

# **OFFICIAL RECORD OF PROCEEDINGS**

**Wednesday, 20 June 2018**

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

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, G.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, G.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 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, S.B.S., 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 CHARLES PETER MOK, J.P.

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN, J.P.

THE HONOURABLE LEUNG CHE-CHEUNG, S.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, J.P.

THE HONOURABLE DENNIS KWOK WING-HANG

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

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

DR THE HONOURABLE HELENA WONG PIK-WAN

THE HONOURABLE IP KIN-YUEN

DR THE HONOURABLE ELIZABETH QUAT, B.B.S., 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.

DR THE HONOURABLE CHENG CHUNG-TAI

THE HONOURABLE KWONG CHUN-YU

THE HONOURABLE JEREMY TAM MAN-HO

THE HONOURABLE GARY FAN KWOK-WAI

THE HONOURABLE AU NOK-HIN

THE HONOURABLE VINCENT CHENG WING-SHUN, M.H.

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

**MEMBER ABSENT:**

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

**PUBLIC OFFICERS ATTENDING:**

DR DAVID CHUNG WAI-KEUNG, J.P.  
UNDER SECRETARY FOR INNOVATION AND TECHNOLOGY, AND  
SECRETARY FOR INNOVATION AND TECHNOLOGY

THE HONOURABLE JAMES HENRY LAU JR., J.P.  
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

DR THE HONOURABLE LAW CHI-KWONG, G.B.S., J.P.  
SECRETARY FOR LABOUR AND WELFARE

THE HONOURABLE FRANK CHAN FAN, J.P.  
SECRETARY FOR TRANSPORT AND HOUSING

DR BERNARD CHAN PAK-LI, J.P.  
UNDER SECRETARY FOR COMMERCE AND ECONOMIC  
DEVELOPMENT, AND  
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

MR LIU CHUN-SAN, J.P.  
UNDER SECRETARY FOR DEVELOPMENT

**CLERKS IN ATTENDANCE:**

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

MISS ODELIA LEUNG HING-YEE, DEPUTY SECRETARY GENERAL

MS ANITA SIT, 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.

(While the summoning bell was ringing, a number of Members at the meeting turned their backs on the President and repeatedly chanted the slogan: "Andrew LEUNG, shame on you for abusing your power!")

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

### **TABLING OF PAPERS**

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

No. 112 — Construction Industry Council  
Annual Report 2017

Report No. 16/17-18 of the House Committee on Consideration of  
Subsidiary Legislation and Other Instruments

Report of the Bills Committee on Inland Revenue (Amendment) (No. 2)  
Bill 2018

### **ORAL ANSWERS TO QUESTIONS**

**PRESIDENT** (in Cantonese): Questions. First question. Mr Tony TSE, please ask your question.

#### **Works quality problem of the Hung Hom Station extension works of the Shatin to Central Link**

(A number of Members repeatedly chanted the slogan: "Andrew LEUNG, shame on you for abusing your power!")

**PRESIDENT** (in Cantonese): The meeting is in progress. Will Members please keep quiet and act with decorum.

Mr Tony TSE, please ask your question.

(A number of Members kept on chanting the slogan)

**PRESIDENT** (in Cantonese): I now serve you a second warning. If Members still yell in their seats, I will consider that their conduct is grossly disorderly.

(A number of Members kept on chanting the slogan)

**PRESIDENT** (in Cantonese): The Council meeting is now in progress.

(A number of Members were still chanting the slogan, and they gradually stopped after Mr Tony TSE had started asking his question)

1. **MR TONY TSE** (in Cantonese): *Following press reports last month that the Hung Hom Station extension works of the Shatin to Central Link ("SCL") project had works quality problem, the MTR Corporation Limited ("MTRCL") admitted that its staff members had detected, on five occasions during their inspections between August and December 2015, non-compliant works, which included steel bars having been cut short and not screwed into couplers to the required depth. In this connection, will the Government inform this Council:*

- (1) *as the aforesaid works quality problem was detected on as many as five occasions within five months, whether it knows why MTRCL still maintained that its frontline staff members were not required to notify its Board of Directors and the Government of such problems on the grounds that they were not "persistent";*
- (2) *as the Government undertook in 2015, in response to an expert panel's report on the works delays and cost overruns of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project, that it would improve the monitoring and reporting work of railway projects, of the details of the monitoring and*

*reporting mechanism; whether the Government has deployed staff to conduct regular inspections on the SCL project and perform random checks at the "hold points"; if so, of the reasons why the aforesaid works quality problem still occurred; if not, the reasons for that; and*

- (3) *apart from holding MTRCL accountable for the aforesaid works quality problem, whether the Government will also pursue the responsibilities of the main contractor and its sub-contractors concerned, and impose penalties on them?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese):  
President, my consolidated reply to the various parts of Mr Tony TSE's question is as follows:

We are very concerned about the reported incident of the cutting of steel reinforcement bars at the platform of Hung Hom Station under the Shatin to Central Link ("SCL") project. We received the report submitted by MTR Corporation Limited ("MTRCL") on 15 June. The report states that the statements given by one of the subcontractors of Leighton Contractors (Asia) Limited ("Leighton") are not consistent with those given to MTRCL by Leighton, who has strenuously denied the allegations. MTRCL did not express any opinion on this matter. According to the information provided by MTRCL separately to the Highways Department ("HyD"), HyD considers that the matter may involve criminality and HyD has therefore referred the matter to the Police for follow-up action. The Government has no comment on this matter at this stage. As regards other contents and technical information in the report, HyD will thoroughly examine and request MTRCL to make clarifications or provide supplementary information if necessary.

HyD has already required MTRCL to employ an independent third-party expert to carry out load tests. At the same time, the Chief Executive announced on 12 June the decision on the setting up of a Commission of Inquiry under the "Commissions of Inquiry Ordinance" (Cap. 86), to conduct an independent and comprehensive investigation, in order to allay the concerns of the public.

- (1) The report submitted by MTRCL on 15 June does not elaborate the rationale for not reporting to its board and the Government when the



frontline staff of MTRCL discovered the problem in quality of the works. HyD has reminded MTRCL that, being the project manager of SCL project, MTRCL has to strictly comply with the responsibility under the Entrustment Agreement, including verification of the facts of all related issues, and ensure the quality of works of SCL.

- (2) MTRCL was entrusted by the Government to design, construction and commissioning of SCL project. According to the Entrustment Agreement signed between MTRCL and the Government, MTRCL warrants that the Entrustment Activities shall be carried out with the skill and care reasonably to be expected of a professional, including the assurance of quality of works up to the standards required. HyD, with the assistance of its Monitoring and Verification ("M&V") consultant, is responsible for verifying whether MTRCL has complied with its responsibility as the project manager under the Entrustment Agreement. HyD and M&V consultant visit the sites of SCL regularly. In general, about six to eight works contracts are visited in a month and the works contract of Hung Hom Station is visited about once in every three months. However, as the above monitoring and verification role that HyD is assuming is to check the checker, that is, verifying whether MTRCL has implemented the relevant procedures according to its specified requirements; HyD generally does not check at the "hold point" on site and MTRCL is responsible for such checking.

On structural safety, depending on whether the project is located within unleased land or leased land, the design and construction of SCL project is governed by different mechanisms. Regardless of the type of mechanism, structural safety requirements of the project also have to be on par with the requirements of works supervision under the Buildings Ordinance (Cap. 123).

Tapping the experiences learnt from the incident of the XRL project, HyD has implemented the following measures since mid-2014 progressively to strengthen the monitoring of expenditure, financial position and progress of the SCL project:

- (i) deployed additional staff since mid-2014 of SCL project team of the Railways Development Office of HyD to strengthen monitoring works;
- (ii) submitted monthly progress reports of SCL project to the Transport and Housing Bureau and adopted a "traffic signal" system to express precisely and concisely the progress and the financial status of the project;
- (iii) MTRCL should give a briefing on the change in financial reserve under the works contract, particularly where substantial sum is involved. MTRCL shall brief the Deputy Director or above of HyD for changes involving large sums;
- (iv) arranged M&V consultant appointed by HyD to attend monthly Project Steering Committee meetings under the chairmanship of the Director of Highways; and
- (v) established a working group with HyD, M&V consultant and MTRCL to review regularly the programme and progress of SCL in detail, with focus on critical works procedures.

Since June 2014, the Government and MTRCL have submitted quarterly reports on the works progress to the Subcommittee on Matters Relating to Railways ("RSC") of the Legislative Council, and attended RSC meetings in response to queries from the members.

SCL project is still in progress. When the project is completed, MTRCL shall submit the required documents and the completion report (including the test report and inspection records) to the Government for examination and confirmation. In addition, HyD, in collaboration with M&V consultant and relevant government departments, participates the pre-handing over inspection of MTRCL before the relevant works are handed over to the Government.

- (3) The expansion works of Hung Hom Station under SCL project is carried out under Works Contract No. 1112 signed by MTRCL and Leighton. In accordance with the Entrustment Agreement, MTRCL is required to ensure that the contractors and subcontractors

employed are of a level of qualification which is consistent with those required by MTRCL for implementing ordinary railway projects. MTRCL, as the project manager, shall ensure all the design requirements are reflected in the works contracts signed with the contractors and subcontractors in order to ensure the quality of works comply with the requirements of the Entrustment Agreement and the works carried out by the contractors and subcontractors are in compliance with the standards during construction.

In addition, if any serious violation involving safety and quality is found, the Buildings Department may consider taking legal or disciplinary actions against the relevant persons according to the Buildings Ordinance.

**MR TONY TSE** (in Cantonese): *President, Hung Hom Station aside, substandard works at To Kwa Wan Station and Exhibition Centre Station of SCL have also come to light. The contractors are of course to blame, but there may also be problems with the supervision of MTRCL and the Government.*

*President, besides the measures put in place in mid-2014 as listed in the main reply, what measures will the Government implement before the Independent Commission of Inquiry and the Police come up with any investigation findings, so as to restore public confidence in railway and infrastructural projects?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, I thank the Honourable Member for his question. Basically, the Government has been monitoring the rail project at three levels. First, the Project Supervision Committee chaired by the Director of Highways holds monthly meetings to review the progress of the project, covering various aspects such as design, construction and test runs. It will also monitor and discuss procurement activities, post-tender cost control, resolution of contractual claims and various key issues of the project. MTRCL is required to report the latest progress and financial position of the SCL project to HyD in the form of monthly progress reports.

Moreover, an HyD official at Assistant Director level also holds a Project Coordination Meeting with the General Managers and Project Managers of MTRCL every month. At a monthly meeting, they will handle various design, construction and environmental issues having potential impact on the progress schedules of the SCL project, and also other issues concerning its convergence with other projects.

Third, two officials at Chief Engineer level will hold monthly Project Progress Meetings with MTRCL's site supervision staff on major civil, electrical and mechanical engineering works, in order to ascertain and audit the latest progress of the various contracts. In case of any delay, MTRCL is required to report its delay recovery measures at such meetings.

An M&V consultant commissioned by HyD also assists the department in its monitoring work and regular audits. By means of regular site visits and meetings, the M&V consultant will monitor various aspects of the project, such expenditure, progress and public safety.

The project blunders as recently reported by the media are found in Hung Hom Station, To Kwa Wan Station and Exhibition Centre Station. As far as we can see and observe so far, frontline staff somehow detected certain something in the course of their work, but then, the mechanism for upward communication and reporting to the Government is truly very disappointing. Every time, the SAR Government, including HyD and the Transport and Housing Bureau, could know of the incident only from news reports. This is deeply regrettable.

We have urged MTRCL to step up its supervision of site monitoring and verification work, and to require its staff to report any irregularities they detect to management, so that its Board of Directors can in turn report to the Government.

In the time to come, we will see to it that MTRCL takes the required follow-up actions. HyD and the consultant concerned will also follow up the issues in the directions mentioned earlier. Also, we must investigate the causes of the incidents, with a view to uncovering the truth, ascertaining culpability and plugging the loopholes.

**MR VINCENT CHENG** (in Cantonese): *President, many Kowloon West residents have been awaiting the commissioning of SCL eagerly for a long time. But the present steel-bar trimming incident has sounded the alarm about safety*

*and quality. Safety and quality just cannot be compromised. The public will wonder whether a fourth or a fifth scandal will follow. We of course do not wish to see this situation, though.*

*President, let me raise my supplementary question now. These incidents were all revealed by the media, and MTRCL did not seem to know of them before the media revelation. This shows MTRCL's messy communication with project contractors and its failure in project monitoring.*

*Since SCL adopts a different operation mode from others, the concession approach, I would like to ask the Government whether it will review this very approach. Will the authorities conduct a prompt review of the Government's existing mechanism for monitoring such massive projects, in the direction of, say, adding one more level of supervision, so that the Government can perform direct random checks on contractors and subcontractors, so as to avoid the recurrence of what the Secretary said just now?*

**PRESIDENT** (in Cantonese): Mr Vincent CHENG has raised several supplementary questions. Secretary, you can choose to answer one of them.

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): The question of Mr Vincent CHENG is about the concession approach. Our experience shows that there is indeed some room for improvement here. In the light of the recent incidents and our past experience, we will review the arrangements concerned and explore if there are any better approaches.

About the recent incidents, I hope everyone can understand that the Government is already taking very serious follow-up actions and has referred suspected irregularities and criminal acts to the Police for follow-up. Meantime, our colleagues are also making their best efforts to deal with the problems of professional and contractual liability.

Our attitude is open and sincere. Once we have come up any conclusive investigation findings, we will announce them as far as possible for public information, so as to allay their anxieties.

**MS CLAUDIA MO** (in Cantonese): *All such official reports on these incidents will simply talk about everything as if they were just natural disasters having nothing to do with any individuals, or human errors. The Secretary says he wants to allay public anxieties. But then, we have instead seen the revelation of more incidents one after another. In many countries, if any such major transport blunders occur, the highest government official or the person-in-charge will have to resign in apology.*

*Secretary Frank CHAN, will you consider stepping down as a show of accountability? If not, why?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): I thank Ms MO for her question. Whenever any incidents occur, we must carry out thorough investigation. First, who should be held responsible? Second, what has happened that led to such a disappointing situation? Third, most importantly, what measures can we put in place to ensure public safety and minimize the impact on works progress?

In my view, the most urgent task now is to solve the problems we are facing. On the question of accountability, I believe the community will certainly make a fair judgment in the future.

**MS CLAUDIA MO** (in Cantonese): *The Secretary has not told me whether he should step down as a show of accountability.*

**PRESIDENT** (in Cantonese): Ms Claudia MO, the Secretary has already answered your supplementary question.

**MS CLAUDIA MO** (in Cantonese): *Does he think that he does not need to be held accountable?*

**PRESIDENT** (in Cantonese): Ms MO, this is not the supplementary question that you just raised. Mr KWONG Chun-yu, please raise your supplementary question.

**MR KWONG CHUN-YU** (in Cantonese): *President, years ago, in the short-piling incident of Home Ownership Scheme housing blocks, Ms Rosanna WONG also had to step down in the end. SCL has now turned into "tofu-dreg railway", and the Transport and Housing Bureau must bear a very big responsibility.*

*The plain fact before us is that in September last year, the China Technology Corporation Limited ("China Technology") already sent an email to the Transport and Housing Bureau, asking it to follow up the matter. The supplementary question raised by Ms Claudia MO a moment ago is actually very straight forward. I really want to ask the Secretary Frank CHAN whether any government officials, including himself, needs to take responsibility for this incident and step down.*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, I thank Mr KWONG for raising this supplementary question. As shown by our records and the facts of the case, on 15 September 2017, we received an email sent by someone in China Technology, and our colleague immediately referred the email to the team in charge for following-up. That very same day, our HyD colleague also approached that person to follow up the issue. For two days afterwards, on 15 and 16 September, our colleagues kept contacting that person in China Technology. In the process, that person in China Technology told our colleague that the issue was already resolved, and our colleague then asked him to confirm this with a written note or email. On 18 September, we received an email from that person who confirmed that his worries were resolved, and it was not necessary to convene any meetings. In his email, he also said that we did not need to follow up any further. That being the case, our colleague could not follow up the matter with him any further.

At the same time, our colleagues also approached MTRCL to follow up and clarify the issue with MTRCL, in the hope of getting more information about the incident via another channel. The reply of MTRCL says that it will fully cooperate with us in our investigation but it had to know what was going on. Hence, we could not follow up the matter when no further information was provided by the people involved. The facts of the whole case are very clear. I think anyone with a discerning eye can see whether any colleague has done right or wrong.

**MR KWONG CHUN-YU** (in Cantonese): *President, the Secretary has not answered my question of whether he will step down.*

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

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, I have nothing to add.

**MR MARTIN LIAO** (in Cantonese): *President, in the report it submitted yesterday, MTRCL admits its omission in supervising the SCL project. It is admitted that due to insufficient sensitivity to the problems concerned, MTRCL did not notify the Government, and its frontline staff likewise did not notify their superiors in good time. Referring to the adverse performance reports given by MTRCL staff to the contractor, can I know if these reports are legally-binding? Or, do MTRCL and the contractor, instead, have the power to make their own judgment and decide on the continuation or otherwise of the project?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, I thank Mr LIAO for his supplementary question. As I already said very clearly when answering other Members' supplementary questions, we are extremely disappointed at what has happened in Exhibition Centre Station. The reason is that if MTRCL issues an adverse performance report to the contractor in the course of works, the works procedure concerned must stop immediately and can resume only after the independent consultant has assessed the situation and remedies are proposed.

Mr LIAO wants to know whether an adverse performance report carries any statutory power, or whether the statutory power can stop the contractor's continuation of works. This question involves system management, or what we call good management practices. In general, when a contractor receives an adverse performance report, it has the obligation to suspend the works immediately, and the works can resume only after a reasonable remedial proposal is identified and approved.

The works procedures of this project really went wrong, and not just once. We can thus see the failure of supervision here. Also, this situation actually



persisted for quite some time. It was not until MTRCL issued the second adverse performance report following the recurrence of a similar problem that the contractor suspended the works. This is totally unacceptable to us. We are following up the issue with MTRCL with a view to finding out what actually happened in the process and why these situations were allowed to occur. We want to get to the bottom of the issue and give an account to the public.

**PRESIDENT** (in Cantonese): Second question.

### **Supply of public housing**

2. **MR KWOK WAI-KEUNG** (in Cantonese): *The Annual Progress Report on the Long Term Housing Strategy, submitted by the Government last year, set a public/private split of 60:40 for the supply of housing units and a public housing supply target of 280 000 units for the 10-year period starting from this year. However, the sites which have been identified by the Government so far can provide only 237 000 public housing units in the coming decade. On the other hand, the waiting time for applicants on the Waiting List for public rental housing has been increasing continuously in recent years, and the prices of subsidized housing units, which have soared in tandem with a heating up property market, are beyond the affordability of the public. Regarding the supply of public housing, will the Government inform this Council:*

- (1) *whether it has commenced a study on the inclusion of public housing in the development project atop the MTR Siu Ho Wan Depot; if so, of the relevant considerations and the expected completion date of the study, as well as whether the scope of the study covers the pitching of the entire project to public housing development;*
- (2) *whether it will revise the price setting mechanism for subsidized housing units so that the prices of the units are pegged no longer to market prices but to the affordability of buyers; and*
- (3) *whether it will consider forthwith raising the proportion of public housing in the overall housing supply target from 60% to 70%, so as to address the keen housing demand of the grass roots; if not, of the reasons for that?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, after consulting the Development Bureau, my consolidated reply to various parts of the question raised by Mr KWOK Wai-keung is as follows.

