding elderly care, Honourable colleagues have focused on healthcare services. I support the proposals they put forth, yet I would like to highlight the point that elderly care services should not be overlooked, for the elderly do not necessarily be patronizing hospitals, and they may only wish to go to elderly health centres. Just now, I heard Mr Paul TSE express concern about the existing number of elderly health centres in Kowloon East. These health centres are tasked to provide primary healthcare services. They will conduct health checks and education for the elderly to slow down their ageing process slightly, so that they may be healthier and may use hospital services less frequently. I hope the Secretary will respond later on whether or not he knows the number of elderly health centres in Kowloon East.
I have pointed out on various occasions that apart from dental services mentioned by Honourable colleagues, there is also a keen demand for hearing support services for the elderly. I have to reiterate the World Health Organization's remark that many elderly aged 65 or above are experiencing various degrees of hearing impairment at present. We do have a hearing ailment too—we are suffering from "selective deafness". However, the hearing problems faced by the elderly are not selective. They really cannot hear clearly, and this is posing significant difficulties to them in various aspects like social communication. Sometimes, they may not be able to hear the horn sounded by vehicles while they are on the street. This is hazardous to their health.

The Hospital Authority ("HA") is extremely weak in audiology services. I am referring not to the general services in otolaryngology but hearing tests for the elderly. The authorities may provide quality hearing aids to the elderly according to their need, assisting them to improve their quality of life, and this will be helpful to the elderly. Since there is a large population of elderly in Kowloon East, the Secretary has to address this issue squarely, which also requires the participation of audiologists and experts in otolaryngology. These health checks are good for the elderly.

Secretary, a number of Honourable colleagues have pointed out the problems with dental services. The authorities should protect the teeth, hearing capacity and sight of the elderly. Regarding the surgery for cataract extraction, I have just read a document stating that according to the figures in recent years, a patient has to wait for eight to 10 years to receive such surgery in hospitals in Kowloon East. Since cataract affects vision, I share the sufferings endured by the elderly. By 2020, there will be as many as 200,000 elderly people in Kowloon East. By then, they will be troubled by impaired vision, hearing loss and loss of teeth. How can this be regarded as leading a healthy life in golden years?

Secretary, we are concerned not only about hospital services. Many Honourable colleagues have urged for the expeditious construction of the Kai Tak Hospital, the early commencement of the Hong Kong Children's Hospital and the redevelopment of the Our Lady of Maryknoll Hospital, the Kowloon Hospital, the Haven of Hope Hospital and the United Christian Hospital. I think the Secretary will probably say that a reserve of $200 billion has been set aside for hospital redevelopment works. Yet I think the authorities should formulate targeted measures to cater for the large elderly population in Kowloon East. Though I
am not a directly elected member of the district, I understand the characteristics of Kowloon East with my years of service in the healthcare sector. Hence, I hope the Secretary will allocate funds according to demographic distribution and give special consideration to the needs of the elderly in the district so that they may be provided with the relevant services.

Moreover, it can be noted from the figures that the number of patients served by psychiatric outreach services in Kowloon East has increased from 29,000 in 2013-2014 to over 30,000 in 2016, showing a trend of slight increase. Definitely, I am not saying that people in Kowloon East have mental problems. But since the atmosphere in society is tense, when more mentally ill patients in a stable condition are rehabilitating in the community, the authorities have to invest more resources in psychiatric services and address the related problems squarely. In fact, not only Kowloon East is facing these problems, I believe the manpower of psychiatric nurses is also very tight in other districts. However, since Kowloon East is densely populated, the Secretary has to make an extra effort to tackle the problem. For cases involving relatively serious patients, apart from follow-up by case managers, the follow-up by community psychiatric nurses may also be necessary. The Bureau should invest additional resources to ensure the work in outreach community psychiatric services is properly done.

On the issue of psychiatry, medication is definitely one of the concerns. People from various channels have reflected to me that at present, some patients are unwilling to take medicine due to the side effects of psychiatric drugs, such as shaky hands and general uneasiness. In fact, some new drugs are available now. I know the Secretary will definitely explain that the authorities have allocated funds for the procurement of new drugs, yet I hope the authorities will try to expand the scope of psychotropic drugs under the Drug Formulary to include more new drugs for patients.

Secretary, many areas of services in Kowloon East are worthy of discussion, yet I would like to highlight the points just now, as the amendments proposed by other Members have already urged the Bureau to build more hospitals and provide more services. Finally, in addition to elderly services, psychiatric services and medication, I would like to express my disappointment with the manpower issue. The authorities have not yet laid down any indicator on manpower and this has caused the development of many services to come to a standstill. For the past three years, the cumulative increase in the number of nurses in Kowloon East as a whole is only 100-odd, whereas the increase for
allied health staff is only a few dozens. Nonetheless, the expansion of services on various fronts requires manpower. Secretary, even with the provision of hardware like elderly centres and hearing care centres, an adequate supply of doctors, nurses and allied health staff is required to enable the provision of better and more stable services in Kowloon East. I hope the Secretary will invest more resources in these services, particularly in elderly care, and address the relevant problems squarely.

Thank you, Deputy President.

MS ALICE MAK (in Cantonese): Deputy President, before I speak any further, there is one thing I must do. My Honourable colleague, Mr HO Kai-ming, has repeatedly urged me to make a clarification and educate—but education is not supposed to be my business—he said Dr Pierre CHAN had stated that a joint replacement centre is now available in Kowloon East. As a matter of fact, although that centre is located in the Hong Kong Buddhist Hospital in Kowloon East, the hospital belongs to the Kowloon Central Cluster.

Mr HO Kai-ming's amendment proposes "setting up a Joint Replacement Centre in the Kowloon East Cluster". That a joint replacement centre is now available in Kowloon East Cluster ("KEC"), as mentioned by Dr CHAN, is not true. Rather, such a centre is yet to be set up. We have seen the problems faced by the elderly in Kowloon East. For this reason, we hope the Government can set up a joint replacement centre to help the elderly as early as possible. Hence, are the clusters of the Hospital Authority ("HA") not confusing? Even someone working in HA cannot tell which hospital belongs to which cluster.

I need to mention another point in passing. Sorry, we cannot support Dr Pierre CHAN's amendment because he has deleted a very important part from the sentence, which is "introducing 24-hour accident and emergency services … the Wong Tai Sin district". We have worked in the districts, especially Kowloon East, for years. From the time Ms CHAN Yuen-han served as a Member to the present moment when she is listening to our speeches on the 10th floor, she has all along advised that we must remember to strive for the provision of 24-hour accident and emergency ("A&E") services in the Wong Tai Sin District, Kowloon East, from the Government. Mr WONG Kwok-kin and our young colleagues like Mr HO Kai-ming have also proposed it for years. Why are 24-hour A&E services still not available in the Wong Tai Sin District?
Just now Dr Pierre CHAN said that now the A&E departments are abused. Some people have misused them, but does that mean we should prohibit people from using them and disallow the setting up of any more A&E departments? Is this not something doctors should do? Doctors should do publicity, promotional and educational work with us and provide proper primary healthcare so that the A&E departments can be optimized. This is an important question of whether the Government can be down-to-earth. For this reason, sorry, we cannot support Dr Pierre CHAN's amendment.