Since the promulgation of the Long Term Housing Strategy ("LTHS") in December 2014, the Government updates the long-term housing demand projection annually and presents a rolling 10-year housing supply target. In determining the annual housing supply targets from 2014 to 2017, the Government adopted a public/private split of 60:40 for the supply of new housing units to underline the Government's commitment in increasing public housing supply while ensuring the stable and healthy development of the private market. According to the LTHS Annual Progress Report 2017, the total housing supply target for the 10-year period from 2018-2019 to 2027-2028 is 460 000 units. Based on the above ratio of 60:40, the public and private housing supply targets are 280 000 units and 180 000 units respectively.

When considering the aforesaid ratio, we should take into account that given both public and private housing are in short supply, we should strike a balance between the demand for public and private housing in determining their future supply targets.

Regarding the pricing of subsidized sale flats, the current mechanism has in place an affordability test. Under normal circumstances, Home Ownership Scheme ("HOS") flats are sold at 30% discount from their assessed market values. However, if the affordability criteria cannot be met, a higher discount can be offered under the existing pricing mechanism. Nonetheless, during recent discussions on the relevant subject, some members of the Hong Kong Housing Authority have expressed views on whether the existing pricing mechanism can more effectively address the affordability of the applicants.

The Government is aware of public concerns about whether prices of HOS flats have gone beyond their affordability. At the recent Legislative Council Chief Executive's Question Time, the Chief Executive has indicated that she would personally look into this subject.

As regards the topside development at the Siu Ho Wan Depot Site, as part of the multi-pronged strategy to increase land supply, the Development Bureau has been working with the MTR Corporation Limited ("MTRCL") to explore the development potential of railway-related sites.

According to MTRCL's technical studies, the topside development at the Siu Ho Wan Depot Site can provide no less than 14 000 flats and related community facilities in the medium to long term. To make the best use of the land resources, the Government has commenced the statutory planning procedures in relation to the topside development at the Site by zoning the Site for "Other Specified Uses (Railway Depot and Public Transport Interchange with Commercial/Residential Development)". The relevant procedures are underway. The draft Siu Ho Wan Outline Zoning Plan ("OZP") was gazetted for public inspection from 29 March to 29 May. The Town Planning Board ("TPB") will conduct public hearings later.

The Government is aware of the demand for public housing in the community and will take them into consideration in the planning work on the development project. The Siu Ho Wan Depot Site is currently granted to MTRCL for use as a railway workshop and a maintenance depot. In taking forward the topside development, it is also necessary to ensure that the normal operation of the workshop and depot is maintained in supporting railway services. Various development details including the housing type and ratio of the topside development, and the need to provide the Siu Ho Wan Railway Station, etc., are to be further examined and discussed by the Government and MTRCL. Among others, it is necessary to consider the interface between the depot operations and topside development, matters on lease conditions, financial and implementation arrangements, how MTRCL as the current lessee and depot operator will participate, etc. The major principle is that the development potential of the Site should be unlocked in a timely manner to meet the public's keen demand for housing through practicable arrangements in the public interest.

The draft OZP gazetted in March 2018 specified that after the Site is zoned for "Other Specified Uses (Railway Depot and Public Transport Interchange with Commercial/Residential Development)", any future proposed commercial/residential development in the zone requires the submission of a layout plan to TPB to obtain planning permission. By then, the commercial/residential ratio and the ratio by housing type will be set out for TPB's consideration.

**MR KWOK WAI-KEUNG** (in Cantonese): *President, the latest batch of Home Ownership Scheme ("HOS") flats are sold at nearly \$10,000 per square foot. If the selling prices of HOS units are still pegged to market prices under the current*

*mechanism, families with a monthly income of \$57,000 may also apply according to the affordability criteria, thus making it more difficult to purchase a HOS unit than winning the Mark Six Lottery when more and more buyers are competing for such subsidized housing units.*

*It is a public and social consensus as well as a necessary measure to sell subsidized sale flats (HOS units) at a lower price, and the Government is undoubtedly muddling along if it only seeks to address the problem by offering a higher discount. I would like to ask the Government: When exactly will it consider unpegging the selling prices of subsidized sale flats from market prices?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): I thank Mr KWOK for his supplementary question. The Administration understands that various sectors of the community have very strong views on the fact that the selling prices of subsidized sale flats are rising beyond the affordability of the general public, and we are also clearly aware that there are very strong public aspirations for unpegging the selling prices of subsidized sale flats from market prices. As we have already pointed out at meetings of the Panel on Housing and on many occasions, the current pricing mechanism of subsidized sale flats has basically taken the affordability of the general public into consideration, and appropriate adjustments to the discount offered are also allowed.

The Chief Executive has also indicated that she would personally look into the subject, and a decision will be made as soon as possible later. I think under this premise, perhaps we should allow more room for the governance team to arrive at and announce its decision at the earliest possible time, so that we would all obtain a detailed understanding of the matter by then. I am not in a position to comment too much at the current stage.

**MR ANDREW WAN** (in Cantonese): *President, private housing production in the future would exceed the target under LTHS. The Secretary has also previously indicated that about 70% of the production target for private housing could be delivered in the first five years over the coming 10-year period, but the production rates of public housing would continue to fall greatly behind the target. The Panel on Housing passed a motion proposed by me last year to urge the Government to adjust the public/private split for the supply of housing units to 70:30. Mr KWOK Wai-keung has also included this request in his question*

*raised today, but regrettably, the Secretary has basically failed to give us a direct answer in his main reply as to whether the ratio could be adjusted from a split of 60:40 to 70:30.*

*President, my specific supplementary question is: Whether the Government will consider introducing a more flexible mechanism for determining the public/private housing supply ratio, so that a five-year review cycle, for example, would be adopted to make appropriate adjustments to its housing supply target in response to the prevailing production rates of public and private housing?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): I thank Mr WAN for his supplementary question. With regard to the public/private split for the supply of housing units, we have indeed heard very strong voices from the community demanding the raising of the supply ratio from 60:40 to 70:30. We ought to understand that although the Government has set the supply ratio at 60:40 and a public housing supply target of 280 000 units for the next 10 years, only 237 000 units can be provided at most with the sites identified so far for public housing production. Hence, when it is still necessary for us to make continuing efforts to achieve the target ratio of 60:40, a higher ratio of 70:30 will only be something that is within sight but beyond reach.

The attitude of the Administration is that we will try our best, and in this connection, the Transport and Housing Bureau has always been in cooperation with the Development Bureau on many fronts. For example, we have converted some sites originally zoned for private housing development to public housing sites, and have made planning changes to 210 identified sites, thereby providing more land sites for housing production with some of them earmarked for public housing development.

Therefore, generally speaking, we have to balance the provision of public and private housing. Given that private property prices are still on the high side and members of the general public have found them unaffordable, changing the target ratio lightly may release some incorrect messages and bring about various market changes, thus leading to certain unpredictable results.

I can hereby assure that with regard to housing supply, the governance team has never relaxed its efforts, and has always been trying its best to strike a balance as far as possible when setting the supply ratio of public and private

housing. Under this premise, we have assumed our responsibility and undertaken to provide public rental housing to the grass roots as far as practicable, so that they can have a secure dwelling place.

**MR VINCENT CHENG** (in Cantonese): *A number of proposals have been put forward in society, such as the construction of modular housing, or a suggestion made earlier by Mr Tony TSE to build additional storeys in public housing blocks. With regard to these unconventional ways of generating additional housing supply, will priority be given by the Government to provide them with some special treatments financially and the necessary policy support, or refer them to a dedicated department for follow up?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): I thank Mr CHENG for his supplementary question. Given the acute shortage of public housing units, the Government has proposed a number of measures in the 2017 Policy Address for the provision of transitional housing and community housing, in the hope of improving the living condition of those who are waiting for allocation of public housing units and relieving their hardship. Hence, we are giving active consideration to the idea of constructing modular housing, or even the suggestion made by Mr Tony TSE to provide additional housing units in public housing blocks. As a matter of fact, a meeting between Mr CHENG and our colleagues in the Housing Department was held earlier to conduct an in-depth exchange and study on the relevant proposals.

Apart from the two measures mentioned above, \$1 billion has been set aside in the Budget delivered earlier for the Development Bureau, so that non-governmental organizations may apply for the conversion of vacant government sites and idle government premises to residential use. Therefore, we will keep up our efforts in this connection to achieve various established objectives and respond to public aspirations. If it is discovered later that enhanced efforts can be made in other aspects, or Members present here have any other views to express, we will be more than willing to listen.

**MR JIMMY NG** (in Cantonese): *There is actually a very close relationship between land supply and the prices of private housing and subsidized sale flats. I have raised a written question on the supply of sites for private housing at the Council meeting of 6 June. In its reply given then, the Development Bureau said*

*that the Siu Ho Wan Depot Site was a site with housing development potential in the medium-to-long term, but a direct answer was not given to my question concerning the setting up of a reserve for spade-ready sites. In his question raised today, Mr KWOK Wai-keung has asked further about the feasibility of using the Siu Ho Wan Depot Site for public housing development, but the reply given by the Secretary is more or less the same.*

*To my knowledge, although the development of the Tung Chung Line is implemented under the ownership approach and the property development rights on top of the stations are granted to MTRCL, the Siu Ho Wan Depot Site is an exception. I consider this a very good opportunity for the Government to exercise its right to resume this spade-ready site for housing development, and no matter the site is used for public-private partnership development or totally for public housing development, this is undoubtedly helpful to meeting the housing demand of grass-roots people. I would like to ask the Government once again that in order to achieve its rolling 10-year housing supply target, will a more proactive approach be adopted, including the setting up of a reserve for spade-ready sites as soon as possible?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): I thank Mr NG for his supplementary question. With regard to the Siu Ho Wan Depot Site, I would like to explain more clearly here. The Siu Ho Wan Depot Site is currently granted to MTRCL by way of private treaty for use as a railway workshop and a maintenance depot, and the lease period runs from 1995 to 2050. Having said that, I agree with the views of Mr NG that under feasible and mutually-acceptable conditions and under the premise of acting in favour of public interest, we should always try to implement any measures that can help to release land sites for housing production. Therefore, when it comes to the Siu Ho Wan Depot Site, be it government land or leased land, our attitude is very positive and open.

As for a reserve for spade-ready sites, we all know that the Task Force on Land Supply is conducting a public consultation on various land supply options in the short, medium and long term, with a view to gauging public views and receiving public opinions. We hope that a common understanding of these land supply options can be achieved after a social consensus has been reached, so as to minimize unnecessary disputes and enable the Administration to take forward the relevant work more smoothly. It is therefore our wish that members of the

public would put forth more views in this respect. If a consensus can be reached, the Transport and Housing Bureau and the Development Bureau will of course work together and exert our utmost in identifying land, creating land and building up a land reserve.

**MR WU CHI-WAI** (in Cantonese): *With regard to home starter schemes, the Government is planning to make available a site on Anderson Road at the end of this year for the introduction of the "Starter Homes" Pilot Scheme. Flats sold under the Scheme will be included in the statistics for private housing supply.*

*I would like to ask the Government: Whether bolder measures apart from the granting of land will be adopted for the Urban Renewal Authority ("URA"), for example, to take the lead in providing land sites needed for the introduction of home starter schemes? In other words, land obtained through acquisition of properties in old districts and urban redevelopment will be used for launching home starter schemes. Besides, does URA have any role to play in taking the lead to handle the promotion details, arrangements and procedures required for launching such schemes?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): I thank Mr WU for his supplementary question. With regard to the role played by URA, we all know that it is tasked with the duty to implement urban redevelopment projects, and its mission and objectives are very clear. During the process, URA has also introduced a lot of new initiatives to alleviate people's hardship in meeting their housing needs, such as handing over the residential units acquired to social welfare organizations for the provision of community housing.

As for Mr WU's suggestion of tasking URA with the duty to take forward the relevant work for launching home starter schemes, we hold an open attitude towards this issue. However, consideration should also be given to the fact that URA should strive to achieve self-financing, and it has openly stated earlier that it would be financially unaffordable if land sites were acquired by paying a compensation amount based on the value of a seven-year-old flat in the same locality, but were then used for developing subsidized sale flats or public rental housing.



However, under Mr WU's suggestion, these sites will be used for launching home starter schemes, which may be feasible as proceeds will be generated from the sale of flats, and we can also find some relevant news reports in individual newspapers today. In any case, every one of us in the governance team from the Chief Executive to each senior official is very concerned about the living condition of the general public. We will consider any proposals which are beneficial from a public interest perspective, and which can ease the hardship faced by those who are waiting for allocation of public housing units.

**MS ALICE MAK** (in Cantonese): *There is actually no need for the Secretary to say so much, and what he mentioned is not a case cited from some news reports, but a statement made by the Managing Director of URA yesterday to reveal that consideration will be given to pricing the housing units developed under the Ma Tau Wai Road Project at a level below the market price. Hence, there is absolutely room for the Secretary to continue examining the issue with URA along this direction, and although the residential flats produced by URA will not be converted to flats for first-time homebuyers, URA can still offer other forms of subsidized housing. As things do come in threes, if it is possible for URA to adopt this approach when launching the De Novo Project previously and the Ma Tau Wai Road Project today, it can also implement a third and even a fourth project in the same way in other old districts in the future.*

*However, this is not the point I am going to raise, and what I would like to follow up is the remarks made by the Secretary in his main reply to indicate that a public/private split of 60:40 for the supply of new housing units has been adopted for the long-term housing demand projection under LTHS. Whenever a request is made to the Government for adjusting this supply ratio, the Secretary would refuse and say that this could have an adverse impact on private housing supply. Nevertheless, since the Government is now planning to introduce a new initiative to levy a vacant first-hand residential property tax, so as to provide an additional channel to stabilize the supply of private housing, would it also be possible to consider raising the proportion of public housing in its housing supply target appropriately under such circumstances?*

*It should be noted that the vacant first-hand residential property tax has not yet been introduced when LTHS was promulgated, and since the Government*

*has now decided to levy the vacant first-hand residential property tax, why is it not possible to concurrently review the public/private housing supply ratio? I am sure if the Government is willing to raise the proportion of public housing in its housing supply target, no matter what sort of grand debate it would like to launch on land supply in the future, members of the public would only agree more with the Government that there is indeed a need to increase land supply for the development of public housing.*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): I thank Ms MAK for her supplementary question. As Ms MAK has pointed out, the governance team is currently examining many different options, but a decision and a formal announcement are still pending. I am sure we all understand that in case a new policy is introduced in the future, the Government will also consider the idea of adjusting the supply ratio of 60:40 with an open attitude.

However, I would like to hereby reiterate that according to the 10-year housing demand projection, we have to provide 280 000 public housing units in the next 10 years, but only 237 000 units can be built with the sites identified so far, and there is still a lack of housing sites for the production of the remaining 43 000 units. Therefore, our immediate goal is to make up for this shortfall, and I consider it more pragmatic and responsible to raise the proportion of public housing in our housing supply target only after this shortfall has already been made up.

As for the point raised by the Member on the possibility of granting more land sites for public housing production in future land supply, we are striving to do so, and are conducting comprehensive discussions with colleagues in the Development Bureau. In my reply to supplementary questions raised by other Members just now, I have also stated that we have previously managed and are currently trying to convert some sites originally zoned for private housing development to public housing sites, and we have also handled the planning work for 210 identified sites, thereby converting some of them to public housing sites.

**PRESIDENT** (in Cantonese): Third question.

**Acquisition of the right of abode in Hong Kong by persons who came to Hong Kong under various admission schemes**

3. **MR GARY FAN** (in Cantonese): *The Government announced last month the rolling out of a three-year Technology Talent Admission Scheme ("TechTAS") to implement a fast-track arrangement for the admission of overseas and Mainland technology talents. Regarding the acquisition of the right of abode in Hong Kong by persons who came to Hong Kong under various admission schemes, will the Government inform this Council:*

- (1) *of the respective numbers of persons who applied for and were granted entry into Hong Kong in each of the past three years under the Quality Migrant Admission Scheme, the Capital Investment Entrant Scheme, the Admission Scheme for Mainland Talents and Professionals, and the Immigration Arrangement for Non-local Graduates, as well as the number of persons, who had come to Hong Kong under the various schemes, acquiring the right of abode in Hong Kong in the past three years (with a breakdown of the figures and their percentages by Mainland resident and resident of other regions);*
- (2) *given that the Hong Kong Science and Technology Parks Corporation and the Hong Kong Cyberport Management Company Limited will be responsible for examining the TechTAS applications submitted by their tenants, incubatees, grantees or occupants, as well as making recommendations to the Innovation and Technology Commission ("ITC") on the applications concerned, of the criteria adopted and the mechanisms based upon by these two companies and ITC when considering the relevant applications; and*
- (3) *given that under TechTAS, ITC will consider admission applications from technology talents who do not meet the relevant academic requirements but possess good technical skills in specialty areas, proven professional abilities or relevant experience and achievements, of the criteria adopted and mechanism based upon by ITC when considering such types of applications; the specific measures to be put in place to ensure that TechTAS will recruit the technology talents needed by Hong Kong without becoming nothing more than a shortcut for Mainland residents to acquire the right of abode in Hong Kong?*

**SECRETARY FOR INNOVATION AND TECHNOLOGY** (in Cantonese):  
President, my reply to the question raised by Mr Gary FAN is as follows:

- (1) According to the information provided by the Immigration Department, the statistics on applications received and approved under the Quality Migrant Admission Scheme ("QMAS"), the Admission Scheme for Mainland Talents and Professionals ("ASMP"), the Immigration Arrangements for Non-local Graduates ("IANG") and the Capital Investment Entrant Scheme ("CIES") for the past three years are set out at Annex 1.

The statistics on persons approved for admission to Hong Kong under the immigration schemes mentioned in the question who have acquired right of abode in the past three years, in accordance with applicants' status in Hong Kong at the time of application for the right of abode, are set out at Annex 2.

The Immigration Department does not maintain statistical breakdowns by region of applicants who have acquired right of abode.

- (2) and (3)

Persons admitted under the Technology Talent Admission Scheme ("TechTAS") must be employed by the applicant technology company/institute, and be engaged principally in conducting research and development ("R&D") in Hong Kong in the seven technology areas of biotechnology, artificial intelligence, cybersecurity, robotics, data analytics, financial technologies and material science. On academic requirements, persons admitted should be degree-holders in science, technology, engineering or mathematics ("STEM") from a well-recognized university. "Well-recognized universities" refers to the top 100 universities in the latest publications of STEM-related ranking tables of the QS World University Rankings, the Times Higher Education World University Rankings and the Academic Ranking of World Universities. Those with a bachelor's degree only should possess a minimum of one year of work experience in the relevant technology

area, while those with a master's or doctoral degree are not subject to a work experience requirement.

Persons not meeting the academic requirements as mentioned above but possessing good technical skills in specialty areas, proven professional abilities and/or relevant experience and achievements supported by documentary evidence can be considered on a case-by-case basis under exceptional circumstances.