Moreover, I cannot support Mr SHIU Ka-chun's amendment either. We actually approve of the other items proposed by him, but his amendment has deleted "allocating additional resources to enhance the public-private partnership programme in healthcare" from item (8) in the original motion. We cannot agree with this. Why? Do Members know the number of people waiting for cataract surgery in public hospitals each year? As at 31 December 2015, the number of patients waitlisted for cataract surgery was 37,222. The longest average waiting time was 27 months.

Since the Cataract Surgeries Programme was introduced under the public-private partnership programme, it has effectively shortened the waiting time for cataract surgery, and it can also provide patients with more choices. The Kwai Tsing District Council, for which I am serving, has even used part of the funding of $100 million under the Signature Project Scheme to give extra financial assistance to the elderly people in the Kwai Tsing District who have joined the Cataract Surgeries Programme, subsidizing the balance to be met by them.

Hence, we agree that public healthcare services cannot be outsourced, but from a practical point of view, the public-private partnership programme, in diverting some of the patients from the public healthcare system to the private sector, has made good use of private healthcare resources. It also helps to adjust the imbalance between public and private healthcare services.

Should we go so far as to scrap the partnership programme and even abolish the Cataract Surgeries Programme which can help lots of elderly people, or stop injecting resources to cease the implementation simply because of the particular principle and belief that public healthcare services cannot be outsourced? Tens of thousands of people are waiting for the relevant services.
Should we abolish the programme and disallow its continuation just because the services are not good enough or should not be outsourced? Owing to this reason, we will not support Mr SHIU's amendment.

As a matter of fact, healthcare facilities are essential ancillary facilities in the community, and about 90% of the inpatient services in Hong Kong are provided by the public healthcare system. In our view, this proportion has caused members of the public to heavily rely on the public healthcare system. For this reason, effective management of the public healthcare system is greatly important.

The Hong Kong Federation of Trade Unions has always emphasized the need to increase resources and do a proper job of primary healthcare. If the Government can do a good job in providing primary care and keep the gate well before members of the public need admission to hospital, the demand for such expensive healthcare services as hospitalization or specialist consultation will be reduced. Although we have seen the Government's determination to promote the development of primary healthcare, the expensive fees for private healthcare services and the people's lack of awareness of disease prevention have remained hindrances to the development of primary healthcare.

Sometime ago, I received the "Survey Report on Women's Health and Primary Healthcare" released by the Society for Community Organization, in which it was mentioned that 67% of the women interviewed did not have any body check. The main reasons were high prices and their lack of understanding of the regular check-up services. Hence, can the Government do something about the high prices?

The Colorectal Cancer Screening Pilot Programme, which also operates by way of public-private partnership, subsidizes eligible members of the public to undergo colorectal cancer screening. Can the authorities introduce a similar programme to subsidize women to receive mammography examinations? Data indicated that breast cancer is the biggest enemy of women. According to the information of HA, the incidence of breast cancer ranks the third highest among all types of cancer. In 2014, the number of new cases was 3,883, only after that of colorectal cancer and lung cancer. If the Government can roll out a mammography examination programme, women who stand a higher risk of cancer but do not have any symptom yet will be able to receive timely treatment.
The Government can increase resources for doing this kind of work under the public-private partnership programme. Hence, we hope the Government can optimize the use of resources, especially when Kowloon East faces the problem of population ageing which has made public services all the more important. Thank you, Deputy President.

MR CHAN KIN-POR (in Cantonese): Deputy President, although the subject of our debate today is healthcare services in Kowloon East, healthcare problems have all along been a concern to the public. Moreover, the occurrence of a spate of serious medical incidents recently has caused grave concern in the community about the quality of public healthcare services. For this reason, I would like to take this opportunity to discuss the problem of public healthcare services in Hong Kong from a more macroscopic angle.

Although all the public hospitals in Hong Kong boast of world-class medical equipment, and our medical technology ranks high in the world, members of the public will still flock to public hospitals whenever they fall ill because of the low fees and charges in the public sector. As a result, public hospitals are constantly packed with patients. A couple of years ago, the Government came up with the idea of streaming public and private healthcare services and subsidizing members of the public to take out medical insurance, with a view to diverting some middle-class people to private hospitals. It was originally a good way to ease the pressure on public hospitals, for only a small amount of subsidy from the Government is required to induce the diversion of the middle class from public hospitals. Unfortunately, for various reasons, the Voluntary Health Insurance proposal was eventually abolished. I believe the retention of tax deduction as the only government subsidy can only attract the participation of a small number of middle-class people in the end. Given the limited effect of diversion, public hospitals will continue to be stretched to the limits.

On the other hand, public hospitals face the problem of manpower shortage. Information has revealed that, as of October last year, the turnover rates of doctors, nurses and professional healthcare personnel in public hospitals reached a new height of six years, with the turnover rates of doctors, nurses and individual specialists reaching 4.7%, 5.4% and even as high as 10% respectively. In fact, the Hospital Authority ("HA") has admitted recently that the existing
structure still requires 300 additional doctors and 600 additional nurses, which makes it impossible for some new hospitals to launch services in a comprehensive manner. Meanwhile, the problem of population ageing has led to an increasing number of people seeking treatment at public hospitals and a very long waiting time for patients seeking accident and emergency ("A&E") or specialist services.

Therefore, the core problem currently faced by the public healthcare sector is having too many patients and inadequate healthcare personnel. The work pressure faced by healthcare personnel is thus evident. No wonder there has been constant staff wastage. During the peak seasons of influenza recently, we have seen both A&E departments and medical wards inevitably stretched to their limits and public hospitals adopt emergency measures. As we all know, quite a number of frontline healthcare personnel are worth praises for remaining steadfast in their posts and providing the public with good services. However, I have also heard quite a number of people complain that some healthcare personnel have become quite insensitive because they have to deal with enormous amounts of workload, and their alertness to patients has inevitably been lowered significantly. I also felt the same when I went to public hospitals during visit hours. Certainly, we have to appreciate the plight of the healthcare personnel. However, healthcare services have a bearing on the lives and health of the public, and a small failure can make a major blunder. We must therefore address this issue squarely. Fortunately, Secretary Dr KO has achieved good results during his tenure and carried out many reforms amid difficulties. We can see that the Government has earmarked $200 billion for the promotion of a 10-year Hospital Development Plan.

Although the recurrent expenditure on medical and health services for the new financial year exceeds $60 billion, the ageing population will accelerate the growth of demands for medical services. The Government must therefore continue to inject resources to meet the public's medical demands. The Chief Executive-elect, Carrie LAM, has undertaken in her manifesto that long-term medical policies will be formulated to make planning for the medical resources required by Hong Kong in the future. Meanwhile, she will also formulate long-term medical manpower policies, inject resources, and propose initiatives to retain talents for public medical institutions. I hope that Mrs LAM can regard these proposals as her first and foremost task and put them into implementation immediately after taking office.
On the other hand, the Government will put forward a detailed proposal on a Voluntary Health Insurance Scheme shortly. Although the Government has abandoned its subsidy option, which has made the Scheme far less attractive, I still hope that the Government can offer additional economic incentives by, for instance, proposing a tax deduction measure offering more concessions, in order to lure more people to participate. In fact, the Government needs only pay for the appetizer in order to encourage the public to pay for the main course, so that they are responsible for their own health, and the demands for public healthcare services can be reduced, too. So what is the sense of not doing that? Meanwhile, after the implementation of the Voluntary Health Insurance Scheme, I hope the Government can continue to study and implement the high-risk pool proposal to increase the appeal of the Scheme, thereby inducing the diversion of more people to the private healthcare sector.

Lastly, I would like to say a few words about the Drug Formulary. Thanks to constant scientific advancements, many critical illnesses can now be treated by new wonder drugs. However, not only are these drugs very expensive, but they are also classified as self-financed drugs. In fact, people suffering from critical illnesses are already very poor, so if they are ineligible for subsidy and not very rich, they often have to use their savings made over many years or even dispose of their family assets, in order to buy drugs for treatment of their illnesses. Some people have even given up their chances of trying new drugs. I felt sad whenever I heard such stories. This is why I very much support the proposal put forward in the motion for expanding the types of subsidized drugs in the Drug Formulary of HA. I even hope that the authorities can review this system afresh to help more people in need.

I so submit.

MR JEREMY TAM (in Cantonese): Deputy President, Kowloon East has a pretty obvious ageing population. With Kwun Tong and Wong Tai Sin they form the first three districts in Hong Kong with the highest proportion of elderly in the population. With the reorganization of the Kowloon East Cluster, the expansion of the United Christian Hospital, and the completion of the Kai Tak Hospital and the Hong Kong Children's Hospital one after another, I believe the situation can be ameliorated.
I believe the original intention of the motion proposed by Mr Wilson OR today to discuss public healthcare services in Kowloon East is good. However, I note that all Honourable colleagues proposing the amendments, except Mr HO Kai-ming from the Hong Kong Federation of Trade Unions, mentioned the problem of inadequate healthcare resources territory-wide and then appealed for increasing healthcare resources overall with the ultimate goal of benefiting Kowloon East.

Although the Civic Party will support the motion proposed by Mr Wilson OR, the analysis of the issue is too focused on the district level. As a result, Honourable colleagues who are concerned about the overall healthcare problem can hardly introduce amendments. Although we are returned by geographical constituencies, we as Legislative Council Members must also be concerned about the territory-wide healthcare services and refrain from favouring one district and discriminating against others.

When it comes to the problem of inadequate healthcare resources in Kowloon East or throughout the territory, I must say a few words about the allocation of funds by the Government to the Hospital Authority ("HA"). In the past three years, the Government has refrained from increasing the funding for HA because of its surplus and even slashed its recurrent funding. In the end, HA has to use its surplus to expand services, and its surplus might ultimately be exhausted within this year.

The sharp fluctuations in the surplus can very likely be attributed to staff costs. If adequate manpower is not recruited, a so-called surplus will be recorded in a certain year. However, if adequate manpower is recruited or pay rises are offered to employees, there will not be enough money to spend in a certain year. Therefore, should the Government continue to evaluate the amount of recurrent funding by relying purely on the surplus figures, I believe HA can hardly make longer-term planning. Deputy President, neither will it do any good to the patients or their family members. In order to meet the growing healthcare needs, the Government must increase funding to enable HA to expand its services expeditiously.

The Drug Formulary is one of my grave concerns, too. Before all else, I agree to the proposal put forward by Honourable colleagues for expediting the approval of drugs and expanding the types of subsidized drugs in the Drug
"Orphan drugs", which are currently not covered by the Drug Formulary, refer to drugs specifically used for treating some rare diseases. Owing to the small number of such patients and the small size of the market, pharmaceutical firms might be reluctant to develop such drugs. Meanwhile, due to a lack of competition, "orphan drugs" are often sold at exorbitant prices. For instance, there are only seven patients suffering from Mucopolysaccharidosis Type IV in Hong Kong. The bodies of these patients will not grow, which means that their height will remain at about 90 cm. Moreover, they will have such symptoms as vision loss, stiffness in the limbs and a lack of strength in writing. They might also need to make use of scooters or rely on others' help when they go out.

Currently, a new drug in the United States may ameliorate the conditions of patients and improve their walking ability. Moreover, the earlier they take the drug, the better because the results will be less remarkable if the patients are past their developmental stage. However, it is a great pity that this drug is not yet covered by the Drug Formulary of HA, probably because of its side effects. An overseas study has revealed that tests have to be conducted continuously because this drug still poses some allergy risks. Nevertheless, when parents see the conditions of their children, they will still want to look for a glimpse of hope by trying this new drug. Deputy President, how much will this drug cost? The answer is $2 million to $2.5 million per annum. It is thus imaginable that not many households in Hong Kong can afford this drug at their own expense in the coming five or 10 years.

This dilemma all the more reflects the role played by pharmaceutical firms. The new drug for treating the disease mentioned just now, Mucopolysaccharidosis Type IV, is called Vimizim, which was developed by a pharmaceutical firm called Biomarin. This firm has developed two of the five most expensive drugs in the world, and Vimizim, the drug mentioned now, is one of them. With its major markets in Brazil, Colombia and the United Kingdom, Vimizim alone reaps an annual profit of more than $100 million for the pharmaceutical firm. What is more, the profit is growing. As opposed to the profit of $230 million made in 2015, a profit of $550 million was projected to be made in 2016. Excuse me, the profit is in terms of US dollar, not Hong Kong dollar.
There are only seven patients suffering from Mucopolysaccharidosis Type IV in Hong Kong. Since it is now the best time for the youngest patient, who is now only six years old, to take this drug, it is very worthwhile for the pharmaceutical firm to put in place some sort of a compassionate scheme to give him assistance. In other words, the firm may subsidize the use of this drug by this patient in Hong Kong such that he needs not pay the full fee. Firstly, this can enable the patient to receive the appropriate treatment when it is most effective to take the drug. Secondly, Hong Kong is not a major market of the firm. If the effect of the drug is significant, or if the drug is proved to be effective over a long period of time, I believe it is very helpful to the contribution made by the drug to medicine or the reputation of the pharmaceutical firm. As such, if we can engage the firm more actively in some sort of a compassionate scheme as mentioned just now, we will be able to help these sufferers of rare diseases while helping the pharmaceutical firm.

Meanwhile, Hong Kong can play a more important role in the international medical field. As such, I think that should the new drug achieve results in Hong Kong, which has reached the internationally recognized medical standard, it will find it easier to enter the markets on the Mainland or in other countries.

Lastly, the Civic Party supports the original motion and the various amendments in the hope that all healthcare workers can continue to work hard to protect Hong Kong's healthcare system. In particular, I hope pharmaceutical firms can work even harder.