Upon receiving quota applications from its tenants or incubatees, the Hong Kong Science and Technology Parks Corporation ("HKSTPC") and the Hong Kong Cyberport Management Company Limited ("Cyberport") will examine the materials submitted, and make recommendations to the Innovation and Technology Commission ("ITC"). ITC will take into consideration HKSTPC's and Cyberport's recommendation before deciding whether or not to approve the quota.

Each quota application will be assessed on its own merits having regard to the following considerations:

- (i) the knowledge or skillsets of the required technology talent must align with the applicant company or institute's technology activities;
- (ii) the number of quotas requested is justified for the applicant company or institute (e.g. having regard to considerations such as business volume, venue and expansion plans of the applicant company or institute);
- (iii) the applicant company or institute has demonstrated genuine difficulties in recruiting local talent in the technology areas concerned; and
- (iv) the academic qualifications or other expertise as well as the remuneration packages of the required non-local talent are suitable.

One of the key requirements of TechTAS is that, at the stage of quota application, the applicant technology company or institute

should demonstrate that talent with the relevant skills, knowledge or experience is short in supply or not readily available in Hong Kong. This is to ensure that TechTAS can effectively assist technology companies or institutes in attracting technology talent in shortage in Hong Kong from around the world to conduct R&D in Hong Kong.

Similar to persons admitted under the other admission schemes as mentioned above, persons admitted under TechTAS who have ordinarily resided in Hong Kong for a continuous period of not less than seven years may apply for the right of abode in Hong Kong in accordance with the law. TechTAS will not become a shortcut in applying for right of abode in Hong Kong.

## Annex 1

Statistics on applications received and approved under  
QMAS, ASMTP, IANG and CIES (2015 to 2017)

<i>Immigration scheme/policy</i>		<i>2015</i>		<i>2016</i>		<i>2017</i>	
		<i>Number of applications received</i>	<i>Number of applications approved/quotas allotted</i>	<i>Number of applications received</i>	<i>Number of applications approved/quotas allotted</i>	<i>Number of applications received</i>	<i>Number of applications approved/quotas allotted</i>
QMAS <sup>(1)</sup>	Mainland residents	1 069 (58.4%)	186 (89.4%)	750 (47.6%)	237 (86.8%)	969 (50.2%)	356 (86.6%)
	Non-Mainland residents	760 (41.6%)	22 (10.6%)	825 (52.4%)	36 (13.2%)	963 (49.8%)	55 (13.4%)
	Total	1 829	208	1 575	273	1 932	411
ASMTP <sup>(2)</sup>	Total	11 034	9 229	12 251	10 404	13 998	12 381

<i>Immigration scheme/policy</i>		<i>2015</i>		<i>2016</i>		<i>2017</i>	
		<i>Number of applications received</i>	<i>Number of applications approved/quotas allotted</i>	<i>Number of applications received</i>	<i>Number of applications approved/quotas allotted</i>	<i>Number of applications received</i>	<i>Number of applications approved/quotas allotted</i>
IANG	Mainland residents	9 599 (92.9%)	9 541 (92.9%)	8 680 (92.6%)	8 611 (92.7%)	8 525 (90.5%)	8 448 (90.5%)
	Non-Mainland residents	738 (7.1%)	728 (7.1%)	696 (7.4%)	678 (7.3%)	895 (9.5%)	883 (9.5%)
	Total	10 337	10 269	9 376	9 289	9 420	9 331
CIES <sup>(3)</sup>	Chinese nationals with permanent residence overseas	2 775 (97.3%)	2 662 (97.2%)	0	2 575 (96.6%)	0	2 569 (97.3%)
	Other nationals	76 (2.7%)	77 (2.8%)	0	92 (3.4%)	0	71 (2.7%)
	Total	2 851	2 739	0	2 667	0	2 640

Notes:

- (1) Figures denote the numbers of quotas allotted.
- (2) ASMTP is only applicable to Mainland residents. Therefore, all applicants are Mainland residents.
- (3) CIES has been suspended with effect from 15 January 2015. However, the Immigration Department continues to process the applications received before the suspension in accordance with the rules of the scheme. CIES is applicable to foreign nationals, Chinese nationals with right of abode in a foreign country, stateless persons who have obtained permanent resident status in a foreign country and residents of Macao and Taiwan.

Figures in ( ) denote the percentage share of the total number of applicants

## Annex 2

Statistics on persons approved for admission to Hong Kong under QMAS, ASMTP, IANG and CIES who have acquired right of abode (2015 to 2017)

<i>Immigration scheme/policy</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
QMAS	186	221	194
ASMTP	905	699	828
IANG	1 742	1 979	2 172
CIES	404	728	1 101

Note:

The breakdown is maintained in accordance with applicants' status in Hong Kong at the time of application for the right of abode. The Immigration Department does not maintain statistical breakdowns by region of applicants who acquired right of abode.

**MR GARY FAN** (in Cantonese): *The Secretary has not answered my main question, particularly part (3).*

*As shown by the Secretary's statistics in the main reply, on average, over 90% of the applications approved under the various talent admission schemes were from Mainland people. We can also see a year-on-year increase in the number of non-local graduates obtaining the right of abode in Hong Kong. Of the 3 976 non-local graduates granted approval to stay in Hong Kong in 2010, as many as 2 172 already acquired the right of abode last year (2017). The number of such non-local graduates has been on the rise year after year.*

*As can be seen from these figures and the Director of Audit's report No. 66, the authorities have failed to vet and approve such applications based on the considerations set out in the main reply. The Government has failed to perform the gatekeeping role, as employers are simply unable to provide any evidence of their inability to recruit local talents, and the remuneration packages offered to imported talents are lower than the average monthly remunerations of local talents holding the same posts. The Government's main reply does not mention any reform of the relevant schemes or any specific measures to address the problems and plug the loopholes. As a result, these schemes may become the tools with which Mainland residents obtain the right of abode in Hong Kong. This is my supplementary question, the core of the whole problem, and all I have mentioned are inter-related. Would the Secretary please give a formal reply?*



**SECRETARY FOR INNOVATION AND TECHNOLOGY** (in Cantonese): President, about Mr FAN's supplementary question, if we look at the breakdowns by occupational sectors of those talents imported under the various admission schemes, such as ASMTF and QMAS, we will see that the imported talents are not restricted to the technology sector. For example, under ASMTF, those talents imported in the past years belonged to the sectors of arts, academic research and financial services. They were not the technology talents whom TechTAS aims at.

As for the percentage of Mainland residents obtaining the right of abode as mentioned by Mr FAN, I would say his figures are not up-to-date. Over the past few years, the relevant figures have actually been on the decrease.

**MR MARTIN LIAO** (in Cantonese): *President, since the application threshold of TechTAS is relatively low, the technology industry has told me that the scheme may end up importing the wrong kinds of talents. The industry fears that instead of attracting middle and top technology talents, the scheme may well thwart the entry of local people into the industry.*

*President, can I ask the Government whether it has ever conducted any survey and assessment on the number, career plans, and competitiveness of STEM graduates in Hong Kong? And, if yes, has it used the findings for determining the specific kinds of talents requiring import from the Mainland?*

**SECRETARY FOR INNOVATION AND TECHNOLOGY** (in Cantonese): President, I thank the Honourable Member for his supplementary question.

We have noticed a shortage of local technology talents over the past few years. We have also observed that we are faced with a global competition for technology talents. For example, Shenzhen, Taiwan, Singapore, and Japan have introduced various measures, in an active attempt to attract high-tech talents.

In 2016-2017, 8 567 STEM students completed their undergraduate and postgraduate studies in Hong Kong. Hence, when we formulated TechTAS, we put forward the ratio of "3: 1+2", so as to encourage the companies concerned to

employ local graduates and enrol Hong Kong students in the Internship Programme while drawing talents from outside Hong Kong. Through TechTAS, we can quickly attract overseas technology talents and at the same time nurture our own technology talents to assist in the long-term development of Hong Kong's innovation and technology industry. This scheme can help solve the problem faced by those innovation and technology ("I&T") companies which can obtain financing but cannot recruit any technology professionals in Hong Kong. TechTAS is also able to address specific needs, as it focuses on filling the vacancies in seven technology areas.

We hope that the effort to nurture scientific and technological research talents locally can encourage Hong Kong young people to stay in I&T industry.

**MR JIMMY NG** (in Cantonese): *President, I think that TechTAS focuses too much on getting talents and does not pay so much attention to the formulation of appropriate policies to retain talents. If we are to do a better job in retaining talents, we must help them meet the education needs of their children and solve the problem of medical care.*

*I know that the Zhuhai municipal government has even set up a special division dedicated to finding jobs for the spouses of high-tech talents in the city. This is indeed an example of the most comprehensive kind of care. Shenzhen, which is right next to Hong Kong with just a river in between, also seeks to enhance technology talents' identification with the city using the slogan "Anyone who settles down here is a Shenzhener".*

*May I ask if Hong Kong is going to introduce any policies with greater attractiveness, so as to retain talents? If yes, what are the specific measures? Has the Government been following the situation regarding the entry applications lodged by technology talents? Such talents may stay in Hong Kong for just a short while. If so, does the Government have the relevant figures?*

**SECRETARY FOR INNOVATION AND TECHNOLOGY** (in Cantonese): President, I thank Mr NG for the supplementary question. We have already formulated a number of ancillary measures to help retain technological and scientific research talents coming from overseas. Over the past few years, we

have sought to develop international schools through land allocation. There are now eight new international schools, providing nearly 6 000 places. The trend we have observed over the past few years is that more and more international schools are setting up their branches in Hong Kong.

We understand that we must meet the accommodation needs of talents from overseas, particularly for the younger of them. Hence, the Hong Kong Science and Technology Parks Corporation ("HKSTPC") will construct a type of accommodation called InnoCell to provide appropriate residential units and ancillary facilities to overseas technology talents in Hong Kong. This should serve to facilitate the pooling of talents. The construction is expected to finish in 2021.

Regarding the figures which Mr NG has asked for, I will provide the relevant information later. (Appendix I)

**MR JIMMY NG** (in Cantonese): *President, I understand that more and more international schools ...*

**PRESIDENT** (in Cantonese): Mr Jimmy NG, which part of your supplementary question has not been answered?

**MR JIMMY NG** (in Cantonese): *There are more and more international schools. But will the Government formulate some special plans that can make it easier for children of technology talents from overseas to enter these international schools?*

**PRESIDENT** (in Cantonese): Mr NG, this is not related to your supplementary question. Please follow this up on other occasions.

**MR POON SIU-PING** (in Cantonese): *President, I think TechTAS actually duplicates the functions of other talents admission schemes, and it is just a mere excuse for extending the scope of labour importation.*

*According to the figures provided by the Bureau in the Annexes, there has been year-on-year increases in the number of technology talents coming to Hong Kong, and the number of those who have obtained the right of abode has also been on the rise. The Secretary's reply indicates that ITC will take into consideration the recommendations of HKSTPC and Cyberport before deciding whether or not to approve the talent admission quotas. So, ITC is responsible for vetting and approving the applications. The various admission schemes including those administrated by the Immigration Department ("ImmD") have once drawn criticism from the Audit Commission. Citing the post of Information Technology Manager as an example, it says the remunerations of imported IT managers are lower than the market levels while there is also no proof of any local recruitment effort.*

*Quotas are vetted and approved by ITC, so how can the Government increase the transparency of the scheme and prevent the abuses? Are there any specific arrangements in place?*

**SECRETARY FOR INNOVATION AND TECHNOLOGY** (in Cantonese): President, I thank the Member for his supplementary question. TechTAS is a pilot scheme aiming to address the difficulties of many technology companies in recruiting suitable talent in Hong Kong after setting up their businesses here. Under TechTAS, HKSTPC and Cyberport will first examine the facts of an application, including whether the company concerned is really unable to identify the required talents in Hong Kong, so as determine whether there is a genuine need. Next, ITC will decide whether to provide any quota on the basis of the established criteria. Lastly, ImmD will also have a gate-keeping role to play in the issue of visas. We hope that this pilot scheme can help resolve the current shortage of technology talents. With this in mind, we adopt a very focused approach, only targeting on seven types of technology talents. We intend to review the effectiveness of TechTAS in six to eight months. The talents admitted under TechTAS will only be granted an initial stay of up to 24 months. The renewal of employment visas to allow them to continue to stay and work in Hong Kong will be subject to the decision of ImmD in accordance with its established regulations and criteria.

**MR CHARLES PETER MOK** (in Cantonese): *President, an Innovation and Technology Bureau official told us during the announcement of TechTAS that the scheme would have a quota of 1 000 people. According to a South China Morning Post's report today, ITC has consulted Cyberport and HKSTPC when projecting the existing and expected demand. But when asked by reporters, ITC replied that no formal study had been conducted, that all was just a rough estimation worked out on the basis of daily interactions, and that ITC did not have any documentary or data support. If even the Innovation and Technology Bureau ignores the importance of data analysis in its policy formulation process, how can the Government promote the use of big data? It is already late to conduct a study now, because the scheme has been announced. But will the Government make up for the omission and conduct a study now, because this is the only way to know which areas are in need of talents, how many talents are required, and whether we are in need of fresh graduates or experienced personnel.*

**SECRETARY FOR INNOVATION AND TECHNOLOGY** (in Cantonese): President, I thank Mr MOK for his supplementary question. HKSTPC and Cyberport have been holding regular contacts with different technology companies. I think Mr MOK should also know that we are facing a global competition for talents. Our neighbouring cities like Shenzhen and Singapore have already introduced various measures to attract talents. The very aim of TechTAS is the speedy processing of applications for importing technology talents overseas under a quota system. As for the overall demand for talents, we will of course consider the formulation of a long-term policy on talents, so as to explore which types of talents we are in lack of. The introduction of the scheme can enable us to have an arrangement capable of speedy processing. But in the meantime, we will also conduct an in-depth study to look into the long-term technology talent strategies.

**PRESIDENT** (in Cantonese): Mr Charles Peter MOK, which part of your supplementary question has not been answered?

**MR CHARLES PETER MOK** (in Cantonese): *President, the Secretary has not answered my question. The study he talks about has never been conducted. Will the Government kick start the study now as a remedy? It will not be sensible to ask the authorities to withdraw the scheme after it has been launched.*

*But the study can help us understand the demand for talents. Despite the claim that the study has been in progress, it has never been commenced. So, will the authorities conduct this study now?*

**PRESIDENT** (in Cantonese): Mr MOK, you have already raised your supplementary question. Please sit down. Secretary, do you have anything to add?

**SECRETARY FOR INNOVATION AND TECHNOLOGY** (in Cantonese): President, I mainly wish to point out that this pilot scheme is essentially a new arrangement. As I have said just now, we plan to run this trial scheme for at least six months, and then we will review its effectiveness. In the meantime, we will also examine which types of technology talents we are in lack of. This is what we call "walking on two legs".

**PRESIDENT** (in Cantonese): Fourth question. Mr LAM Cheuk-ting, please ask our question.

### **Building designs adding difficulties to repair and maintenance works**

(Mr Gary FAN stood up)

**PRESIDENT** (in Cantonese): Mr Gary FAN, what is your point?

**MR GARY FAN** (in Cantonese): *President, I request a headcount.*

**PRESIDENT** (in Cantonese): Mr Gary FAN has requested a headcount.

Will the Clerk please ring the bell to summon Members back to the Chamber.

(While the summoning bell was ringing, Mr CHAN Hak-kan stood up)

**PRESIDENT** (in Cantonese): Mr CHAN Hak-kan, what is your point?

**MR CHAN HAK-KAN** (in Cantonese): *President, according to the established practice of the Legislative Council, if a Member is not present or if he is still waiting for his turn to speak, he should not display the prop on the bench. Now I can see four props displayed on Members' benches. Will the President deal with them?*

**PRESIDENT** (in Cantonese): Although the Rules of Procedure has not included any specific requirement regarding Members displaying an exhibit in the Chamber, usually the President will consider whether or not the exhibit is relevant to the items on the agenda, whether or not it will cause any obstruction to the President or other Members, as well as whether or not it will cause safety concerns and then the President will make the appropriate decision to deal with it. As to the issue raised by Mr CHAN, since all the four Members concerned are not present in the Chamber, and the exhibits are irrelevant to the agenda items of this meeting, Secretariat staff may remove those exhibits on display.

(When Secretariat staff were removing the exhibits, Mr LAM Cheuk-ting stood up)

**PRESIDENT** (in Cantonese): Mr LAM Cheuk-ting, what is your point?

**MR LAM CHEUK-TING** (in Cantonese): *Will our Secretariat staff please hold on? I am discussing the matter with the President.*

(A number of Members kept speaking aloud in their seats)

**MR LAM CHEUK-TING** (in Cantonese): *The President is listening to my remarks, so why don't you wait just one minute? President, Members place these display boards here because they wish to urge you to conduct the meeting in*

*accordance with the Rules of Procedure in an equitable manner; therefore I consider the display boards are relevant to the meeting.*

(Secretariat staff removed the display boards)

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

**PRESIDENT** (in Cantonese): Mr LAM Cheuk-ting, please ask your question.

4. **MR LAM CHEUK-TING** (in Cantonese): *It has been reported that quite a number of residential buildings newly completed in recent years were constructed with bay windows, fitted with glass curtain walls, installed with decorative components on external walls, and had air-conditioners and drainage pipes installed in concealed locations on the external walls. Such design features have added difficulties to the repair and maintenance works, e.g. the work locations being inaccessible from the inside of the buildings. Since scaffolds cannot be erected on the external walls of some buildings, the more expensive gondolas are needed to be used when works are carried out on the external walls, thus increasing the financial burdens on property owners. Furthermore, due to the design constraints of some external walls, gondolas cannot get close to the work locations. As a result, workers have to stretch their bodies out of the gondolas when carrying out works. This, coupled with the gondolas swinging with the wind, has increased the risk of workers falling from height. In this connection, will the Government inform this Council:*

- (1) *of the number of industrial accidents in the past five years in which workers fell from height while carrying out works on external walls of buildings and the resultant casualties (with a breakdown by whether the relevant works were carried out by using scaffolds or gondolas);*
- (2) *whether it will formulate policies and guidelines to stipulate that the needs of future repair and maintenance works have to be taken into account in the building designs, so as to minimize the need to carry*



*out works at height and to ensure that scaffolds can be erected on the external walls for carrying out the relevant works; and*

- (3) *of the measures put in place to step up the regulation of works on the external walls of buildings which are already completed so as to protect the safety of workers working at height?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, the Government is highly concerned about the safety of works carried out at external walls of buildings. According to the occupational safety and health legislation administered by the Labour Department, duty-holders (including contractors/employers) have the duty to conduct task-specific risk assessment before commencing repair and maintenance works at external walls, including taking the actual working environment and condition (such as the uniqueness of building design) into consideration, and based on the results of the risk assessment, to formulate appropriate safe working methods, procedures and necessary safety measures. The Labour Department, through promulgation of Codes of Practice ("CoP")/Guidelines, publicity and promotion, as well as carrying out routine inspections, ensures the safety of workers working at external walls of buildings. The Government also understands the importance of building design to the safety of works carried out at external walls, and relevant government departments are actively following up on this issue.