I so submit.

(Mr LEUNG Kwok-hung stood up)

DEPUTY PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, do you wish to speak?

MR LEUNG KWOK-HUNG (in Cantonese): Yes. According to the Basic Law, I have the right to speak.

Deputy President, I have listened to Members' arguments in the debate. First of all, we are discussing "Urgently improving public healthcare services in Kowloon East". Why is there such urgency? Unless someone says that there is
a special need to discuss it given the awful healthcare services in Kowloon East. I do not know whether Secretary Dr KO will, in his response later on, consider that the healthcare services in Kowloon East are so awful that remedial instead of enhancement measures have to be taken.

As to my view, earlier on, I heard a number of Honourable colleagues put forward the argument that if we only discuss the situation in Kowloon East, then what about the other districts? This does make sense. Without an increase in the overall government expenditure on health, any improvement measure will require resources redeployed from the other districts. The logic is as simple as that, and I do not know whether it is the intention of the other Honourable colleagues to make a bigger pie.

Honourable Members, of the government expenditure, while the expenditure on health as a percentage of our Gross Domestic Product ("GDP") never exceeded 3% during Donald TSANG's era—which certainly had nothing to do with Secretary Dr KO Wing-man because he had not yet assumed his present office back then—it was slightly better during LEUNG Chun-ying's era, accounting for 3%, 3.2%, 2.6% or 3.1%, which might be considered a small step forward.

What I mean to say is that even with the continuous effort of LEUNG Chun-ying, there is simply no way to remedy past inadequacies. We are going to have a debate on the Budget soon, and I will filibuster again, not just for universal retirement protection which serves to eliminate everyone's worries about retirement. Apart from daily meals, one of the concerns that people have about retirement life is healthcare. As I said, how are things going with the dental clinics for the elderly? Or maybe as stated by the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") or the Hong Kong Federation of Trade Unions ("FTU"), Kowloon East is a community developed in the early days where many people are living a hard life, with a large population of people in poverty and the elderly. Do we see them as human beings? Actually they have a point. Hence, what I wish to ask you all is whether I can request the Government to increase the expenditure on health when I filibuster, so that it will not just amount to such a small percentage of our GDP.

The Government often plays tricks, indicating that the percentage of expenditure on health in budgets has been on the rise over the years. Deputy President, I am not talking about budgets. Can budgets present the real picture?
I am talking about our expenditure on health as a percentage of GDP in comparison with other places. Let me read out the figures for 2013—as I could not retrieve the figures for other years when I tried to look for the information—according to the data of the Department of Health, regarding the overall expenditure on health as a percentage of GDP, ours is 5.4%, while it is 5.6% in the Mainland, 6.6% in Taiwan, 7.2% in South Korea, 8.8% in the United Kingdom, 9.1% in Finland, 9.4% in Australia, 10.2% in Japan, 10.8% in Austria, 10.9% in Canada, 11.2% in Germany, 11.5% in Switzerland, 11.7% in France and 17.1% in the United States. Buddy, we ranked second last, and the place that ranked even lower than us is Singapore. I have not yet studied why it ranked lower than us, but let us not care about it and leave it aside for the time being.

This means that part of the money earned by all of us in Hong Kong has been pocketed by others, as we are required to pay taxes or rates, etc. Wage earners suffer the most. Those problems intended to be addressed by our tax regime or the Government with the use of public resources, including the healthcare issue in Kowloon East about which DAB and FTU are most concerned now, have seen no sign of amelioration, right?

During Donald TSANG's era, the relevant percentages never exceeded 3%. During Donald TSANG's era, I did criticize him and filibuster, and I had long been chided by those from the pro-establishment camp, saying "Long Hair', you are creating trouble again". Now you all can see that when you people endorsed Donald TSANG at the beginning, he was such a bad guy as the relevant percentages did not exceed 3%. Now when it comes to LEUNG Chun-ying's era, the percentages are 3%, 3.2% and 2.6%. LEUNG Chun-ying is no better. The percentage for 2012-2013 and 2013-2014 was 3%, but for 2014-2015 and 2015-2016 when my filibusters were in full swing, the percentage dropped to 2.6%. The reason for the percentage to stand at 3.1% for 2016-2017 was that he actually set aside a sum of money for creating an account, indicating that the funding was provided for the purpose of improving medical equipment. It was only because of the financial skills played that a percentage of 3.1% was recorded.

Hence, my point is simple, and there is no need for Members to argue. According to the Doctor, if FTU and DAB bid for resources for Kowloon East, then what about New Territories West? This is true. And what about New Territories East? So in fact, what is the crux of the entire issue? As a ruler, particularly Carrie LAM—I am not referring to you. I am just referring to
Carrie LAM. Deputy President, I do not know whether you will get the chance to have meetings with her in the future because you may be dismissed by her—should listen up. For those things that the communists do not lay hands on, they should be reformed as early as possible. Let me come straight to the point. If a Chief Executive is able to improve the healthcare system in Hong Kong, the poor will not be denied medical treatment, denied access to medicine, unable to make ends meet, denied dental treatment and unable to afford milk formula due to lack of means, and they will not be denied medical treatment when they develop cancers also due to lack of means.

Would the SAR Government please do something? Do I need to filibuster again? Can it bring our expenditure on health on a par with other places by means of taxation? An 7.2% is already enough, just like South Korea, as ours is 3.1% now. Buddy, just double it will do. I really do not understand why I was treated to massive condemnation when I filibustered. Is that right, Doctor, will you filibuster? I think we should filibuster. Let me tell you that I will definitely filibuster this year. You have a part to play. You have a part to play in cutting the filibuster. For the elderly and the poor in Hong Kong, we must increase the expenditure on health. We must filibuster.

DEPUTY PRESIDENT (in Cantonese): Mr LEUNG, your speaking time is up. Does any other Member wish to speak?

MR WONG KWOK-KIN (in Cantonese): Deputy President, I do not understand why "Long Hair" said that he must filibuster in order to get healthcare resources. Are filibusters the only means to increase healthcare resources? I do not understand the logic presented by him.

Earlier on, I heard some Members question why we only talked about urgently improving healthcare services in Kowloon East while paying no regard to the overall situation of healthcare resources in Hong Kong. Deputy President, there is actually no conflict between them because the situation of healthcare resources of Kowloon East, as part of the territory of Hong Kong, can also reflect the overall situation of the territory-wide healthcare resources. Our call for an increase in the healthcare resources of Kowloon East does not mean a reduction in the resources of other districts. I believe Dr KO also knows it well that we have long been pointing out that the resources of the Kowloon East Cluster
"KEC") are fewer than that of other clusters. It seemed that the Government subsequently employed tactics, re-delineating Wong Tai Sin to KEC. I do not know how things are going now because the relevant accounts are so confusing that I do not know how to do the calculations.