In consultation with the Development Bureau and the Buildings Department, the Labour and Welfare Bureau provides a consolidated reply to the three parts of the question as follows:

- (1) From 2013 to 2017, there were 13 fatal industrial accidents relating to workers falling from height during renovation and repair works carried out at the external walls of existing buildings, resulting in the death of 14 workers. Among these cases, 11 involved the erection, dismantling or use of scaffolds. None of the cases involved the use of suspended working platforms ("SWPs"). According to the results of the accident investigations conducted by the Labour Department, there was no evidence showing that the design of the external walls of these buildings was not suitable for erection of scaffolds to carry out the works. The Labour Department does not

keep the figures of non-fatal accidents relating to repair and maintenance works at external walls.

- (2) With regards to the design of new buildings, in order to encourage the industry, when designing buildings, to consider the incorporation of facilities to facilitate external inspection and maintenance of buildings, the Buildings Department implemented new initiatives in early 2016. In considering applications for exemption of components of the exterior of buildings, such as air conditioners ("ACs") platforms and curtain walls, from gross floor area ("GFA") calculation, the provision of ancillary facilities for repair and maintenance of such exterior components is one of the prerequisites. The Buildings Department has issued a circular letter to the industry in December 2016 promulgating Guidelines for Designing Access and Safety Provisions for the Maintenance and Repair of External Air Conditioners at Height ("Guidelines for Designing"). The Guidelines for Designing set out the requirements regarding adequate working spaces around ACs, appropriate access, and so on. Upon issue of the Guidelines for Designing, development projects with general building plans first approved by the Buildings Department involving exclusion of ACs platforms from the GFA calculation should comply with the Guidelines for Designing and provide relevant ancillary facilities. A working group was set up by the Buildings Department, the Labour Department and the building industry in 2017 to review the Guidelines for Designing to facilitate workers carrying out repair works safely. The working group also reviews the requirements for installing cast-in anchor devices on external walls to complement the use of safety belt. The Buildings Department will consult the building industry later on the proposed revisions to the Guidelines for Designing per the established procedures.

The Buildings Department is now looking into the legislative amendment of the Building (Construction) Regulations (Cap. 123B) including introduction of requirements to mandate provision of adequate safety facilities in building design to facilitate future repair and maintenance works on external walls. When the amended regulations commence operation, the Buildings Department will

require Authorized Persons to provide information on the facilities for external repair of buildings, such as working platforms that conform with legislations relating to occupational safety and health, and so on. Such facilities must be specified on the building plans for consideration and approval by the Buildings Department for compliance with the proposed revised provisions. To complement the proposed amended regulations, the Buildings Department is formulating guidelines on the design of access for repair and will consult the building industry per the established procedures later.

- (3) The Labour Department administers the Occupational Safety and Health Ordinance (Cap. 509), the Factories and Industrial Undertakings Ordinance (Cap. 59) and their subsidiary regulations. The Labour Department, through inspection and enforcement including area patrols outside office hours and special enforcement operations targeting high risk works such as working at height, sends officers to carry out surprise inspection on works carried out at external walls of buildings, with a view to deterring operation contravening safety regulations and to enhancing safety of such works. The legislation stipulates the safety requirements for work at height (including works carried out at external walls) that duty-holders should comply with, including erection of safe working platforms, as well as provision of secure fences, safe access and egress and suitable fall-arrestors for working platforms to protect the occupational safety of workers working at height.

On working-at-height, the Labour Department published CoP/Guidelines, including the CoP for Bamboo Scaffolding Safety, CoP for Safe Use and Operation of SWPs, Guidance Notes on Classification and Use of Safety Belts and their Anchorage Systems, and so on. They set out practical operation requirements and measures for general working environment/condition in respect of external wall works safety to help contractors/employers understand and comply with the legislative requirements and their responsibilities under other legislations. Under this principle, the Labour Department will review and update the relevant CoP/Guidelines from time to time to reflect the changes in general working environment.

However, as the design of the external walls of buildings varies, contractors/employers have the duty to conduct task-specific risk assessment before commencing repair and maintenance works at external walls, including taking the actual working environment and condition (such as the uniqueness of building design) into consideration, and based on the results of the risk assessment, to formulate appropriate safe working methods, procedures and necessary safety measures including the provision of suitable working platforms and fall arrestors for the workers and ensuring their proper use, in order to comply with statutory work-safety requirements. When necessary, contractors/employers should also seek professional advice.

**MR LAM CHEUK-TING** (in Cantonese): *President, the Government states in part (1) of the main reply that from 2013 to 2017, there were 13 fatal accidents, resulting in the death of 14 workers. This situation is extremely worrying. These days, the designs of many new residential buildings are beautiful but not practical. Workers having to clean all those huge glass curtain walls are faced with immense difficulties. Also, in many cases, due to the design of the external wall and the location of the light well, a gondola cannot get anywhere close to the external wall. As a result, workers must kind of dangle in the air when working. What is more, the structures of external walls also make the erection of scaffolds difficult, as most positions on external walls simply do not contain any concrete sections large enough to support the installation of metal brackets. As a result, maintenance workers are sometimes forced to erect scaffolds at unsuitable positions on external walls, and this will plunge them into great risks.*

*President, the Government points out in part (2) of the main reply that in early 2016, the Buildings Department already implemented a measure that makes the provision of ancillary maintenance facilities one of the requirements that must be satisfied. Can the Development Bureau tell me whether it is correct to say that as long as a gondola can somehow get close to certain positions on an external wall, the above requirement can already be met, even though the workers carrying very heavy things such as a split-type air-conditioner must lean over the gondola in order to get the job done? If yes, can the workers or property owners concerned be provided with adequate protection?*

**PRESIDENT** (in Cantonese): Which Secretary will reply to this supplementary question? Under Secretary for Development, please reply.

**UNDER SECRETARY FOR DEVELOPMENT** (in Cantonese): President, I thank Mr LAM Cheuk-ting for raising the supplementary question. To begin with, we must point out that gondolas are already used very widely in Hong Kong. According to the Labour Department's CoP for Safe Use and Operation of SWPs, gondolas are to be used to carry workers, site personnel or engineers in the course of works at height, such as the installation of glass curtain walls and windows, window cleansing, and the face-lifting of building bridges, chimneys and other external building structures. As building designs vary from case to case, ancillary maintenance facilities, such as metal brackets, may also be needed for the conduct of external wall maintenance and repairs. Therefore, a gondola alone may not necessarily satisfy the "safe access" requirement. Rather, we must also take account of building designs and how maintenance works can be carried out most conveniently.

**MR LUK CHUNG-HUNG** (in Cantonese): *President, why are there so many bizarre architectural designs that emphasize visual beauty at the expense of safety? Such designs cause many difficulties to the maintenance of external building walls, such as the impossibility of erecting scaffolds. And, even if a scaffold can somehow be erected, it will not be able to meet the minimum requirement of using three expansion screws. This causes very great danger. In case of an accident, the works contractor or even the workers involved may have to bear legal liabilities, because they have violated the requirements of the CoP for Bamboo Scaffolding Safety.*

*I also wish to tell the President and the Secretary that many problems will occur when gondolas are used. First, new buildings are very tall, generally with 40 to 50 storeys, and the wind is strong even around the lower storeys. When the wind gusts, a gondola will dangle and sway like a playground swing, thus causing great danger to the workers. Second, does the Secretary know the cost of using a gondola for one operation? It is some \$10,000.*

*The repair of an air-conditioner ...*

**PRESIDENT** (in Cantonese): Mr LUK Chung-hung, please ask your supplementary question directly.

**MR LUK CHUNG-HUNG** (in Cantonese): ... Yes, yes. *The Government has approved so many bizarre architectural designs that emphasize visual beauty at the expense of safety. Will it admit that the guidelines issued back then were problematic? Will it even admit that the present situation is the result of a human error? What remedial measures will it introduce? It is all very fine for the Government to keep improving the criteria for approving new architectural designs, but how about the old ones? Are we going to let them remain as they are for ever? Are we going to ignore them altogether?*

**PRESIDENT** (in Cantonese): Which Secretary will reply to this supplementary question? Under Secretary for Development, please reply.

**UNDER SECRETARY FOR DEVELOPMENT** (in Cantonese): President, I thank Mr LUK for his supplementary question. As our main reply points out, back in early 2016, we already implemented a new measure in respect of the designs of new buildings: when considering applications for exemption of components of the exterior of buildings, such as air-conditioner platforms and glass curtain walls, from GFA calculation, we will require the provision of ancillary maintenance facilities as a prerequisite, so as to encourage the industry to provide such facilities. The Buildings Department already announced the Guidelines for Designing in a circular letter issued to the industry in December 2016. The Guidelines for Designing requires, among other things, the provision of adequate working spaces around air-conditioners and appropriate access. Upon the issuance of the Guidelines for Designing, development projects with general building plans first approved by the Buildings Department involving exclusion of air-conditioner platforms from GFA calculation should comply with the Guidelines for Designing and provide relevant ancillary facilities.

About the building plans that have already been approved, it is possible that some of those buildings may not have been built in accordance with the guidelines, because the guidelines are not part of the Buildings Ordinance that requires mandatory compliance by the industry. But I need to point out that our approval or otherwise of any new building plans has always, invariably, based on the prevailing requirements under the Buildings Ordinance.

**DR HELENA WONG** (in Cantonese): *President, the main question is about whether or not the Government will amend the relevant laws to make building designs more maintenance-friendly. The Secretary's main reply says that the Buildings Department will conduct a review and explore the issue of amending the Building (Construction) Regulations.*

*Under Secretary, apart from working platforms, will the review mentioned above also cover those gigantic glass curtain walls that are fixed and sealed, as well as the reflective materials on external walls? This is not only about occupational safety. This is also about being good to maintenance workers, and about the mitigation of light pollution.*

*So, can the Government tell me whether it will ask the Buildings Department to ensure that the review will also explore the need for maintenance-friendly building designs and the avoidance of scaffolds as much as possible?*

**UNDER SECRETARY FOR DEVELOPMENT** (in Cantonese): *President, I thank Dr WONG for raising the supplementary question. As stated in the main reply, the Buildings Department is now looking at various amendments to the Building (Construction) Regulations, including a provision requiring the presence of adequate safety facilities in building designs to facilitate future repairs and maintenance of external building walls.*

*After the commencement of the amendment regulations, the Buildings Department will require Authorized Persons to provide information on repairing the external facilities of buildings. Apart from air-conditioners, the external walls of a building are also its external facilities. Such information, for example, must show that it will be possible to erect working platforms in compliance with the legislative requirements on occupational safety and health, and so on. And, all this must be concretely shown in the building plan for consideration and approval by the Buildings Department and as a fulfilment of the proposed legislative amendment. To tie in with the proposed amendment regulations, the Buildings Department is formulating guidelines on the design of access for repairs and we will consult the construction industry under the established procedures later.*

**MR HO KAI-MING** (in Cantonese): *President, I must say that the Under Secretary is not very familiar with the subject, because we have conducted site visits with the Under Secretary's subordinate, the Permanent Secretary. Actually the Hong Kong Federation of Trade Unions has been following the issue for a long time. We know that the new guidelines already require the provision of safe repairs access for ensuring workers' safety.*

*Some new buildings have become time-bombs, and this is what my supplementary question is all about. These buildings were completed just a few years ago, and due to design constraints, gondolas must be hung on external walls during repairs works for the purpose of carrying very heavy objects, such as the main units of air-conditioners. The one big problem here, I think, is what will happen to residents several years later when they need to replace their air-conditioners. How many times must they use a gondola then? An individual owner must pay more than \$10,000 for one repairs operation, you know. Also, two workers must be hired to bring along the 40 to 50 kg-main unit of an air-conditioner on a gondola. This is very dangerous, and the bombs will go off in several years' time.*

*How are the Development Bureau and the Labour and Welfare Bureau going to tackle this problem? Do they have any methods to deal with this foreseeable problem? I do not want to see this problem endanger more workers in the future.*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): *President, I can appreciate Members' concern over this issue. Under the existing arrangement, contractors or employers must conduct the task-specific risk assessment I have mentioned. In those cases mentioned by Members where the installation of metal brackets and even the use of gondolas cannot be possible, we must conduct the task-specific risk assessment and find out how the places requiring repairs can be reached safely. During a risk assessment, experts must be consulted if necessary. One possibility that can be considered is to erect on the external wall a suspended structure which extends from the inside of a building and provides sufficient carrying capacity. But since there are many different building designs, we cannot possibly formulate a separate set of guidelines for each type of design. That said, if Members can identify any specific cases where all conventional methods cannot work, the authorities will be happy to explore with the relevant duty-holders how these cases can be tackled.*



**MS ALICE MAK** (in Cantonese): *President, very good, as I can have a chance to respond to the Secretary's remarks. Buildings which Members describe as having no repairs solutions are actually plentiful, otherwise we would not have followed the problem for several years.*

*The Secretary says in the main reply that the Labour Department is responsible for enforcing various codes of practice and guidelines, including the CoP for Bamboo Scaffolding Safety, CoP for Safe Use and Operation of SWPs, Guidance Notes on Classification and Use of Safety Belts and their Anchorage Systems, and so on.*

*Mr LUK Chung-hung has pointed out that under the CoP for Bamboo Scaffolding Safety, three expansion screws are required for the erection of a stable working platform. But how can this be possible in the case of glass curtain walls? How can workers erect a safe working platform? The designs of all those buildings are beautiful but not practical, so how can this be possible?*

*We actually have one big worry here. The authorities formulated the Guidelines for Designing in 2016, but how about the buildings completed before 2016? And, what has happened to the working group set up by the Buildings Department, the Labour Department and the construction industry in 2017 to review the Guidelines for Designing? In the meantime, new buildings simply keep springing up, and there is a huge variety of designs, all getting more and more unusual and strange. Workers thus face increasing difficulties in their tasks but decreasing safety protection. Should we still keep waiting endlessly for the outcomes the Administration's snail-pace review? How are we going to deal with all those problems raised by Mr HO Kai-ming and Mr LUK Chung-hung, like the conveyance of air-conditioners outside external building walls? Secretary, how are you going to tackle the existing repairs problems with these buildings?*

**PRESIDENT** (in Cantonese): Which Secretary will reply to this supplementary question? Secretary for Labour and Welfare, please reply.

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, I think what has been discussed is just one of the scenarios. You know, even when a whole external wall is a glass curtain wall, we may still use a gondola as

long as it can get close to the wall. In that case, it may not be necessary to erect any scaffolds. But then, I also heard Members talk about cases where the external wall must be repaired, but both the use of a gondola and the erection of a scaffold cannot be possible. How are we going to deal with such cases? President, I am no expert. In such cases, we must ask for technical advice from experts, so as to ascertain whether we should work from the bottom to the top, or from the top to the bottom, or from the inside to the outside. I understand there is some difficulty here because expert advice may cost money, and this is actually the common concern of us, of the various sides. When dealing with these specific cases, our aim is to enhance workers' safety and find out how we can assist employers or owners in resolving the problems they are facing. We are happy to maintain discussions with all sides.

(Mr Gary FAN and Mr AU Nok-hin each placed a display board on their respective desks again)

**PRESIDENT** (in Cantonese): Mr Gary FAN and Mr AU Nok-hin, I have ruled earlier that the display board on your desk has nothing to do with the agenda items being discussed in the meeting. Please remove the display boards.

(Mr AU Nok-hin stood up)

**PRESIDENT** (in Cantonese): Mr AU Nok-hin, what is your point of order?

**MR AU NOK-HIN** (in Cantonese): *President, I maintain that our display boards are related to today's meeting, because I hope the President can chair the meeting wisely and properly enforce, not abuse the Rules of Procedure. I hope that you can allow us to uphold the rights to put these items on display. Actually they can remind you ...*

**PRESIDENT** (in Cantonese): Mr AU Nok-hin, thanks for your commendation, but as Mr CHAN Hak-kan has pointed out just now, your display board is out of order.

**MR AU NOK-HIN** (in Cantonese): *No. What Mr CHAN Hak-kan said is that I can display the item as long as I am present. Display is prohibited only when I am not in the Chamber.*

**PRESIDENT** (in Cantonese): I have made my decision based on the conventions of this Council. The two Members please remove their display boards.

**MR AU NOK-HIN** (in Cantonese): *I do not think my display board contains any insult. I have made it MeituPic.*

**PRESIDENT** (in Cantonese): Please remove the display board.

**PRESIDENT** (in Cantonese): Fifth question.

### **Reproduction of Hong Kong currency notes and possession of counterfeit currency notes**

(Mr Gary FAN stood up)

**PRESIDENT** (in Cantonese): Mr Gary FAN, what is your point?

(Mr Gary FAN expressed his view about his display board)

**PRESIDENT** (in Cantonese): Mr FAN, I have already made my ruling. Please remove your display board.

Fifth question. Mr James TO, please put your question.

(Mr AU Nok-hin stood up)

**PRESIDENT** (in Cantonese): Mr AU Nok-hin, what is your point?

**MR AU NOK-HIN** (in Cantonese): *President, I request a headcount.*

**PRESIDENT** (in Cantonese): Mr AU Nok-hin has requested a headcount.

Will the Clerk please ring the bell to summon Members back to the Chamber. Will the two Members please remove your display boards.

(Mr AU Nok-hin and Mr Gary FAN withdrew their display boards)

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

5. **MR JAMES TO** (in Cantonese): *"One with a harelip is wary of broken bowls". President, it has been reported that in the year before last, the Police found in a props company a large number of replica banknotes which were claimed to be used as film props. The owner of the company was convicted last month of possessing counterfeit currency notes and sentenced to four months' imprisonment, suspended for two years. Angered and shocked by the judgment, some members of the film industry pointed out that the authorities had never issued clear guidelines on the legal requirements for reproduction of banknotes, nor had they carried out publicity in this respect, resulting in members of the industry breaching the law inadvertently. In this connection, will the Government inform this Council:*

- (1) *whether it has plans to draw up for the film industry a more flexible and simpler application procedure for reproducing banknotes, including making the application form and detailed requirements available on the website of the Film Services Office ("FSO"), so as to encourage members of the industry to file applications in accordance with the law; if so, of the details; if not, the reasons for that;*
- (2) *given that representatives of FSO, the Hong Kong Monetary Authority and the Police discussed the relevant issues with members of the film industry yesterday, of the views and suggestions put forward at the meeting, as well as the outcome; and*

- (3) *whether it will consider establishing a regime to regulate the film props industry, under which only those props companies approved by the Government may design, produce and rent out props of a high degree of resemblance to the genuine ones, such as replicas of banknotes, guns, Police Warrant Cards, government documents, so as to strike a balance between supporting the production of high-quality films and prevention of the illicit activities; if so, of the details; if not, the reasons for that?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, according to section 103 of the Crimes Ordinance (Cap. 200 of the Laws of Hong Kong), a person who reproduces on any substance whatsoever, and whether or not to the correct scale, any Hong Kong currency note or any part of a Hong Kong currency note, must first obtain the consent in writing of the Hong Kong Monetary Authority ("HKMA").

My reply to Mr James TO's question is as follows:

(1) and (2)

In view of the concerns raised recently by the film and television sectors in relation to the application for reproducing Hong Kong currency notes for filming purposes, the Film Services Office of Create Hong Kong ("FSO") under the Commerce and Economic Development Bureau has actively followed up on the case by liaising with different industry associations and listened to their views. FSO acted as a facilitator and lined up a meeting yesterday (19 June) for industry representatives to exchange views direct with HKMA and the Police. Industry participants included representatives of the Federation of Hong Kong Filmmakers, the Hong Kong Televisions Association, the Hong Kong Film Directors' Guild, the Hong Kong Film Assistant Directors' Association, the Hong Kong Film Arts Association and the Hong Kong Movie Production Executives Association.