Kowloon East certainly has its characteristics in terms of its healthcare needs. First of all, Wong Tai Sin and Kwun Tong of Kowloon East are districts where population ageing is more serious, with a keen demand for healthcare. The ageing issue has made the community an ideal pilot site for rolling out community preventive healthcare services. In my view, the Government should consider expeditiously launching preventive healthcare services in the communities. As regards healthcare, what take up the largest share of funding and resources are chronic diseases and major surgeries. With good preventive healthcare services, diseases can be treated before they grow into serious conditions. If patients are able to identify diseases at an early stage, the use of healthcare resources can be reduced significantly.

Deputy President, I believe the issue of healthcare services is one of the major concerns of society. With overall population ageing and growth, we all feel that the shortage of public healthcare services has become increasingly serious. Be it A&E departments, general outpatient or inpatient services, they have become increasingly packed. While the Government has been increasing its allocation of healthcare resources year after year, we still consider them inadequate. Also, as we said earlier on, there seems to be disparity in the distribution of resources among various hospital clusters. We wish to know whether the problems with distribution of resources in certain districts or clusters should be attributed to improper distribution of resources by the Government.

As a Member of Kowloon East, I really need to talk about the resource problems in the district. The proportion of elderly population of Kowloon East is higher than that of other districts in Hong Kong, but its ratio of doctors to population of elderly people aged over 65 is the lowest in Hong Kong. Moreover, the ratio of general beds to population of elderly people aged over 65 of Kowloon East is also the lowest in Hong Kong. I hope Dr KO can explain in his response later on whether there is a mismatch of public healthcare resources in Kowloon East.

(THE PRESIDENT resumed the Chair)
For Kowloon East, there is another issue that we have been discussing for a long time. It is also a long-standing issue that remains unresolved, and that is, 24-hour A&E services are so far not available in Wong Tai Sin. I have been lobbying the Government for the construction of the Kai Tak Hospital since 2008 when I started to serve as a Member, and the Government also gave an undertaking on its construction. But it seems that the construction time is way too long. The Administration originally indicated that the first phase of works could be completed by 2021—I do not know if my memory serves me correctly. Dr KO may correct me later on if my memory serves me wrong—but now it seems that the completion of the first phase of works has to be delayed to 2024. In other words, if residents in Kowloon East, particularly Wong Tai Sin, need A&E services, they still have to wait another long period of time. We have long been lobbying the Government for the provision of A&E services in the Our Lady of Maryknoll Hospital, but the Government has remained silent all along in this regard. I hope the Secretary can give us a clear account of the problems they face in his response later on.

Now I will move on to the issue of healthcare vouchers. Lately, in light of the Budget of the Government, our colleagues held a number of residents' meetings in such communities as Wong Tai Sin and Kwun Tong of Kowloon East to gauge views. On every occasion, there were residents, particularly the elderly, relaying the problems with healthcare vouchers. In fact, we appreciate the initiative of healthcare vouchers, which is a good thing. But the major problem is that an annual amount of $2,000 is not enough given the substantial increase in the fees charged by private doctors in recent years. When healthcare vouchers were initially introduced, we conducted a survey on the fees charged by doctors practising in public housing estates. At that time, the average fee was $200. But now it has gone up to $300 and for some, it can be as high as $400. Do doctors raise their charges in response to the increase in the amount of healthcare vouchers? I hope the Government will study whether there is any regulatory measure in this regard. If there is none, is it necessary for the Administration to raise the level of annual upward adjustment of healthcare vouchers, so as to meet the people's aspirations in this regard?

Given that healthcare vouchers are the much needed support to the elderly and also one of the few benevolent policies of the Government, we hope (The buzzer sounded) ... healthcare vouchers will remain in place.
PRESIDENT (in Cantonese): Mr WONG, please stop speaking. Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr Wilson OR, you may now speak on the amendments. The speaking time limit is five minutes.

MR WILSON OR (in Cantonese): Before all else, President, I would like to thank the 18 Honourable colleagues who are present here for speaking on this motion and expressing concern about the demand the residents of Kowloon East for healthcare services. I hope officials of the Special Administrative Region Government, after listening to the numerous proposals put forward by Members, can address seriously the problems related to inadequate public healthcare services in Kowloon East, ageing population and population growth, and respond to them expeditiously and actively.

President, I find it necessary to clarify one point. I have heard a number of Honourable colleagues say that the provision of additional resources for public healthcare services in Kowloon East may imply a slash of healthcare resources in other districts. Actually, I made it clear in my opening speech that we agreed that the territory-wide public healthcare services needed improvement, but I pointed out Kowloon East in particular because it was facing an acute shortage of healthcare services. As a result, it is necessary for the Government to pay extra attention and allocate additional resources to ameliorate the situation. I have absolutely no intention of snatching resources from other districts. I hope Members who raised this concern in their speeches just now will understand the motive of my motion.

President, the following is my response to the contents of some amendments.

To start with, I express support for the amendments proposed by the four Members, namely Mr HO Kai-ming, Dr KWOK Ka-ki, Mr WU Chi-wai and Mr LEUNG Yiu-chung, because their demands are consistent with the stance and principle of the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB"), which are aimed at protecting the health of residents of Kowloon
East. For this reason, both DAB and I will vote in support of their amendments. Nevertheless, the amendment proposed by Dr Pierre CHAN, particularly his call for deleting the request made in the original motion for "introducing 24-hour accident and emergency services in the Wong Tai Sin district", is unacceptable to us.

I have to clarify again and reiterate the stance of DAB here. I recall that CHAN Kam-lam, a former Legislative Council Member, our "brothers" in Wong Tai Sin and I have been insisting that the mainstream view of the district is very clear. That is, for a long time, Wong Tai Sin residents have been calling for the Government to provide additional 24-hour accident and emergency ("A&E") services in Wong Tai Sin expeditiously. Owing to the lack of A&E services, people requiring such services have to seek treatment in other districts. The time-consuming process has made the residents greatly disturbed. In this respect, DAB is standing shoulder to shoulder with Wong Tai Sin residents. In view of the personal need of these residents, DAB finds the amendment proposed by Dr CHAN unacceptable.

Furthermore, Dr CHAN has in his amendment again requested that "expeditiously introducing 24-hour general outpatient services in the Wong Tai Sin district" be replaced by "studying the introduction of 24-hour general outpatient services in various districts in Hong Kong". Both DAB and I consider that there is simply no need to conduct another study for it has been the long-standing aspiration of the residents of Wong Tai Sin for the introduction of 24-hour general outpatient services in Wong Tai Sin. When will the study be completed? The residents of Wong Tai Sin should not be made to wait again and again. With respect to the territory-wide situation, for the protection of public health, there is actually no need to spend time on studying the introduction of 24-hour general outpatient services. The wise decision should be putting this proposal into implementation immediately. DAB considers that the proposal put forward by Dr CHAN to "study the introduction of 24-hour general outpatient services in various districts in Hong Kong" fails to "think what people think" and "address people's pressing needs". Such being the case, we can hardly support his amendment.

Lastly, with respect to the amendment proposed by Mr SHIU Ka-chun, both DAB and I consider that enhancing the Public-Private Partnership Programme in healthcare is a feasible initiative. Through partnership with private medical institutions, the Government can provide patients with more
healthcare service options while optimizing the use of existing resources, thereby enabling the public to access healthcare services in a more effective manner. However, the amendment proposed by Mr SHIU precisely seeks to delete this proposed initiative. From the standpoint of protecting public interest, I can hardly accept his amendment. Therefore, we will vote against it.

And really lastly, I hope the Government can truly listen to the aspirations of Members and residents and expeditiously improve the healthcare services in Kowloon East to enable the residents there—including Kwun Tong, Wong Tai Sin and even other districts—access to appropriate healthcare services.

President, I so submit. Thank you.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, first of all, I would like to thank Members once again for their valuable comments and suggestions. In fact, as a result of the problem of population ageing, there has been a continual increase in the demand for healthcare services in society which is basically a territory-wide problem. Yet, we also understand that the provision of resources in some clusters, including the Kowloon East Cluster ("KEC"), is rather tight. Therefore, the Government has been improving the public healthcare services throughout the territory (including Kowloon East) by enhancing the hardware and software in a proactive manner.

I would also like to point out here that although the motion is about the problems in KEC, the definition of KEC under the Hospital Authority ("HA") and that of Kowloon East as mentioned in the motion are actually two different concepts. Therefore, Members have referred to different districts when they talked about Kowloon East. For example, the Wong Tai Sin District belongs to the Kowloon Central Cluster among the seven clusters but the definition of Kowloon East in Mr OR's motion includes Wong Tai Sin and Kwun Tong while KEC of HA includes Kwun Tong and Tseung Kwan O. Among the speeches given by Members, only one Member has particularly mentioned the problems in Tseung Kwan O. I also wish to mention in passing that in fact, among the seven clusters of HA, there are only three hospitals in KEC, namely the United Christian Hospital, the Tseung Kwan O Hospital and the Haven of Hope Hospital. Among these three hospitals, the Tseung Kwan O Hospital and the United Christian Hospital are actually included in the 10-year expansion projects.
I will give a consolidated response to the questions raised by Members earlier in the following remarks, including the problems in Kowloon East and the problems of the overall healthcare system.

With regard to shortening the waiting time for specialist outpatient services, HA has actually implemented a series of measures to relieve the pressure on specialist outpatient clinics ("SOPCs"). To begin with, the triage system for new SOPC referrals is implemented to ensure that patients in urgent conditions are treated with priority. The targets of HA are to maintain the median waiting time for cases in Priority 1 (urgent) and Priority 2 (semi-urgent) categories within two weeks and eight weeks respectively. HA has all along been able to honour the pledge for these two categories. The problem of long waiting time we are talking about refers to patients in stable conditions.

HA will implement various programmes in 2017-2018 to further expand the capacity of SOPCs. For example, the services of Family Medicine Specialist Clinics in KEC, the Kowloon West Cluster and the New Territories East Cluster will be enhanced to alleviate the workload of SOPCs. A special honorarium will also be provided to the existing healthcare workforce so as to strengthen healthcare manpower.

HA has also adopted measures to address the disparity in waiting time at SOPCs in different clusters. Such measures are undoubtedly formulated from the perspective of management which can enhance transparency and facilitate the arrangement of cross-cluster treatment for patients who are willing to do so such that the waiting time can be shortened.

With regard to general outpatient services, the service of HA's general outpatient clinics ("GOPCs") are primarily targeted at the elders, low-income individuals and patients with chronic diseases while patients taken care of by GOPCs are chronic disease patients in stable conditions and episodic disease patients. Chronic disease patients who require follow-up consultations will be assigned a time slot for the next appointment after each consultation and do not need to make separate appointments. Therefore, these patients basically will not encounter a long waiting time for the appointment of each consultation. The types of patients who encounter the most serious problem of waiting may be patients in stable conditions who made the first appointment and patients of some episodic diseases.
In terms of healthcare infrastructure, the Government and HA announced the 10-year Hospital Development Plan last year and earmarked $200 billion for the implementation of this Development Plan which includes various infrastructure improvements in KEC. Under the United Christian Hospital expansion project, various existing services (such as day care services, cancer services and inpatient convalescent services) will be enhanced. Upon the completion of the redevelopment project, a cancer care centre will be officially set up at the United Christian Hospital while the total number of beds in the hospital will be increased from around 1,400 beds to around 1,960 beds, representing a significant increase on this count.

Another hospital in KEC, the Haven of Hope Hospital—as I have just mentioned—will also carry out an expansion project. The relevant works commenced last year and this project includes the construction of a new hospital block, provision of 160 additional extended care beds, etc.

Moreover, the construction of a new acute general hospital in the Kai Tak Development Area is expected to commence in 2017-2018 and it will provide around 2,400 beds upon completion.

Some Members mentioned that it takes time to construct the Kai Tak Hospital. It is actually true because this is not only a major hospital but also the first acute general hospital in Hong Kong which will provide over 2,000 beds and is equipped with a neuroscience centre. For this reason, the Government will strive to complete the relevant project as soon as possible but I hope Members will understand that the construction of the Kai Tak Hospital will take some time.

The construction of the Hong Kong Children's Hospital, which is also situated in the Kai Tak Development Area, is underway and it is expected to be completed this year for commissioning next year. Upon commissioning of the Hong Kong Children's Hospital, it is expected that 468 inpatient and day beds in total will be provided. It will mainly provide tertiary specialist services for children under the age of 18 with serious and complex illnesses throughout the territory.

Furthermore, with regard to the Wong Tai Sin District as mentioned in the original motion, HA is carrying out preparatory work for the Our Lady of Maryknoll Hospital redevelopment project. The preliminary proposals include
redevelopment of the East and North Wings into a new block and refurbishment of the Outpatient Department Building. The redeveloped Our Lady of Maryknoll Hospital will provide 252 inpatient and day beds as well as four operating theatres in the day surgery centre to meet the present-day standards. The number of outpatient consultation rooms will also be increased from 33 to 55, representing a rather huge increase. I believe that subsequent to the enhancement of these hardware facilities, HA will be able to consider whether the provision of services such as outpatient services can be expanded.

For the provision of 24-hour A&E services in the Our Lady of Maryknoll Hospital mentioned by several Members—I am aware that some political parties have been striving for this as well—after repeated discussions by experts of HA, we currently do not have such a plan because it requires a more comprehensive general hospital to support the provision of 24-hour A&E services.

Dental services—especially dental services for the elderly—is the concern of many Members. The Elderly Dental Assistance Programme of the Community Care Fund offers free crowning and related oral care services to eligible elderly persons. As there is a large number of Old Age Living Allowance recipients, Members may have noticed that the Government initially set a relatively high threshold of 80 years of age as the eligibility criterion. As the Government had provided services to a large amount of people who hoped to receive these services in a short period of time, the Government soon decided to lower the eligible age. With the continuous implementation of the relevant services, the Government will certainly strive to further lower the eligible age as soon as possible. Regarding the question about the Outreach Dental Care Programme for the Elderly raised by a Member, it is in fact a regular service already.