At the meeting, to ease the concerns of the trade, detailed explanations were given on the existing application procedures and compliance requirements for using prop currency notes for filming;

the Police also elaborated on their established follow-up arrangements, including the requirements for storage and destruction of the prop currency notes and monitoring measures.

Parties at the meeting also discussed ways to enhance the trade's understanding of the relevant guidelines, with a view to achieving a suitable balance between meeting the trade's expectations and effective crime prevention.

In particular, to further facilitate the trade's understanding of the requirements under the guidelines, HKMA would provide the application guidelines in Chinese, which has now been uploaded to HKMA's website for easy reference. A link to the guidelines has also been provided on FSO's website. HKMA will in slower time attach to the guidelines a set of samples demonstrating the required size of the prop currency notes and distinguishing designs and features that would set the prop notes apart from genuine banknotes. An application form will also be attached to the guidelines to facilitate the applicants' filling out of the required information.

- (3) Making props is a professional segment of the film and television sectors. As per FSO's understanding, while there are a number of prop companies providing different props for the industry, most of the props used for film productions are specifically procured or produced by art directors of individual films to suit the specific filming needs of that particular film concerned. Given the tremendous variety and types of props and the different requirements of and for props peculiar to different productions, it would not be cost-effective for the Government to standardize the regulation of the making of different props, a move which would also dampen the creativity of the industry.

Currently, there are established procedures for and guidelines on using prop banknotes or modified firearms for filming purposes. The relevant authorities would take into account of considerations relevant to the project concerned in granting permissions. It is therefore difficult to standardize the handling of props across the board. For production of certain props, such as identity or warrant cards of government officers or logos of government departments,

FSO would assist in obtaining consent from the relevant departments to ensure no infringement of copyrights. FSO will also continue to provide appropriate assistance to the trade in handling other filming issues.

**MR JAMES TO** (in Cantonese): *President, the main reply shows that the Government does not think there is anything wrong with its existing practices. It only talks about the need to make it easier for the industry to enhance its understanding of the matter. But the truth is that in the past, the Government actually rejected applications from the industry upfront, and even stopped accepting applications from the industry for some time.*

*President, let us put these issues aside and look forward. The Government now wants to simplify the procedures. I had a discussion with members of the industry this morning, and we came up with the following two proposals for the Government's consideration. The first proposal is environment-friendly and will save the need to destroy replica banknotes. It can also support the development of the industry. The Government can provide a fixed quantity of replica banknotes and then entrust FSO to keep stock of the replica banknotes for borrowing by the industry. Designated persons of the industry can borrow the replica banknotes for use and then return them to the Government. The second proposal is based on overseas practices. Companies in the industry that can meet certain standards can be exempted from the complicated application formalities, or are only required to make a simple notification, for using a fixed quantity of standard replica banknotes. Will the Government consider these proposals?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): I thank Mr TO for his supplementary question. First, I wish to respond to the comment that HKMA did not approve the applications. As far as I know, HKMA received several applications at the end of 2017, at which time investigations on several criminal cases of counterfeit currency notes were in progress. Out of prudence, HKMA put applications on hold, but it forgot to state this reason in its reply. In this connection, HKMA has issued a clarification.

Moreover, I agree with Mr James TO that we should look ahead. In the meetings over the past weeks and yesterday, members of the industry and our colleagues have maintained a cooperative attitude. The industry hopes that we can clearly explain the application procedures and the guidelines. We have done so in the meetings over the past weeks and yesterday. Besides, HKMA has undertaken that it will simplify the procedures, and committed itself to further shortening the present vetting time of two weeks, provided that all papers are submitted on time by the applicants.

Moreover, Mr TO asked just now whether the Government could be the one to produce replica banknotes for usage by the industry. As I said in the main reply, prop banknotes are professionally produced by art directors, who may make the banknotes differently depending on the needs of different movie themes. Moreover, I wish to point out that prop banknotes are only one segment of prop production. In the applications received from the industry by FSO, only 10-odd applications were about prop banknotes. It is thus evident that FSO has mainly been assisting the industry in conducting outdoor shooting. As for other props, such as uniforms, logos or identity cards of departments, we will continue to facilitate and assist such matters.

Regarding props production, as members of the sectors said to us yesterday and in the past weeks, they do not mind following the existing system. They mainly wish to know the guidelines and application procedures clearly, and we have done so.

**MR AU NOK-HIN** (in Cantonese): *President, part (2) of the Secretary's main reply mentions the requirements on replicating Hong Kong currency notes, such as the need for replicas to bear the "water mark" and be one-fifth bigger or smaller than genuine banknotes. But these requirements will reduce the realism of films.*

*There is a practice in overseas countries. Their governments provide banknotes for film production companies for film shooting through some agencies. Will the Bureau consider this option so that films will not lose their realism because of the policy?*



**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): I thank Mr AU for his supplementary question. Regarding the guidelines, as I have said, details of the application procedures and the guidelines have been uploaded onto the website. A point to note on the required material and size is that, as Mr AU has mentioned, the sectors suggest that replica banknotes can be 20% bigger or smaller than genuine banknotes. If we refer to the samples, when the size of a replica banknote is enlarged or reduced by 20%, it does not look very different from a genuine banknote. The industry can make use of shooting angles or skills to conceal the difference and still be able to make films with a degree of realism.

As for individual requests, as we mentioned in the meeting yesterday, HKMA is very happy to explore further with the industry to see if there is any room for relaxing the requirements or making discretionary treatment. I thus encourage the industry to use this channel more, and FSO is more than willing to act as a bridge between the industry and the relevant departments.

As I just said, we will not take up the production of prop banknotes. In fact, there is already this service in the market. Besides, prop banknotes are only a small segments of props. The industry needs a variety of assistance. For instance, they need more help in outdoor filming. We thus need to strike a balance in our work. Hence, we will leave this to the industry to tackle. The industry is satisfied with our replies made in the meetings yesterday and over the past week, and we will continue to cooperate in this direction.

**MR CHAN CHI-CHUEN** (in Cantonese): *The Secretary states in the fourth paragraph of the main reply that HKMA will provide the application guidelines in Chinese, which has now been uploaded to HKMA's website for easy reference; and a link to the guidelines has also been provided on FSO's website. These are newly launched measures. In other words, HKMA's website did not have application guidelines in Chinese before and FSO's website did not have the link either.*

*The authorities did not accept applications for replicating Hong Kong currency notes to be used as film props, and the Secretary has clarified today that it was only a temporary decision. Although the decision was temporary, it is still a problem. Should all film shooting be stopped just because an investigation into a case is in progress?*

*President, here is my supplementary question. Since the application procedures have been unclear, which the Government also admits, law-abiding individuals find it difficult to submit applications according to the statutory procedures. Secretary, if any individuals breached the law because of their failure to duly follow the procedures, should HKMA, FSO or the Commerce and Economic Development Bureau take part of the responsibility?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): Mr CHAN mentioned people who did not duly comply with the procedures and breached the law, and asked whether the Government or the departments concerned should take responsibility. First, I wish to point out that the decision to initiate prosecution is made by the Police based on legal advice from the Department of Justice and the circumstances of individual cases and the evidence available. We know that the person concerned is about to file an appeal. Thus, I will not make any comments on the case. But I wish to point out ...

**MR CHAN CHI-CHUEN** (in Cantonese): *I am not referring to any specific case. I am saying that in the circumstance just mentioned, whether the Government should be held partly responsible for people who breach the law because they cannot duly comply with the procedures.*

**PRESIDENT** (in Cantonese): Mr CHAN Chi-chuen, you have already asked your supplementary question. Please sit down. Secretary, please continue with your reply.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, I thank Mr CHAN for his supplementary question. First of all, I wish to clarify that the laws or the application guidelines are not drafted specifically for the industry. As I said in the main reply, we saw members of the public suffer losses involving prop banknotes. It is thus necessary to enact an ordinance to strike a balance between assisting the industry and protecting the public. In the past, the reason ...

(Mr James TO stood up)

**MR JAMES TO** (in Cantonese): *President, a point of order.*

**PRESIDENT** (in Cantonese): Mr James TO, what is your point?

**MR JAMES TO** (in Cantonese): *President, the main reply does not contain what the Secretary just said.*

**PRESIDENT** (in Cantonese): Secretary, please be brief with your reply.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): Perhaps, let me make a brief response. Maybe I said so in one of the follow-up replies just now. Sorry.

I wish to continue with my reply just now. Mr CHAN just asked why FSO did not have the guidelines concerned or why the website did not have the relevant information. I wish to say, as I also said in a follow-up reply just now, that past applications submitted by the industry mostly concern outdoor filming or other requests for assistance, and we only received 13 applications regarding prop banknotes. We promptly transferred the applications to HKMA for processing. So, quantity-wise, there are not many applications and we have followed up the applications.

As Mr James TO said, we have to be forward-looking. We have to do better. We have already provided the relevant information in HKMA's website and FSO's website.

**MR CHAN CHI-CHUEN** (in Cantonese): *President, my supplementary question is very simple. Many people breached the law because of the ambiguous guidelines. I asked whether the Government should be held responsible. Should or should not.*

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

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): We have the responsibility to clearly explain the application procedures under the law and the guidelines. We have done so in the meetings over the past few weeks and yesterday.

**MR IP KIN-YUEN** (in Cantonese): *President, I think HKMA has already responded to the requests of the film and television industries. It has already dealt with part of the problems. However, I have a reminder for the Administration. The problem of prop banknotes affects not just the film and television industries, but also the education sector. People may find what I said peculiar. I am specifically referring to special schools here. Some teachers of special schools have sought help from me. They are worried that they may breach the law inadvertently because they need to use banknotes to teach small children not to be cheated. They thus need to use banknotes that are highly like genuine ones and cannot use common toy banknotes.*

*I also notice that in a news article on 22 July 2012, parents raised concerns over the use of prop banknotes in special schools. But these schools may not use a large quantity of prop banknotes. The reporter also happened to have asked Mr James TO for his opinion in the news article. In fact, apart from addressing the needs of the film and television industries, the authorities should also address the needs of special schools.*

*I notice that HKMA uploaded onto its website the Reproduction of Hong Kong Currency Notes as Stage Money (General Guidelines). The guidelines state that applicants have to provide the name of the film or TV programme concerned; in other words, the guidelines are not applicable to schools. Schools do not have a channel to apply for using prop banknotes. Is there a channel for schools to do so? Will the Government seriously consider how to address the aspirations of special schools?*

**PRESIDENT** (in Cantonese): Mr IP Kin-yuen, your question is irrelevant to the main question. Secretary, will you answer the question?

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, I thank Mr IP for his supplementary question. As far as I know, most of the 600-odd applications received by HKMA in the past 10 years,

were for education or teaching purposes. Hence, HKMA will make suitable decisions in this regard. If the education sector wishes to know more, or if it has such a need, I am willing to make the liaison and hold a briefing session like the one we held for the film and television industries this time.

**MR MA FUNG-KWOK** (in Cantonese): *President, regarding this incident, the industry has a few concerns. The first is about the application time; the second is the quantity, and many applications in the past were rejected; and the third is that prop banknotes do not look like genuine ones. Hence, as the Secretary just said, only a small quantity of prop banknotes were applied for in the past. But we do see that many TV programmes and films with scenes using prop banknotes. This shows that the industries have been at a loss what to do. Some of them do not know they are required to make applications, and those who do know find it difficult to obtain approval, so they choose not to make applications.*

*The incident has already taken place, and I also agree that we should look forward. Thus, the industries and I attended the meeting yesterday. I believe the meeting yesterday has allayed many of our concerns and increased our understanding of the matter. The industries are willing to comply with the law and respect the needs of society. Despite the commitment made by the Administration yesterday, the industry is still concerned whether the commitment can be maintained. Moreover, the sectors ...*

**PRESIDENT** (in Cantonese): Mr MA Fung-kwok, please put your supplementary question directly.

**MR MA FUNG-KWOK** (in Cantonese): *... Here is my supplementary question. If members of the industry still find this approach difficult to comply with after a period of implementation, they suggest following the practice of prop guns to establish a licence system to put professional props operators under regulation, and provide convenient services for the sectors. Is this approach feasible? Is the Government willing to consider this approach? But of course, this is on the premise that when the industry finds it necessary to do so, will the Government be willing to do so?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, I thank Mr MA for his supplementary question and for providing us with many valuable suggestions at the meeting yesterday.

As I mentioned in the follow-up reply just now, we know what the industries want the most is to a clear explanation by the Administration on the existing legislation, the application procedures and the guidelines. To date, we have not heard strong requests, or are not aware of any requests for amending the law, formulating other guidelines or setting up a regulatory system similar to the one for prop guns. But of course, we will continue to liaise closely with the industries and Mr MA. We remain open in this regard if the sectors do have such a request.

**PRESIDENT** (in Cantonese): Last oral question. Mr HO Kai-ming, please put your question.

### **Regulation of occupational retirement schemes**

(Mr CHAN Chi-chuen stood up)

**MR CHAN CHI-CHUEN** (in Cantonese): *President, a point of order. Please do a headcount.*

**PRESIDENT** (in Cantonese): Mr CHAN Chi-chuen has requested a headcount.

Will the Clerk please ring the bell to summon Members back to the Chamber.

(While the summoning bell was ringing, THE PRESIDENT'S DEPUTY, MS STARRY LEE, took the Chair)

(A number of Members returned to the Chamber, but some Members did not return to their seats)

**DEPUTY PRESIDENT** (in Cantonese): Will Members please return to their seats, so that we may do the headcount.

(After the summoning bell had been rung, a number of Members returned to the Chamber, but some Members did not return to their seats)

**DEPUTY PRESIDENT** (in Cantonese): Will Members please return to their seats. A quorum is present in the Chamber. The meeting now continues.

Secretary for Financial Services and the Treasury, please give a reply.

(Mr HO Kai-ming stood up)

**DEPUTY PRESIDENT** (in Cantonese): Mr HO Kai-ming, what is your point?

**MR HO KAI-MING** (in Cantonese): *Deputy President, I have not asked my main question.*

**DEPUTY PRESIDENT** (in Cantonese): Mr HO Kai-ming, please ask your main question.

6. **MR HO KAI-MING** (in Cantonese): *It has been reported that last month, a company was placed into voluntary liquidation and made more than 100 employees redundant. Among them, more than 40 were members of an occupational retirement scheme (commonly known as "ORSO scheme"). However, since the liquidator has all along not furnished the employees' information to the trustee of the ORSO scheme, the employees concerned have so far been unable to withdraw the benefits totalling \$40 million under the ORSO scheme. As the ORSO scheme has been granted Mandatory Provident Fund ("MPF") exemption, the Mandatory Provident Fund Schemes Authority ("MPFA") is unable to provide assistance, and the trustee has only advised them to request the liquidator to furnish the relevant information expeditiously. Regarding the regulation of ORSO schemes, will the Government inform this Council:*

- (1) *of the current number of ORSO schemes that have been granted MPF exemption; whether it knows the respective current numbers of employers and employees who have joined such schemes, and the total accrued benefits under such schemes;*
- (2) *whether a liquidator is required under the existing legislation to furnish, within a certain timeframe, the account information of the ORSO scheme of the company in liquidation to the trustee of the scheme; if not, whether the Government will enact legislation in this regard with a view to expediting the relevant procedure; and*
- (3) *whether it will study the enactment of legislation to include ORSO schemes in the regulatory scope of MPFA?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Deputy President, the objective of the Occupational Retirement Schemes Ordinance (Cap. 426) ("the Ordinance") is to establish a registration system for occupational retirement schemes ("ORSO schemes") voluntarily established by employers to ensure that such schemes are properly regulated, and to provide greater certainty that retirement scheme benefits of these schemes promised to employees will be paid when they fall due. Employers who operate retirement schemes that fall under the ambit of the Ordinance are required to apply to the Registrar of Occupational Retirement Schemes, namely the Mandatory Provident Fund Schemes Authority ("MPFA"), for registration or exemption of their schemes.

When the Mandatory Provident Fund ("MPF") system was launched on 1 December 2000, registered schemes and exempted schemes under the Ordinance may apply to MPFA for MPF exemption pursuant to the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485B).

With regard to the case of voluntary winding up of a company as mentioned in the question, after receiving enquiries from affected scheme members since 17 May about contributions held in the relevant ORSO scheme, MPFA has in fact immediately contacted the trustee, the third-party administrator and the liquidator, urging them to handle enquiries from affected scheme members and arrange for payment of benefits as soon as possible. MPFA has requested the trustee concerned to provide dedicated hotline service for account



enquiries by affected scheme members and arrange a meeting with affected scheme members together with MPFA and the liquidator for providing one-stop services to the scheme members.

In response to Legislative Council Members, MPFA met with around 40 affected scheme members on 31 May to understand their concerns and explain to them follow-up actions of MPFA. The trustee also met with scheme members on 13 June together with MPFA and the liquidator, to explain the procedures for withdrawal of benefits and process relevant applications.

My reply to the question raised by Mr HO is as follows:

- (1) As at 31 March 2018, there were 3 358 MPF exempted ORSO schemes, of which 3 149 were ORSO registered schemes and 209 were exempted schemes. The 3 149 ORSO registered schemes covered 4 955 employers and 327 911 members with assets totalling about HK\$302.9 billion. As for the 209 exempted schemes, they were generally offshore schemes registered or approved by overseas authorities or ORSO schemes where the majority of members were not Hong Kong employees. Exempted schemes are not required to provide such information to MPFA.
- (2) The Ordinance does not require a liquidator to send account information of an insolvent company's provident fund schemes to a trustee within a prescribed period. Under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), the main duty of a liquidator is to complete the winding-up procedures of the company as soon as possible, including realization of the company's assets, payment of the company's debts, and adjustment of the rights of the contributories (namely every person liable to contribute to the assets of a company in the event of its being wound up) among themselves, and so on.

In general, the liquidator will first collect the relevant documents and member information and then process and verify such information as soon as practicable. After agreeing with members on the amount of their severance payment, the liquidator will pass the information to the relevant trustees for arrangement of offsetting and payment of members' assets. Generally, the winding-up procedures will be

carried out in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32). The time required to complete an individual task depends on the actual circumstances.

- (3) As mentioned above, all ORSO schemes operating in or from Hong Kong are governed by the Ordinance and fall under the regulatory ambit of MPFA. Under the Ordinance, registered schemes must comply with the statutory requirements in relation to assets, trusteeship, investment, funding, and other requirements related to audit and actuarial review and disclosure of information to employees. Assets of a registered scheme must be separated from assets of the relevant employer.

**MR HO KAI-MING** (in Cantonese): *Deputy President, as mentioned by the Secretary just now, a liquidator actually plays a very important role in the handling process. But a liquidator is not designated by employees, and the former's task is mainly to assist creditors in handling their debts rather than processing information for employees on a priority basis. I wish to ask the Secretary if the authorities will improve the procedures under other retirement schemes in this regard or even enact legislation as a means of enabling employees to get back their contributions as soon as possible. According to the information provided by the Secretary just now, the benefits of each employee under the retirement scheme at least amount to \$900,000. May I ask if the Government can assist in handling this problem?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Deputy President, as stipulated in law, the assets under a registered scheme must be separated from the assets of the employer and the scheme administrator. The separation of assets can avoid any impact on the relevant assets as a result of the employer's business closure or bankruptcy. In the present case, for example, affected scheme members can receive their benefits around two months after the trustee has received all the required information and documents.

Just now, Mr HO asked if the law could be amended to enable employees to get back their assets under registered schemes earlier. As I said just now, a liquidator performs many different duties. Apart from dealing with MPF schemes or ORSO schemes, his main duty is to complete the liquidation process

for a company as soon as possible. The circumstances of liquidation vary from one case to another. The processing speed must depend on the individual circumstances of cases. Therefore, enacting legislation on requiring a liquidator to provide specific information to a third-party administrator within a certain time frame may not necessarily be able to expedite the relevant process.

In fact, liquidators are generally professionals such as lawyers or accountants. They must comply with their respective professional codes of practice. Besides, liquidators is duty-bound to exercise due diligence for the creditors or scheme members who appoint them, and they may be legally liable for any misconduct. Therefore, we think that our existing regulation of liquidators is sufficient.

**MS ALICE MAK** (in Cantonese): *Deputy President, the Secretary asserted just now that this case called for intervention from multiple sides, and MPFA, the Secretary and Legislative Council Members had already done a lot to enable affected employees to get back their benefits within a short time ... Actually, they must wait quite some time instead of a short time before they could get back their benefits.*

*But if it is impossible to amend the law as asserted by the Secretary, what will the authorities do to ensure that when a company liquidates, a liquidator will provide the relevant information to a trustee in an expeditious and timely fashion, so as to enable employees to get back their benefits as soon as possible? The reason I ask is that at present, the provision of assistance must rely on cooperation among various sides, but there is no time limit. If this is not a duty of a liquidator just as the Secretary asserted, a liquidator may handle the matter very slowly with the mindset of "just doing them a favour". In that case, how can employees receive any protection? As Members all know, employees will be very frustrated when their companies liquidate. To them, their benefits are a kind of "lifesaver" which can help them.*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Deputy President, around 10 of the employees I mentioned earlier have lodged a complaint with MPFA. Their main concern is whether there is any problem with their assets (meaning the trustee's assets), and whether they can get back their benefits. After meeting with the employees concerned, MPFA already explained a point to them. As I said just now, the main point is that the

assets under their retirement scheme must be separated from the assets of their employer or the scheme (that is, third-party) administrator. Therefore, under any circumstances, they need not worry or fear that they will be unable to get back their benefits if this process is followed.

As for certain cases, such as those where employees may be in need of early assistance to deal with wage default due to their companies' bankruptcy or liquidation, the Protection of Wages on Insolvency Ordinance actually sets out the arrangements for them to seek direct assistance from the Labour Department. The Labour Department will assist affected employees in registration and recording the relevant information while also helping those employees facing default on wage payments or statutory benefits to apply for ex-gratia payments under the Protection of Wages on Insolvency Fund ("the Fund").

If a case involves default on wage payments or payments in lieu of notice other than ORSO schemes I discussed just now, they are also protected by statutory provisions. Ex-gratia payments will be granted under the Fund where necessary. Therefore, it is not right to say that we are unwilling to amend the law. Deputy President, the Labour Department, MPF schemes and ORSO schemes have offered sufficient protection under the existing legislation, so as to avoid any impacts on employees' rights and interests.

In this exceptional case, we are aware that the affected ORSO scheme members are mainly high-ranking employees with higher salaries and longer years of service. Most of them are ORSO rather than MPF scheme members. Therefore, apart from default on wage payments and other statutory benefits, they are also concerned about the arrangements for their accrued benefits. One example is the time of getting back such benefits. But the existing overall legal framework is equipped with sufficient provisions requiring liquidators to handle various matters with due diligence, and the Labour Department will also offer assistance. When necessary, MPFA will intervene in a case and negotiate with the trustee and the liquidator, so as to assist affected employees.

**MR LEUNG YIU-CHUNG** (in Cantonese): *Deputy President, the Secretary said earlier that with existing legal protection, employees needed not worry because several funds had been set up to offer due protection to employees, including the Fund and even severance payments. But the emphasis of the main question is that employees need to wait a long time before they can get back their benefits under their retirement schemes. As Members all know, this process is a*

*mental torture to employees. The very nature of retirement schemes is that various sums should be independent of one another, and a trustee should likewise be independent. Even if a company liquidates, the relevant sums should be independent of the company's finances.*

*May I ask the Secretary how the authorities will ensure that employees can get back their due retirement protection as soon as possible under the relevant circumstances? This is rather the most important issue, and the Secretary should not just keep saying in his replies that various ordinances and funds will offer protection for employees. This matter is not that simple. And, there is also the problem with time. Can the authorities reduce the time needed? This is rather the most important.*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): I wish to thank the Honourable Member for his supplementary question. Deputy President, speaking of the time needed, I already pointed out in my earlier replies that in the case concerned, affected employees could get back their benefits around two months later. As for the Honourable Member's concern about possible delays under certain circumstances, I wish to say that as I said just now, a liquidator bears duties in several aspects. Therefore, they will handle employees' benefits under ORSO schemes or MPF schemes in accordance with the general liquidation process.

I wish to mention one point. While the circumstances of liquidation vary from one case to another, sections 241 and 242 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance stipulate that at a meeting of creditors where creditors appoint a liquidator, the directors of a company shall cause a full statement of the position of the company's affairs to be laid before the meeting of creditors, and the statement must show the names of the company's creditors (including all employees) and the estimated amount of the claim of each of the creditors. Therefore, at a meeting of creditors where a liquidator is appointed, the company's directors will furnish the relevant information to the liquidator. One of the several steps I mentioned just now is that the liquidator will liaise with the trustee or the third-party administrator (if any). Some procedures are likewise involved in this process. After verifying the information, they will furnish the information to the trustee, so as to enable employees to receive due protection.

**MR HOLDEN CHOW** (in Cantonese): *Deputy President, as a practising lawyer, I must point out that liquidation involves a statutory process. In the course of conducting the relevant statutory process, a court order must first be obtained in order to proceed with various steps. In theory, a liquidator must conduct this process step by step, including the meeting of creditors mentioned by the Secretary just now.*

*My supplementary question is this. Am I right to say that the reason for the hindrance in this process is—I notice that the main reply also points out—that the computation of severance payments must be agreed by the members of the company? Or, is the hindrance caused by difficulties in ascertaining the company's assets or even the impossibility to make the relevant arrangements? Are they the reason why the whole process is hindered? In the process, the persons involved must report to the Court where appropriate or obtain a court order. Is the hindrance in the process caused by the failure to agree on the sums of severance payments or ascertain the distribution of assets?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Deputy President, these are not the circumstances of this case because a third-party administrator is involved. Its circumstances are clear, and they are not the same as those mentioned by the Honourable Member.

But I wish to mention one point because Mr CHOW gave a very good example just now. As the money is in the hands of the trustee, why is it impossible to speed up the process and "settle the bill" by issuing a cheque? I wish to say the reason is that generally speaking, when processing documents relating to severance payments, a liquidator must first verify the accounts and obtain employees' agreement on using their ORSO scheme assets to offset their severance payments when necessary. They must also compute the sums in this regard. Due to time constraints, I am not able to go into the details.

Before disbursing any assets to employees, a trustee must consider the time when they began to join their ORSO scheme: whether it was before or after the commencement of the MPF system on 1 December 2000. If employees joined the scheme after this date, they will be unable to get back their whole sums at once due to the need to compute the minimum MPF benefits in their assets and transfer the whole sums concerned from their ORSO scheme accounts to MPF scheme accounts for preservation. Minimum MPF benefits are the same as MPF

benefits, in the sense that they must be withdrawn pursuant to the relevant legislation. A liquidator must handle the details together with a third-party administrator and a MPF trustee. So, employees cannot simply get back their benefits under the relevant circumstances. This is my addition.

**MR PAUL TSE** (in Cantonese): *Deputy President, I wish to follow up a question asked by various Members.*

*As far as I understand it, a current difficulty is this. Around one month has passed since the authorities began to follow up this matter on 17 May. Is it a normal process? Certainly, one such case is already way too many. But can the authorities tell Members more about the general process of handling such cases when they occur? If the Secretary thinks that the reason is insufficient information—I say so because as pointed out in part (2) of the main reply, the Ordinance has not imposed any time limit on the liquidator concerning the provision of information—then I must point out that after going over the Ordinance (Cap. 426), I have found that section 33 clearly stipulates that the Commissioner has the power to demand the provision of a great deal of information. In this regard, has the Government offer as much assistance as possible and use its power?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Deputy President, we will use our power where necessary. But in the present case, full information has been provided, and the third-party administrator has been successfully contacted. As mentioned by Mr TSE just now, since the case happened in the middle of May, we have initiated contact many times and held discussion meetings with the third-party administrator, the trustee and the beneficiaries. The beneficiaries are aware that their benefits will not be affected. Besides, the parties involved need some time to transfer the minimum MPF benefits of those employees who joined the ORSO scheme after 1 December 2000 to their MPF scheme accounts. Under these circumstances, we do not see any need to use our power.

**DEPUTY PRESIDENT** (in Cantonese): Oral questions end here.

**WRITTEN ANSWERS TO QUESTIONS****Support for elderly persons with disabilities**

7. **MR SHIU KA-CHUN** (in Chinese): *President, at present, an applicant may not concurrently receive more than one of the various allowances (including Old Age Allowance ("OAA"), Disability Allowance ("DA") and Old Age Living Allowance ("OALA")) under the Social Security Allowance Scheme. As such, the Social Welfare Department ("SWD") will not arrange medical assessment for those elderly persons who are receiving OALA to ascertain if they are eligible for DA. On the other hand, where a taxpayer claims Disabled Dependent Allowance ("the tax allowance") for maintaining a dependent who is not a DA recipient, the Inland Revenue Department ("IRD") may demand the taxpayer to submit a Medical Assessment Report issued by the Director of Health or the Chief Executive of the Hospital Authority ("medical authorities"), certifying that the dependent's disabling condition meets the eligibility requirements for DA in the relevant year of assessment. In this connection, will the Government inform this Council:*

- (1) of the maximum number of years that may be covered by the aforesaid Medical Assessment Reports issued by the medical authorities based on medical records; whether IRD will refuse a claim for the tax allowance on the grounds that a taxpayer has failed to provide a Medical Assessment Report covering the relevant year of assessment; whether the authorities will review the arrangements for claiming the tax allowance;*
- (2) whether at present, persons with disabilities may request, on their own and without being arranged by SWD, the medical authorities to issue the above Medical Assessment Reports; if so, of the details; if not, the reasons for that; and*
- (3) given that elderly persons with disabilities in general have more financial needs than those who are old but without disabilities or those who are not old but with disabilities, whether the authorities will consider afresh disbursing both DA and OAA to elderly persons with disabilities?*



**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Chinese): President, in consultation with the Labour and Welfare Bureau and the Food and Health Bureau, my reply to Mr SHIU's question is as follows:

At present, a taxpayer can claim the Disabled Dependant Allowance ("DDA") if he/she maintains a dependant who is eligible to claim an allowance under the Government's Disability Allowance Scheme in any year of assessment. The Inland Revenue Department ("IRD") will process the claim for DDA by the taxpayer in respect of the eligible dependant even if the dependant who is eligible for the Disability Allowance ("DA") does not claim such an allowance or has opted for the Old Age Living Allowance ("OALA").

Taxpayers need not submit any proof when claiming DDA. IRD may require individual taxpayers to submit evidence of the dependant's eligibility for DA in reviewing the applications. If the dependant has applied to the Social Welfare Department ("SWD") for DA, the taxpayer can provide the file number of the dependant's application as proof. If the dependant has not claimed an allowance under the Government's Disability Allowance Scheme (including those eligible for DA but have opted for OALA), IRD will send a review letter to the taxpayer and request the taxpayer to submit a medical assessment issued by a registered medical practitioner certifying that the disability condition is assessed in accordance with the definition of such a condition under the Comprehensive Social Security Assistance ("CSSA") Scheme or the Social Security Allowance Scheme, so as to substantiate that the disability condition of the dependant warrants DA in the relevant year. To facilitate the taxpayer to submit a proper Medical Assessment Report to substantiate DDA claim, IRD will send a medical assessment form issued by SWD for the purpose of assessing DA application together with the review letter. The taxpayer is not required to request SWD to arrange for his/her dependant to convert to DA or issue the medical assessment form afresh. The medical assessment form completed and signed by the registered medical practitioner can already satisfy IRD's requirement as evidence for the purpose of claiming DDA.

For parts (1) and (2) of the question, IRD must ensure that the deduction of DDA complies with section 31A of the Inland Revenue Ordinance. If a taxpayer fails to provide a Medical Assessment Report covering the year of assessment concerned in respect of the dependant during the review, IRD cannot accept the claim for DDA in respect of the dependant in that year of assessment. Based on IRD's past experience, taxpayers were in general able to provide the

required Medical Assessment Reports during the review of DDA claims. In fact, the Medical Assessment Reports for review cases are acceptable by IRD so long as the Reports can indicate that the year of assessment concerned is covered by the disability duration. While the existing review procedures are operating smoothly, IRD will review the arrangements with relevant bureaux and departments when necessary.

For part (3) of the question, DA and Old Age Allowance ("OAA") under the Social Security Allowance Scheme are non-contributory and non-means-tested. These two schemes are addressing the special needs of the respective target groups of beneficiaries, and a person should not receive both allowances concurrently. For instance, persons with severe disabilities, regardless of age, generally require more assistance and care from others when compared to elderly persons without disabilities, and hence the rate of DA (monthly payments of Normal DA and Higher DA are \$1,720 and \$3,440 respectively) is higher than that of OAA (\$1,345 per month). Moreover, this arrangement is in line with the "no double benefits" rule, which ensures the sustainability of the social security system. The Government has no plan to change this rule.

Elderly persons with disabilities who have financial needs may consider applying for the means-tested OALA (monthly payments of Normal OALA and Higher OALA are \$2,600 and \$3,485 respectively) or CSSA Scheme having regard to their circumstances and wishes. At present, the average CSSA monthly payment for an elderly singleton is \$6,394. In general, elderly persons with disabilities are provided with higher payment rates than able-bodied elderly persons.

### **Future plans for public wholesale food and fish markets**

8. **MR STEVEN HO** (in Chinese): *President, some members of the public have relayed to me that in the vicinity of certain public wholesale food and fish markets, quite a number of residential developments have been completed in recent years, and the operation of such markets has affected the daily lives of nearby residents. They also hold the view that some of these wholesale markets are well poised to be developed into facilities with tourism appeal. Regarding the future plans for those markets, will the Government inform this Council:*

- (1) *whether it will identify suitable locations for the reprovisioning of the Cheung Sha Wan Temporary Wholesale Poultry Market and the North District Temporary Wholesale Market for Agricultural Products, so that the sites thus vacated can be planned afresh for other uses which will dovetail with community needs; if so, of the details and the implementation timetable; if not, the reasons for that; and*
- (2) *whether it will, by making reference to successful examples (e.g. the Pike Place Market in Seattle, the United States, the Tsukiji Fish Market in Tokyo, Japan and the Fish Market in Bergen, Norway), study ways to enhance the benefits that may be brought by public wholesale markets, e.g. converting the Aberdeen Wholesale Fish Market into an integrated facility that brings together a market for trading fisheries products, seafood restaurants and outlets for local products, so as to boost the development of the fisheries industry and the tourism industry; if so, of the details and the implementation timetable; if not, the reasons for that?*

**SECRETARY FOR FOOD AND HEALTH** (in Chinese): President, my reply to various parts of the question is as follows:

- (1) The Civil Engineering and Development Department has commissioned a technical consultancy study on potential sites for relocating a number of existing wholesale markets (including Cheung Sha Wan Temporary Wholesale Poultry Market) and for other industrial uses in North West Tsing Yi. The study is expected to be completed in 2020. The Government will consult relevant stakeholders, having regard to the outcome of the above study and other considerations.

On the other hand, the North District Temporary Wholesale Market for Agricultural Products to be affected by the proposed construction of the Fanling Bypass Eastern Section will be reprovisioned to an adjacent site in phases. Funding approval for the project would be sought from the Legislative Council in the first quarter of 2019.

- (2) The aim of establishing wholesale food markets is to facilitate the wholesaling activities of the trade. In considering whether such

markets could be used for purposes or hosting public events other than wholesaling, we have to ensure the purpose or event concerned would not affect the normal operation of the market as well as the safety of the public participating in the event. The primary function of the Aberdeen Wholesale Fish Market ("AWFM") is to provide wholesale services for fish buyers. AWFM is already running in its full capacity. In the past, relevant government departments had examined if the market could be developed into a tourist spot, but concluded that there lacked a number of elements to make it a success. In addition, in order to provide commercial facilities in AWFM, the safety issue arising from the gathering of a large number of tourists in the market must be properly addressed, and planning and land use approvals have to be obtained. The proposal involves many stakeholders and a variety of complicated technical issues. The proposal's commercial viability as well as attractiveness to operators of restaurants and tourist facilities also have to be considered.