With regard to the public-private partnership ("PPP") programme in healthcare, the Government allocated $10 billion to HA in March last year to set up the HA PPP Fund. HA will certainly continue to make use of this fund and its investment return to regularize and enhance clinical PPP programmes being undertaken on a pilot basis. HA will also develop new programmes to make optimal use of the resources in the private healthcare sector and strengthen primary healthcare services so that members of the public can receive healthcare services which are more appropriate while the pressure on the public healthcare system can be relieved.
HA will continue to implement and enhance the existing clinical PPP programmes, including the Cataract Surgeries Programme mentioned by Members earlier, the Haemodialysis PPP Programme which provides haemodialysis treatment to patients, etc. Among these programmes, the most important one is the PPP programme for grass-roots patients of chronic diseases, hypertension and diabetes. We really hope that with the implementation of the relevant programme in the 18 districts, members of the public can have an extra option to receive treatment at private medical clinics. In fact, if those patients receive treatment at private medical clinics, first of all, the amount of consultation fees payable by patients is equivalent to that of public hospitals or public clinics. Besides, there is a mechanism which allows them to receive regular medical examinations at public hospitals. Moreover, in case of emergency, there is a mechanism which can refer patients to receive treatment at public hospitals. When the number of patients receiving services under this programme substantially increases, more consultation quotas of general outpatient services will be released.

The Drug Formulary is also a concern to many Members. In order to benefit more patients in the use of safe and efficacious drugs at standard fees in public hospitals and clinics, a mechanism is actually established for the existing Drug Formulary of HA which allows the authorities to conduct constant reviews and include new drugs in the Drug Formulary. I will not dwell on the figures in detail here.

On the other hand, HA has also set up a fund as a backup to support the provision of special drugs under the Drug Formulary.

The resources of KEC are indeed the focus of this motion debate and I will therefore further talk about it here. To perfect the resource allocation mechanism of HA—many Members consider that Kowloon East is one of the districts where resources are rather tight—the Steering Committee on Review of HA published a report in 2015 which recommended HA to carry out a review and introduce a model based on population structure and characteristics, geographical distribution, etc. to analyse the demand of people for healthcare services in different districts, thereby making an estimate of the service capacity of various clusters and the amount of resources required.

Under the new model, the baseline funding for hospital clusters will basically remain unchanged but additional resources will be allocated to certain clusters according to the actual needs of the districts. It has addressed the
concern of some Members that whether resources will be diverted from other clusters when there is a striving for additional resources by a cluster or by Members on behalf of certain clusters. We hope that the design of this model will not result in this situation. Therefore, the baseline funding for each cluster basically will not be affected. However, if the results of estimation provided by the new model indicate that more resources should be allocated to certain clusters, we will try our best to allocate additional resources to such clusters in the course of resource allocation. HA has commissioned a consultant to develop this model and the work is still underway while I often contact HA and the consultant to follow up their work progress. In future analyses, the impact of such factors as the United Christian Hospital redevelopment project and the introduction of oncology services on residents of Kowloon East and KEC may also be taken into account. HA will announce the relevant work progress in due course.

While the development of the new resource allocation model is not completed yet, the Government has taken the lead to allocate extra resources to HA in the recent financial years such that HA could allocate additional funding to those clusters which are generally considered to be having relatively tight resources.

Before summing up, as Members have raised some general questions on several aspects, I will give a brief response here. First of all, Members have diverse opinions on the public and private healthcare services but I strongly agree that as the twin-track system for public and private healthcare sectors is adopted in Hong Kong, it is necessary to make optimal use of the existing resources in the two sectors. At present, the public healthcare system has nearly reached its maximum capacity but there is still spare capacity in some private healthcare systems. Hence, on the one hand we will continue to strive to allocate additional resources to the public healthcare system but on the other hand, we should also make optimal use of the existing spare capacity of the private healthcare system through PPP programmes.

In terms of the overall expenditure on healthcare, I noticed that several Members have given opinions in this regard and I agree that there should be further discussions on this topic in Hong Kong. As for whether the next-term Government will conduct another review in this regard, I believe that although it will affect various aspects in Hong Kong such as the overall economic development, financial management and tax regime, this topic at least merits a
discussion. At present, the expenditure on healthcare as a percentage of Gross Domestic Product in Hong Kong is relatively low when compared with that of other developed regions. However, increasing the resources for the overall expenditure on healthcare is not an easy task and it cannot be resolved by simply increasing the funding from the Government. It is because if the Government allocates additional funding to healthcare services, although it is not a competition for resources within the healthcare system, there will be competition for resources between the healthcare system and other services (such as education, social services and other sectors). Yet, I still consider that this topic merits a discussion.

Some Members also suggested that primary and preventive healthcare services should be enhanced, and I totally agree with this point. In the long run, the provision of effective primary and preventive healthcare services is useful to the public healthcare system because the main function of hospitals is providing medical treatment to patients and this suggestion can relieve the pressure on the public healthcare system. I hope Members can notice that the current-term Government has actually allocated extra resources to the provision of primary and preventive healthcare services. For example, the Colorectal Cancer Screening Pilot Programme is implemented territory-wide. It is not easy to implement this programme as we face not only the need for additional resources but also an extremely tight supply of healthcare manpower and facilities. I think the implementation of this programme is extremely valuable. With the PPP in healthcare and the cooperation between the Department of Health and HA, we have commenced a programme in this regard. Undoubtedly, the Government has also introduced other measures, such as the Vaccination Subsidy Scheme which is also a preventive healthcare service and indicates that the Government attaches great importance to preventive healthcare services.

The last point I would like to raise is that in view of the overall tight supply of healthcare manpower, some Members have mentioned the Medical Registration Ordinance or a reform of the Medical Council of Hong Kong ("MCHK"). In this regard, I can inform Members that the Tripartite Platform which is established for reform of MCHK has held four meetings. We are actively working on the views and feedbacks collected by the Tripartite Platform in the hope of introducing a new proposal for the Medical Registration (Amendment) Bill to the Legislative Council in the remaining term of the incumbent Government.
Lastly, I would like to thank Members once again for their views on this motion. We will keep a close watch on the overall demand of residents for healthcare services in various districts, enhance primary healthcare services and provide the necessary additional resources so as to facilitate the work of HA and meet the demand of residents for healthcare services in various clusters. Thank you, President.

PRESIDENT (in Cantonese): I now call upon Mr HO Kai-ming to move his amendment to the motion.

MR HO KAI-MING (in Cantonese): President, I move that Mr Wilson OR's motion be amended.

Mr HO Kai-ming moved the following amendment: (Translation)

"To delete "at present, public healthcare services in Kowloon East fail" after "That" and substitute with "public healthcare services in Kowloon East have all along failed"; to add "according to the population characteristics of the Kowloon East Cluster, appropriately" after "(1)"; to add ", and introducing elderly dental care vouchers to support grass-roots elderly persons in treating oral health problems" after "aged 65 or above"; to delete "and" after "programme in healthcare;"; and to add "; (10) setting up additional community health centres to provide residents of Kowloon East with one-stop primary healthcare services covering general outpatient services, chronic disease management, health education, etc., so as to relieve the pressure on services of public hospitals in the district; (11) setting up a Joint Replacement Centre in the Kowloon East Cluster to shorten the waiting time for total joint replacement surgery; (12) increasing the deployment of mobile clinics to provide simple medical treatment and physical check-up services to elderly persons and people with impaired mobility in the district; (13) providing the public with sufficient information on healthcare services through various platforms, such as a list of private clinics providing evening consultation services in the district and the operating hours of private clinics during long holidays in the district; and (14) increasing the amount of Elderly Healthcare Vouchers and strengthening the monitoring of providers of relevant healthcare services" immediately before the full stop."
PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr HO Kai-ming to Mr Wilson OR's motion, be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Members have already been informed, as Mr HO Kai-ming's amendment has been passed, Dr Pierre CHAN has withdrawn his amendment.

PRESIDENT (in Cantonese): Dr KWOK Ka-ki, as the amendment of Mr HO Kai-ming has been passed, you may now move your revised amendment.

DR KWOK KA-KI (in Cantonese): President, I move that Mr Wilson OR's motion as amended by Mr HO Kai-ming be further amended by my revised amendment.

Dr KWOK Ka-ki moved the following further amendment to the motion as amended by Mr HO Kai-ming: (Translation)

"To add "; (15) allocating additional resources to improve the psychiatric services in Kowloon East by, among others, increasing healthcare manpower ratios and introducing evening consultation services;
(16) setting up more elderly health centres, woman health centres and maternal and child health centres in Kowloon East, so as to increase service quotas and shorten the waiting time of residents for health assessments; (17) setting up additional public dental clinics in Kowloon East, perfecting the existing public dental services by, among others, introducing services such as scaling, filling and crowning, increasing the number of service sessions and quotas in public dental clinics, and by making reference to the School Dental Care Service, introducing an 'elderly dental care service' to provide elderly persons with dental examination and scaling services once a year, so as to treat the oral health problems of elderly persons as early as possible, thereby enhancing the dental services for residents of Kowloon East, especially elderly persons, children, low-income persons and people with special needs (such as persons with intellectual disabilities) in the district; (18) improving the general outpatient clinic telephone appointment system and deploying more manpower to answer calls for booking appointments, so as to assist people in need (including elderly persons) in Kowloon East in booking consultation appointments; and (19) enhancing the evening consultation services in hospitals with an accident and emergency department in Kowloon East and introducing consultation timeslots on holidays, so as to alleviate the pressure on the accident and emergency departments immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment moved by Dr KWOK Ka-ki to Mr Wilson OR's motion as amended by Mr HO Kai-ming be passed.

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

(Members raised their hands)

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

(No hands raised)
PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Members have already been informed, as Dr KWOK Ka-ki's amendment has been passed, Mr SHIU Ka-chun has withdrawn his amendment.

PRESIDENT (in Cantonese): Mr WU Chi-wai, as the amendments of Mr HO Kai-ming and Dr KWOK Ka-ki have been passed, you may now move your revised amendment.

MR WU CHI-WAI (in Cantonese): President, I move that Mr Wilson OR's motion as amended by Mr HO Kai-ming and Dr KWOK Ka-ki be further amended by my revised amendment.

Mr WU Chi-wai moved the following further amendment to the motion as amended by Mr HO Kai-ming and Dr KWOK Ka-ki: (Translation)

"To add "; (20) setting up a seed fund to subsidize the public to undergo regular physical check-ups and hence perfecting the primary healthcare services, with a view to benefiting residents of Kowloon East; and (21) formulating detailed development plans for sites earmarked for construction of hospitals or clinics in Kowloon East and expeditiously implementing those plans" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment moved by Mr WU Chi-wai to Mr Wilson OR's motion as amended by Mr HO Kai-ming and Dr KWOK Ka-ki be passed.

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

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr LEUNG Yiu-chung, as the amendments of Mr HO Kai-ming, Dr KWOK Ka-ki and Mr WU Chi-wai have been passed, you may now move your revised amendment.

MR LEUNG YIU-CHUNG (in Cantonese): President, I move that Mr Wilson OR's motion as amended by Mr HO Kai-ming, Dr KWOK Ka-ki and Mr WU Chi-wai be further amended by my revised amendment.

Mr LEUNG Yiu-chung moved the following further amendment to the motion as amended by Mr HO Kai-ming, Dr KWOK Ka-ki and Mr WU Chi-wai: (Translation)

"To add "; (22) establishing a mechanism to ensure that patients referred by public hospitals to private hospitals for treatment can be arranged to return to public hospitals for continued treatment when necessary; and (23) expediting the approval of the types of subsidized drugs in the Drug Formulary of the Hospital Authority by, among others, incorporating as subsidized drugs Vemurafenib (a skin cancer drug), Afatinib (a lung cancer drug), as well as Natalizumab and Fingolimod (interferons for multiple sclerosis), which are listed in the Formulary; apart from expeditiously including Eculizumab (a drug for treating paroxysmal nocturnal hemoglobinuria) and Osimertinib (a drug for the advanced stage of lung cancer), which are clinically proven to be effective, in the Drug Formulary, incorporating these drugs as subsidized drugs to ensure appropriate treatment for patients" immediately before the full stop."
PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment moved by Mr LEUNG Yiu-chung to Mr Wilson OR's motion as amended by Mr HO Kai-ming, Dr KWOK Ka-ki and Mr WU Chi-wai be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr Wilson OR, you still have one minute 38 seconds to reply. The debate will come to a close after Mr Wilson OR has replied.

MR WILSON OR (in Cantonese): President, once again, I thank Members for speaking on my original Motion. It is evident that we are all concerned about the public healthcare services in Hong Kong. I agree that the healthcare services in Hong Kong as a whole require enhancement, yet my heart is tied to residents in Kowloon East. Many colleagues agree that healthcare services in Kowloon East are particularly inadequate. When I meet with residents in Kowloon East every day in the district, it is most heartrending to hear them say that, "Just don't know how long we have to wait and whether or not I can wait that long." As I watch them tormented by illnesses, I cannot but make fair remarks for the residents of Kowloon East.
When brothers in the Democratic Alliance for the Betterment and Progress of Hong Kong learnt that I would propose this motion, they started a signature campaign in Kwun Tong and Wong Tai Sin. In just one week, I received 9718 signatures. Each of these signatures represents the opinion of a resident in Kowloon East and their keen aspiration for healthcare services. I hope Members will appreciate the plight of residents in Kowloon East and support the passage of my original motion on "Urgently improving public healthcare services in Kowloon East". Thank you, Honourable Members.

President, I so submit.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Wilson OR as amended by Mr HO Kai-ming, Dr KWOK Ka-ki, Mr WU Chi-wai and Mr LEUNG Yiu-chung be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

SUSPENSION OF MEETING

PRESIDENT (in Cantonese): It is now just past 7:00 pm. I now suspend the meeting until 9:00 am tomorrow.

Suspended accordingly at 7:04 pm.