### **Lifeguard manpower and water quality of public swimming pools**

9. **MS STARRY LEE** (in Chinese): *President, recently, a number of swimming pool complexes under the Leisure and Cultural Services Department ("LCSD") were wholly or partially closed temporarily due to an insufficient number of lifeguards on duty. Some lifeguard unions have estimated that 900 lifeguards will be needed to fully meet the needs during the swimming season. However, there are only a total of some 400 full-time and part-time lifeguards at present. On the other hand, there have been reports from time to time in recent years about the poor water quality of public swimming pools and its potential perils to swimmers' health. In this connection, will the Government inform this Council:*

- (1) *of the staff establishment, strength and number of vacancies of lifeguards of LCSD (including civil service lifeguards and non-civil service contract seasonal lifeguards) in the past three years, and set out a breakdown by name of public swimming pool complex/beach and the District Council ("DC") district to which the complex/beach belonged, as well as by peak and non-peak swimming season;*

- (2) *of the details of partial or whole closures of public swimming pool complexes/beaches (including the reasons for and number of closures and the types of facilities involved) each month in the past three years, and set out a breakdown by name of public swimming pool complex/beach and the DC district to which the complex/beach belonged;*
- (3) *of the attendance of various public swimming pool complexes in each of the past three years, and set out a breakdown by mode of admission (i.e. paying the normal rate, paying the concessionary rate, holding a monthly ticket and being a group user), name of public swimming pool complex and the DC district to which it belonged;*
- (4) *given that several new swimming pools will be completed in the coming several years and that some existing swimming pools will be converted into heated pools and have their service hours extended, whether the authorities have reviewed the staff establishment, grade structure, remuneration and promotion prospect of lifeguards, and the recruitment ratio of civil service lifeguards and non-civil service contract seasonal lifeguards, so as to ensure that there will be sufficient lifeguards on duty;*
- (5) *of the number of complaints received by LCSD in each of the past three years about the water quality of swimming pools, and set out a breakdown by name of public swimming pool complex and the DC district to which it belonged, as well as by content of complaint; and*
- (6) *as some studies have pointed out that the urea content in the water of public swimming pools is on the high side, posing potential perils to public health, whether the current filtering systems at public swimming pools are effective in filtering out urea; whether LCSD will consider making urea content in the pool water one of the parameters to be monitored; if so, of the details; if not, the reasons for that?*

**SECRETARY FOR HOME AFFAIRS** (in Chinese): President, currently, the Leisure and Cultural Services Department ("LCSD") manages 44 public swimming pools, 41 gazetted public beaches, and five water sports centres across

the territory. The safety of swimmers has always been the prime concern for LCSD in arranging the manpower of lifeguards. My reply to the six parts of the question is as follows:

- (1) A breakdown of the staff establishment, strength and vacancies of lifeguards at swimming pools/beaches in the past three years by district is tabulated at Annex 1.
- (2) LCSD will consider closing the entire swimming pool complexes or suspend the lifeguard services at beaches in response to unexpected incidents such as inclement weather, water pollution at swimming pools/beaches, urgent repair works, red tide, oil spill or unexpected absence of lifeguards, etc. Details on the closure of the entire swimming pool complexes or the suspension of lifeguard services at beaches for the reasons mentioned above in the past three years are at Annex 2. In daily operation, swimming complexes will also be partially suspended in response to factors such as regular alternate inspections and maintenance, partial failure of facilities, manpower resources of lifeguards, usage pattern of swimmers, possible impact to outdoor facilities due to adverse weather conditions like lightning, thunder, rainstorm and water pollution (such as presence of vomitus), etc. Detailed statistical figures on partial suspension of swimming pools are not available. Besides, there is no partial closure of beaches.
- (3) A breakdown of the attendances at public swimming pools in the past three years by district and swimming pool is tabulated at Annex 3.
- (4) LCSD attaches great importance to human resource management of lifeguards for the sake of swimmer's safety. The department is actively reviewing the establishment and remuneration of lifeguards and has implemented a number of policies and management measures to ensure adequate lifeguards are available to provide services at swimming pools and beaches. Regarding the manpower ratio of civil service lifeguards to non-civil service contract seasonal lifeguards, the review needs to consider various factors, such as the operating hours of swimming pools and beaches in a year and during

swimming season, the number of swimmers, the manpower demand due to increasing number of swimming facilities in future, etc. Generally speaking, civil service lifeguards are employed for service needs which are steady throughout the year while non-civil service contract seasonal lifeguards are employed for service needs which are seasonal in nature. In the past few years, there has been a steady increase in the number of civil service lifeguards and there is also an increased number of non-civil service contract seasonal lifeguards. Details of the human resources policies, management measures and the growth in the number of lifeguards are at Annex 4.

- (5) A breakdown of the number of complaints received by LCSD about pool water quality by district and swimming pool is tabulated at Annex 5.
- (6) LCSD attaches great importance to the hygiene of public swimming pools. Pool water of its public swimming pools is continuously circulated, filtered and sterilized throughout the opening hours. Making reference to the guidelines issued by the World Health Organization ("WHO") ("the Guidelines"), LCSD has drawn up parameters for monitoring the water quality of its public swimming pools. Such parameters include, among other things, the Free Residual Chlorine, pH value, total bacteria count, E. coli, Vibrio cholerae and turbidity of pool water. According to the Guidelines, urea content is not one of the parameters to be monitored for pool water. In addition, LCSD consults the Department of Health from time to time on issues relating to hygiene and health. To ensure that the hygiene of pool water is up to standard, apart from taking water samples for testing of residual chlorine levels and pH value on an hourly basis during opening hours, LCSD has also assigned accredited laboratories to conduct testing on the pool water of its swimming pools on a weekly basis to ascertain that the water quality is up to the relevant standard. Furthermore, publicity efforts have also been stepped up to urge swimmers to observe personal hygiene, including reminding them not to pollute pool water and to go through a shower and visit the toilet before swimming, etc.

## Annex 1

## Number of Lifeguards at Public Swimming Pools and Gazetted Beaches in 2015

District	Number of Civil Service Lifeguards (Senior Lifeguards and Lifeguards as at 1 August)				Number of Seasonal Lifeguards ("SLG")							
					Non-peak Months (as at 1 April)				Peak Months (as at 1 August)			
	Establishment (a)	Strength (b)	Vacancy/Surplus (c) = (a) - (b)	Percentage of Vacancy over Establishment (c) / (a)	Basic Requirement (d)	Number of SLG Recruited (e)	Vacancy/Surplus (f) = (d) - (e)	Percentage of Vacancy over Basic Requirement (f) / (d)	Basic Requirement (g)	Number of SLG Recruited (h)	Vacancy/Surplus (i) = (g) - (h)	Percentage of Vacancy over Basic Requirement (i) / (g)
Central and Western	34	36	-2	-5.9%	12	8	4	33.3%	16	14	2	12.5%
Eastern	72	74	-2	-2.8%	34	25	9	26.5%	41	38	3	7.3%
Southern	111	107	4	3.6%	73	73	0	0.0%	107	89	18	16.8%
Wan Chai	23	23	0	0.0%	14	14	0	0.0%	16	14	2	12.5%
Kowloon City	41	44	-3	-7.3%	37	37	0	0.0%	49	44	5	10.2%
Kwun Tong	58	59	-1	-1.7%	14	14	0	0.0%	34	30	4	11.8%
Sham Shui Po	62	54	8	12.9%	28	28	0	0.0%	62	60	2	3.2%
Wong Tai Sin	36	38	-2	-5.6%	21	21	0	0.0%	36	33	3	8.3%
Yau Tsim Mong	49	56	-7	-14.3%	11	11	0	0.0%	37	35	2	5.4%
Islands	93	85	8	8.6%	47	46	1	2.1%	57	55	2	3.5%
Kwai Tsing	57	55	2	3.5%	44	43	1	2.3%	55	54	1	1.8%
North	31	29	2	6.5%	15	15	0	0.0%	26	25	1	3.8%
Sai Kung	114	117	-3	-2.6%	31	31	0	0.0%	94	80	14	14.9%
Sha Tin	76	74	2	2.6%	28	28	0	0.0%	66	65	1	1.5%
Tai Po	24	22	2	8.3%	26	26	0	0.0%	25	25	0	0.0%
Tsuen Wan	88	87	1	1.1%	42	42	0	0.0%	78	73	5	6.4%
Tuen Mun	133	130	3	2.3%	48	48	0	0.0%	100	100	0	0.0%
Yuen Long	49	46	3	6.1%	25	25	0	0.0%	40	40	0	0.0%
Total	1 151	1 136	15	1.3%	550	535	15	2.7%	939	874	65	6.9%

Note:

- # Vacancies/surplus in individual districts were mainly due to officers on trial in other civil service grades and temporary redeployment of manpower to meet operational needs.



## Number of Lifeguards at Public Swimming Pools and Gazetted Beaches in 2016

District	Number of Civil Service Lifeguards (Senior Lifeguards and Lifeguards as at 1 August)				Number of Seasonal Lifeguards ("SLG")							
					Non-peak Months (as at 1 April)				Peak Months (as at 1 August)			
	Establishment (a)	Strength (b)	Vacancy/Surplus (c) = (a) - (b)	Percentage of Vacancy over Establishment (c) / (a)	Basic Requirement (d)	Number of SLG Recruited (e)	Vacancy/Surplus (f) = (d) - (e)	Percentage of Vacancy over Basic Requirement (f) / (d)	Basic Requirement (g)	Number of SLG Recruited (h)	Vacancy/Surplus (i) = (g) - (h)	Percentage of Vacancy over Basic Requirement (i) / (g)
Central and Western	34	32	2	5.9%	2	2	0	0.0%	5	4	1	20.0%
Eastern	47	45	2	4.3%	31	24	7	22.6%	36	34	2	5.6%
Southern	111	105	6	5.4%	80	69	11	13.8%	112	89	23	20.5%
Wan Chai	51	55	-4	-7.8%	11	11	0	0.0%	17	10	7	41.2%
Kowloon City	41	41	0	0.0%	38	35	3	7.9%	51	38	13	25.5%
Kwun Tong	58	56	2	3.4%	13	13	0	0.0%	37	34	3	8.1%
Sham Shui Po	62	61	1	1.6%	25	25	0	0.0%	55	52	3	5.5%
Wong Tai Sin	36	39	-3	-8.3%	21	21	0	0.0%	35	26	9	25.7%
Yau Tsim Mong	49	54	-5	-10.2%	13	13	0	0.0%	39	29	10	25.6%
Islands	93	92	1	1.1%	37	27	10	27.0%	52	34	18	34.6%
Kwai Tsing	57	49	8	14.0%	45	43	2	4.4%	56	56	0	0.0%
North	31	29	2	6.5%	0	0	0	0.0%	26	25	1	3.8%
Sai Kung	121	113	8	6.6%	34	34	0	0.0%	97	78	19	19.6%
Sha Tin	77	71	6	7.8%	27	27	0	0.0%	67	67	0	0.0%
Tai Po	24	24	0	0.0%	23	23	0	0.0%	23	23	0	0.0%
Tsuen Wan	89	87	2	2.2%	43	43	0	0.0%	79	67	12	15.2%
Tuen Mun	133	130	3	2.3%	47	47	0	0.0%	101	92	9	8.9%
Yuen Long	53	49	4	7.5%	24	24	0	0.0%	38	37	1	2.6%
Total	1 167	1 132	35	3.0%	514	481	33	6.4%	926	795	131	14.1%

Note:

# Vacancies/surplus in individual districts were mainly due to officers on trial in other civil service grades and temporary redeployment of manpower to meet operational needs.

## Number of Lifeguards at Public Swimming Pools and Gazetted Beaches in 2017

District	Number of Civil Service Lifeguards (Senior Lifeguards and Lifeguards as at 1 August)				Number of Seasonal Lifeguards ("SLG")							
					Non-peak Months (as at 1 April)				Peak Months (as at 1 August)			
	Establishment (a)	Strength (b)	Vacancy/Surplus (c) = (a) - (b)	Percentage of Vacancy over Establishment (c) / (a)	Basic Requirement (d)	Number of SLG Recruited (e)	Vacancy/Surplus (f) = (d) - (e)	Percentage of Vacancy over Basic Requirement (f) / (d)	Basic Requirement (g)	Number of SLG Recruited (h)	Vacancy/Surplus (i) = (g) - (h)	Percentage of Vacancy over Basic Requirement (i) / (g)
Central and Western	53	52	1	1.9%	2	2	0	0.0%	19	12	7	36.8%
Eastern	48	45	3	6.3%	33	16	17	51.5%	38	21	17	44.7%
Southern	111	105	6	5.4%	78	65	13	16.7%	112	81	31	27.7%
Wan Chai	51	54	-3	-5.9%	12	4	8	66.7%	20	5	15	75.0%
Kowloon City	41	44	-3	-7.3%	38	25	13	34.2%	49	31	18	36.7%
Kwun Tong	58	53	5	8.6%	16	16	0	0.0%	41	39	2	4.9%
Sham Shui Po	62	64	-2	-3.2%	23	23	0	0.0%	53	49	4	7.5%
Wong Tai Sin	36	37	-1	-2.8%	21	20	1	4.8%	36	27	9	25.0%
Yau Tsim Mong	49	54	-5	-10.2%	12	10	2	16.7%	39	26	13	33.3%
Islands	93	87	6	6.5%	34	22	12	35.3%	50	35	15	30.0%
Kwai Tsing	72	70	2	2.8%	46	27	19	41.3%	56	48	8	14.3%
North	31	29	2	6.5%	15	15	0	0.0%	26	25	1	3.8%
Sai Kung	121	119	2	1.7%	30	27	3	10.0%	93	65	28	30.1%
Sha Tin	77	73	4	5.2%	28	28	0	0.0%	70	58	12	17.1%
Tai Po	24	25	-1	-4.2%	23	23	0	0.0%	23	23	0	0.0%
Tsuen Wan	89	87	2	2.2%	45	43	2	4.4%	81	59	22	27.2%
Tuen Mun	133	125	8	6.0%	52	52	0	0.0%	91	90	1	1.1%
Yuen Long	53	53	0	0.0%	19	19	0	0.0%	33	35	-2	-6.1%
Total	1 202	1 176	26	2.2%	527	437	90	17.1%	930	729	201	21.6%

Note:

- # Vacancies/surplus in individual districts were mainly due to officers on trial in other civil service grades and temporary redeployment of manpower to meet operational needs.

## Annex 2

Number of Days of Closure of Public Beaches and Swimming Pools of LCSD  
in 2015-2017

2015

*Beach*

<i>Reason of closure</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Total</i>
Red tide	9	-	23	29	25	-	-	-	-	-	3	-	89
Oil spill	-	-	-	-	3	14	17	12	3	-	-	-	49
Water pollution	-	-	-	-	13	7	10	2	2	6	-	-	40
Industrial action by lifeguards	-	-	-	-	-	-	-	-	-	-	-	-	0
Unexpected absence of lifeguards	-	-	-	-	3	-	-	-	-	-	-	-	3
Others (e.g. inclement weather, urgent repair works, etc.)	-	-	-	-	33	4	69	4	12	36	-	-	158
Total	9	0	23	29	77	25	96	18	17	42	3	0	339

*Swimming Pool*

<i>Reason of closure</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Total</i>
Water pollution	2	1	-	1	-	2	3	4	2	-	3	5	23
Industrial action by lifeguards	-	-	-	-	-	-	-	-	-	-	-	-	0
Unexpected absence of lifeguards	1	2	-	2	-	1	-	-	-	-	2	3	11
Others (e.g. inclement weather, urgent repair works, etc.)	-	-	-	1	7	1	54	2	-	-	-	1	66
Total	3	3	0	4	7	4	57	6	2	0	5	9	100

2016

*Beach*

<i>Reason of closure</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Total</i>
Red tide	-	-	100	204	53	-	-	-	-	-	-	-	357
Oil spill	-	-	-	-	32	-	-	-	-	-	-	-	32
Water pollution	-	2	-	7	2	10	9	10	2	-	2	-	44
Industrial action by lifeguards	-	-	-	-	-	3	4	-	-	-	-	-	7
Unexpected absence of lifeguards	-	-	-	-	-	-	1	-	-	-	-	-	1
Others (e.g. inclement weather, urgent repair works, etc.)	-	-	-	-	3	2	-	85	-	73	-	-	163
Total	0	2	100	211	90	15	14	95	2	73	2	0	604

*Swimming Pool*

<i>Reason of closure</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Total</i>
Water pollution	4	2	1	3	-	2	2	4	-	4	4	6	32
Industrial action by lifeguards	-	-	-	-	-	-	-	-	-	-	-	-	0
Unexpected absence of lifeguards	1	2	1	2	1	-	3	1	1	-	1	-	13
Others (e.g. inclement weather, urgent repair works, etc.)	-	-	2	-	2	1	3	86	-	56	-	2	152
Total	5	4	4	5	3	3	8	91	1	60	5	8	197

2017

*Beach*

<i>Reason of closure</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Total</i>
Red tide	25	-	11	47	6	-	-	-	-	-	-	-	89
Oil spill	5	-	-	5	-	-	-	124	4	-	-	-	138
Water pollution	-	-	2	2	13	7	9	2	6	2	-	-	43
Industrial action by lifeguards	-	-	-	-	-	-	-	-	-	-	-	-	0
Unexpected absence of lifeguards	-	-	-	-	1	5	-	-	-	1	-	-	7
Others (e.g. inclement weather, urgent repair works, etc.)	-	-	1	3	15	75	55	245	62	51	6	3	516
Total	30	0	14	57	35	87	64	371	72	54	6	3	793

*Swimming Pool*

<i>Reason of closure</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Total</i>
Water pollution	4	5	5	2	1	4	5	6	4	2	7	3	48
Industrial action by lifeguards	-	-	-	-	-	-	-	-	-	-	-	-	-
Unexpected absence of lifeguards	-	-	1	-	-	-	1	-	-	1	-	2	5
Others (e.g. inclement weather, urgent repair works, etc.)	1	1	1	-	9	75	63	120	30	85	2	-	387
Total	5	6	7	2	10	79	69	126	34	88	9	5	440

## Attendances at Public Swimming Pools in 2015-2017

2015

Swimming Pool		Attendance	Breakdown of Attendances			
			Full Rate Admission	Concessionary Rate	Monthly Ticket	Group Admission
Central and Western						
1	Kennedy Town Swimming Pool <sup>(1)</sup>	236 160	103 400	79 269	31 015	22 476
2	Sun Yat Sen Memorial Park Swimming Pool	454 937	159 388	130 553	69 133	95 863
Eastern District						
3	Chai Wan Swimming Pool	188 676	75 908	58 887	15 787	38 094
4	Island East Swimming Pool	172 967	56 789	76 189	32 053	7 936
5	Siu Sai Wan Swimming Pool	315 026	74 317	118 229	74 714	47 766
6	Victoria Park Swimming Pool	584 995	186 767	182 955	92 979	122 294
Southern District						
7	Pao Yue Kong Swimming Pool	154 102	59 288	44 177	11 090	39 547
Wan Chai						
8	Morrison Hill Swimming Pool	551 868	178 211	154 453	96 082	123 122
9	Wan Chai Swimming Pool	151 487	0	0	0	151 487
Kowloon City						
10	Ho Man Tin Swimming Pool	137 251	47 026	59 134	27 676	3 415
11	Kowloon Tsai Swimming Pool	173 714	78 552	56 469	24 087	14 606
12	Tai Wan Shan Swimming Pool	223 183	88 631	75 657	27 350	31 545

Swimming Pool		Attendance	Breakdown of Attendances			
			Full Rate Admission	Concessionary Rate	Monthly Ticket	Group Admission
Kwun Tong						
13	Jordan Valley Swimming Pool	141 215	58 006	62 263	14 612	6 334
14	Kwun Tong Swimming Pool	1 078 190	374 585	401 333	175 539	126 733
15	Lam Tin Swimming Pool	349 493	92 391	118 332	78 344	60 426
Sham Shui Po						
16	Lai Chi Kok Park Swimming Pool	588 220	175 808	215 951	118 677	77 784
17	Lei Cheng Uk Swimming Pool	226 059	72 698	66 289	46 430	40 642
18	Sham Shui Po Park Swimming Pool	354 102	108 734	110 900	75 385	59 083
Wong Tai Sin						
19	Hammer Hill Road Swimming Pool	283 915	104 019	131 317	36 905	11 674
20	Morse Park Swimming Pool	332 438	100 066	112 876	42 834	76 662
Yau Tsim Mong						
21	Kowloon Park Swimming Pool	962 438	328 709	316 631	181 262	135 836
22	Tai Kok Tsui Swimming Pool	184 402	51 293	62 173	58 762	12 174
Islands						
23	Mui Wo Swimming Pool	16 836	7 874	5 540	662	2 760
24	Tung Chung Swimming Pool	314 337	62 644	105 772	48 222	97 699
Kwai Tsing						
25	Kwai Shing Swimming Pool	149 800	56 191	48 264	22 675	22 670
26	North Kwai Chung Jockey Club Swimming Pool	146 875	46 328	50 929	28 376	21 242

<i>Swimming Pool</i>		<i>Attendance</i>	<i>Breakdown of Attendances</i>			
			<i>Full Rate Admission</i>	<i>Concessionary Rate</i>	<i>Monthly Ticket</i>	<i>Group Admission</i>
27	Tsing Yi Swimming Pool	244 396	88 560	108 397	24 252	23 187
North District						
28	Fanling Swimming Pool	346 921	97 198	115 951	55 641	78 131
29	Sheung Shui Swimming Pool	67 222	24 101	31 543	11 578	0
Sai Kung						
30	Sai Kung Swimming Pool	87 643	45 634	30 596	5 149	6 264
31	Tseung Kwan O Swimming Pool	449 895	142 304	181 650	57 857	68 084
Sha Tin						
32	Hin Tin Swimming Pool	421 161	131 416	173 280	72 061	44 404
33	Ma On Shan Swimming Pool	292 434	117 789	120 344	28 272	26 029
34	Sha Tin Jockey Club Swimming Pool	356 993	105 791	125 227	57 748	68 227
Tai Po						
35	Tai Po Swimming Pool	308 289	121 748	116 077	31 951	38 513
Tsuen Wan						
36	Shing Mun Valley Swimming Pool	608 617	159 387	244 010	79 170	126 050
37	Tsuen King Circuit Wu Chung Swimming Pool	56 958	19 054	21 387	8 050	8 467
Tuen Mun						
38	The Jockey Club Yan Oi Tong Swimming Pool	30 056	10 015	13 206	6 835	0
39	Tuen Mun North West Swimming Pool	545 232	174 259	195 786	97 377	77 810



<i>Swimming Pool</i>	<i>Attendance</i>	<i>Breakdown of Attendances</i>			
		<i>Full Rate Admission</i>	<i>Concessionary Rate</i>	<i>Monthly Ticket</i>	<i>Group Admission</i>
40 Tuen Mun Swimming Pool	269 146	76 148	80 675	35 038	77 285
Yuen Long					
41 Ping Shan Tin Shui Wai Swimming Pool	314 156	74 279	112 872	59 792	67 213
42 Tin Shui Wai Swimming Pool	245 272	79 273	112 063	24 180	29 756
43 Yuen Long Swimming Pool	403 197	107 301	116 276	54 176	125 444

Note:

- (1) Kennedy Town Swimming Pool was temporarily closed from 1 December 2015 to 6 February 2017 to facilitate the re-provisioning of Kennedy Town Swimming Pool (Phase II).

2016

Swimming Pool		Attendance	Breakdown of Attendances			
			Full Rate Admission	Concessionary Rate	Monthly Ticket	Group Admission
Central and Western						
1	Kennedy Town Swimming Pool <sup>(1)</sup>	0	0	0	0	0
2	Sun Yat Sen Memorial Park Swimming Pool	629 375	219 415	190 873	94 526	124 561
Eastern District						
3	Chai Wan Swimming Pool	187 300	74 108	58 495	15 532	39 165
4	Island East Swimming Pool	181 263	58 754	80 026	34 449	8 034
5	Siu Sai Wan Swimming Pool	338 789	75 771	130 266	80 719	52 033
Southern District						
6	Pao Yue Kong Swimming Pool	160 841	63 115	49 056	12 410	36 260

<i>Swimming Pool</i>		<i>Attendance</i>	<i>Breakdown of Attendances</i>			
			<i>Full Rate Admission</i>	<i>Concessionary Rate</i>	<i>Monthly Ticket</i>	<i>Group Admission</i>
Wan Chai						
7	Morrison Hill Swimming Pool	567 720	178 531	160 015	96 161	133 013
8	Victoria Park Swimming Pool <sup>(2)</sup>	626 567	192 871	197 269	98 676	137 751
9	Wan Chai Swimming Pool	155 112	0	0	0	155 112
Kowloon City						
10	Ho Man Tin Swimming Pool	130 013	43 949	54 915	26 381	4 768
11	Kowloon Tsai Swimming Pool	173 260	76 034	58 409	24 261	14 556
12	Tai Wan Shan Swimming Pool	196 750	86 466	72 656	29 172	8 456
Kwun Tong						
13	Jordan Valley Swimming Pool	148 200	58 247	67 603	15 432	6 918
14	Kwun Tong Swimming Pool	1 150 061	379 914	427 293	204 412	138 442
15	Lam Tin Swimming Pool	351 203	87 191	114 665	83 279	66 068
Sham Shui Po						
16	Lai Chi Kok Park Swimming Pool	659 944	192 178	249 517	127 222	91 027
17	Lei Cheng Uk Swimming Pool	203 118	66 762	65 461	45 890	25 005
18	Sham Shui Po Park Swimming Pool	344 820	107 542	106 252	73 771	57 255
Wong Tai Sin						
19	Hammer Hill Road Swimming Pool	274 141	98 795	125 538	37 056	12 752
20	Morse Park Swimming Pool	332 475	102 223	116 987	41 291	71 974

Swimming Pool		Attendance	Breakdown of Attendances			
			Full Rate Admission	Concessionary Rate	Monthly Ticket	Group Admission
Yau Tsim Mong						
21	Kowloon Park Swimming Pool	954 657	320 049	316 934	179 825	137 849
22	Tai Kok Tsui Swimming Pool	157 010	43 051	53 850	51 810	8 299
Islands						
23	Mui Wo Swimming Pool	16 441	7 519	6 107	357	2 458
24	Tung Chung Swimming Pool	305 101	57 087	103 439	47 556	97 019
Kwai Tsing						
25	Kwai Shing Swimming Pool	150 080	55 312	47 861	22 839	24 068
26	North Kwai Chung Jockey Club Swimming Pool	140 907	44 169	48 922	29 061	18 755
27	Tsing Yi Swimming Pool	267 389	94 191	116 397	30 023	26 778
North District						
28	Fanling Swimming Pool	378 451	101 096	131 552	62 442	83 361
29	Sheung Shui Swimming Pool	41 961	15 284	20 180	6 497	0
Sai Kung						
30	Sai Kung Swimming Pool	93 193	46 505	31 934	6 444	8 310
31	Tseung Kwan O Swimming Pool	466 492	146 036	193 721	64 892	61 843
Sha Tin						
32	Hin Tin Swimming Pool	434 072	129 617	182 244	77 867	44 344
33	Ma On Shan Swimming Pool	290 724	116 254	122 984	25 989	25 497
34	Sha Tin Jockey Club Swimming Pool	346 246	100 040	114 862	59 381	71 963

Swimming Pool		Attendance	Breakdown of Attendances			
			Full Rate Admission	Concessionary Rate	Monthly Ticket	Group Admission
Tai Po						
35	Tai Po Swimming Pool	317 830	122 827	120 512	35 808	38 683
Tsuen Wan						
36	Shing Mun Valley Swimming Pool	627 818	163 047	253 644	79 113	132 014
37	Tsuen King Circuit Wu Chung Swimming Pool	61 789	20 563	24 612	8 797	7 817
Tuen Mun						
38	The Jockey Club Yan Oi Tong Swimming Pool	29 594	10 201	13 792	5 601	0
39	Tuen Mun North West Swimming Pool	574 265	173 395	210 829	103 327	86 714
40	Tuen Mun Swimming Pool	277 040	79 169	83 960	40 394	73 517
Yuen Long						
41	Ping Shan Tin Shui Wai Swimming Pool	352 359	76 563	123 713	69 461	82 622
42	Tin Shui Wai Swimming Pool	256 277	81 719	117 463	28 366	28 729
43	Yuen Long Swimming Pool	405 608	106 504	124 985	55 559	118 560

Notes:

- (1) Kennedy Town Swimming Pool was temporarily closed from 1 December 2015 to 6 February 2017 to facilitate the re-provisioning of Kennedy Town Swimming Pool (Phase II).
- (2) Due to revision of boundary demarcation between Eastern District and Wan Chai District, Victoria Park Swimming Pool was transferred from Eastern District to Wan Chai District with effect from 2016.

2017

<i>Swimming Pool</i>		<i>Attendance</i>	<i>Breakdown of Attendances</i>			
			<i>Full Rate Admission</i>	<i>Concessionary Rate</i>	<i>Monthly Ticket</i>	<i>Group Admission</i>
Central and Western						
1	Kennedy Town Swimming Pool	554 687	215 551	193 714	81 324	64 098
2	Sun Yat Sen Memorial Park Swimming Pool	365 021	116 321	99 822	58 510	90 368
Eastern District						
3	Chai Wan Swimming Pool	193 536	74 515	61 216	16 634	41 171
4	Island East Swimming Pool	184 891	56 135	83 921	34 811	10 024
5	Siu Sai Wan Swimming Pool	343 888	75 513	137 158	77 467	53 750
Southern District						
6	Pao Yue Kong Swimming Pool	166 259	64 392	48 634	14 262	38 971
Wan Chai						
7	Morrison Hill Swimming Pool	550 345	161 037	156 509	92 799	140 000
8	Victoria Park Swimming Pool	634 992	186 796	206 242	102 577	139 377
9	Wan Chai Swimming Pool	163 601	0	0	0	163 601
Kowloon City						
10	Ho Man Tin Swimming Pool	149 521	49 585	62 761	31 522	5 653
11	Kowloon Tsai Swimming Pool	171 132	73 624	56 516	24 493	16 499
12	Tai Wan Shan Swimming Pool	205 251	87 149	72 817	29 773	15 512

Swimming Pool		Attendance	Breakdown of Attendances			
			Full Rate Admission	Concessionary Rate	Monthly Ticket	Group Admission
Kwun Tong						
13	Jordan Valley Swimming Pool	144 940	56 233	65 519	16 782	6 406
14	Kwun Tong Swimming Pool	1 168 615	372 461	437 592	190 652	167 910
15	Lam Tin Swimming Pool	381 362	93 871	130 329	84 124	73 038
Sham Shui Po						
16	Lai Chi Kok Park Swimming Pool	695 669	202 561	259 826	132 386	100 896
17	Lei Cheng Uk Swimming Pool	204 657	65 567	65 918	46 075	27 097
18	Sham Shui Po Park Swimming Pool	335 905	99 948	99 844	70 831	65 282
Wong Tai Sin						
19	Hammer Hill Road Swimming Pool	274 672	97 620	128 039	38 378	10 635
20	Morse Park Swimming Pool	329 691	99 387	117 272	43 276	69 756
Yau Tsim Mong						
21	Kowloon Park Swimming Pool	908 584	300 359	303 578	169 808	134 839
22	Tai Kok Tsui Swimming Pool	195 777	49 694	68 872	64 571	12 640
Islands						
23	Mui Wo Swimming Pool	17 964	8 441	6 854	468	2 201
24	Tung Chung Swimming Pool	285 052	54 445	106 161	48 619	75 827
Kwai Tsing						
25	Kwai Shing Swimming Pool	147 515	53 905	48 319	21 833	23 458

<i>Swimming Pool</i>		<i>Attendance</i>	<i>Breakdown of Attendances</i>			
			<i>Full Rate Admission</i>	<i>Concessionary Rate</i>	<i>Monthly Ticket</i>	<i>Group Admission</i>
26	North Kwai Chung Jockey Club Swimming Pool	139 208	42 263	49 142	27 966	19 837
27	Tsing Yi Swimming Pool	263 838	91 045	115 274	27 310	30 209
28	Tsing Yi South West Swimming Pool <sup>(1)</sup>	66 300	22 325	29 358	12 133	2 484
North District						
29	Fanling Swimming Pool	397 577	97 097	140 490	66 625	93 365
30	Sheung Shui Swimming Pool	63 332	22 637	29 578	11 117	0
Sai Kung						
31	Sai Kung Swimming Pool	89 628	44 378	30 145	6 231	8 874
32	Tseung Kwan O Swimming Pool	460 715	142 976	193 053	65 024	59 662
Sha Tin						
33	Hin Tin Swimming Pool	441 568	127 569	187 981	78 994	47 024
34	Ma On Shan Swimming Pool	282 821	109 792	121 441	27 237	24 351
35	Sha Tin Jockey Club Swimming Pool	357 918	98 117	120 360	63 928	75 513
Tai Po						
36	Tai Po Swimming Pool	319 802	118 659	121 787	35 486	43 870
Tsuen Wan						
37	Shing Mun Valley Swimming Pool	643 610	163 194	261 524	86 707	132 185
38	Tsuen King Circuit Wu Chung Swimming Pool	62 524	20 415	25 566	8 242	8 301

<i>Swimming Pool</i>		<i>Attendance</i>	<i>Breakdown of Attendances</i>			
			<i>Full Rate Admission</i>	<i>Concessionary Rate</i>	<i>Monthly Ticket</i>	<i>Group Admission</i>
Tuen Mun						
39	The Jockey Club Yan Oi Tong Swimming Pool <sup>(2)</sup>	6 456	2 058	2 838	1 560	0
40	Tuen Mun North West Swimming Pool	635 656	188 362	240 685	114 861	91 748
41	Tuen Mun Swimming Pool	283 660	78 955	85 006	42 835	76 864
Yuen Long						
42	Ping Shan Tin Shui Wai Swimming Pool	329 095	71 399	119 727	62 880	75 089
43	Tin Shui Wai Swimming Pool	258 526	81 667	117 815	28 852	30 192
44	Yuen Long Swimming Pool	432 962	112 453	137 645	61 253	121 611

Notes:

- (1) Tsing Yi South West Swimming Pool has been open to the public since 26 July 2017.
- (2) The Jockey Club Yan Oi Tong Swimming Pool has been closed for urgent repairs since 19 July 2017.

Annex 4

## Human Resources Policies and Management Measures for the Lifeguard Grade of the Leisure and Cultural Services Department

### *Strengthen the establishment of the lifeguard grade*

LCSD has from time to time reviewed the lifeguard manpower arrangements for pools, beaches as well as water sports centres and set up a Working Group on



Lifeguard Manpower Review in 2013 to collect views from frontline staff and staff unions concerned on a regular basis. After the review of lifeguard manpower, some 200 lifeguard vacancies have been created by phases over the past five years (i.e. from 2013 to 2017) for employment of additional non-civil service contract seasonal lifeguards for existing swimming pools and beaches. In addition, the total number of civil service lifeguards has steadily increased by 35% from 893 in 2011 to 1 204 in 2017. Where justified, LCSD will create additional civil service lifeguard posts in accordance with the established procedures.

*Pay level of lifeguards*

(a) Civil service lifeguards

As far as civil service lifeguards are concerned, lifeguards and senior lifeguards belong to the Artisan grade and Senior Artisan grade respectively. Lifeguards in the Artisan grade are remunerated at Master Pay Scale ("MPS") points 5 to 8 (\$16,065 to \$19,395) whereas those in the Senior Artisan grade are remunerated at MPS points 8 to 10 (\$19,395 to \$21,880).

(b) Seasonal lifeguards

To maintain the attractiveness of the pay of seasonal lifeguards, LCSD adheres to the principle of keeping the pay of seasonal lifeguards broadly comparable with that of their private sector counterparts. To this end, starting from 2004, reference has been made to the local private employment market in terms of pay level of lifeguards and other important relevant factors, including the department's fiscal position and Composite Consumer Price Index, etc., in making the pay adjustment for seasonal lifeguards. LCSD has increased the pay for seasonal lifeguards by 4% in the 2018 swimming season in light of the annual review outcome. The monthly salary of seasonal lifeguards for swimming pools/water sports centres has been adjusted upwards to \$16,060. Besides, LCSD will continue to offer a higher monthly salary to seasonal lifeguards for beaches, so as to attract more qualified persons to work as seasonal

lifeguards at beaches and enhance the overall manpower supply of lifeguards. The monthly salary of beach seasonal lifeguards is \$700 to \$1,000 more than that of those for swimming pools/water sports centres depending on where they work. In addition, LCSD has implemented various measures to improve the remuneration packages of seasonal lifeguards, including upward adjustment of the end-of-contract gratuity for qualified seasonal lifeguards (ranging from 10% to 15%) and an additional monthly payment of \$300 to seasonal lifeguards who have obtained a valid first aid certificate and completed a contract of employment for a specified period.

*Career advancement opportunities for lifeguards*

There are posts of various grades in LCSD. Serving civil service lifeguards in the Artisan grade have many opportunities to apply for appointment as Senior Artisan (Beach/Swimming Pool), Senior Artisan (Lifeguard at Water Sports Centre) and Amenities Assistant III ("AA III") (remunerated at MPS points 7 to 11) if they meet the entry requirements. In the past three years, a total of 45 Artisans (Beach/Swimming Pool)/Artisans (Lifeguard at Water Sports Centre) have been appointed as Senior Artisans (Beach/Swimming Pool). In addition, 15 senior lifeguards and 11 lifeguards were appointed as AA III through in-service appointment in the past five years.

*Grade structure review of civil service lifeguards*

There are no recruitment and retention difficulties for civil service lifeguards. Recent recruitment experience has shown that the number of candidates usually far exceeded the number of vacancies of civil service lifeguard and there was adequate supply of suitable candidates to fill the positions. Furthermore, the resignation rate of civil service lifeguards has also been lower than the average civil service resignation rate. There have been no fundamental changes to the job nature, job complexity and level of responsibilities of civil service lifeguards. Civil service lifeguards therefore do not meet the criterion for grade structure review.

## Annex 5

## Numbers of Complaints Received about Pool Water Quality in 2015-2017

2015		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
Central and Western			
1	Kennedy Town Swimming Pool <sup>(1)</sup>	-	-
2	Sun Yat Sen Memorial Park Swimming Pool	-	-
Eastern District			
3	Chai Wan Swimming Pool	3	2
4	Island East Swimming Pool	-	-
5	Siu Sai Wan Swimming Pool	-	-
6	Victoria Park Swimming Pool	-	2
Southern District			
7	Pao Yue Kong Swimming Pool	-	3
Wan Chai			
8	Morrison Hill Swimming Pool	-	1
9	Wan Chai Swimming Pool	-	-
Kowloon City			
10	Ho Man Tin Swimming Pool	-	-
11	Kowloon Tsai Swimming Pool	5	1

2015		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
12	Tai Wan Shan Swimming Pool	-	-
Kwun Tong			
13	Jordan Valley Swimming Pool	1	-
14	Kwun Tong Swimming Pool	-	1
15	Lam Tin Swimming Pool	-	3
Sham Shui Po			
16	Lai Chi Kok Park Swimming Pool	9	1
17	Lei Cheng Uk Swimming Pool	1	-
18	Sham Shui Po Park Swimming Pool	-	1
Wong Tai Sin			
19	Hammer Hill Road Swimming Pool	-	-
20	Morse Park Swimming Pool	2	-
Yau Tsim Mong			
21	Kowloon Park Swimming Pool	23	-
22	Tai Kok Tsui Swimming Pool	-	-
Islands			
23	Mui Wo Swimming Pool	-	-
24	Tung Chung Swimming Pool	-	-

2015		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
Kwai Tsing			
25	Kwai Shing Swimming Pool	2	-
26	North Kwai Chung	-	-
27	Tsing Yi Swimming Pool	-	-
North District			
28	Fanling Swimming Pool	-	-
29	Sheung Shui Swimming Pool	-	-
Sai Kung			
30	Sai Kung Swimming Pool	-	-
31	Tseung Kwan O Swimming Pool	-	-
Sha Tin			
32	Hin Tin Swimming Pool	-	-
33	Ma On Shan Swimming Pool	-	-
34	Sha Tin Jockey Club Swimming Pool	-	1
Tai Po			
35	Tai Po Swimming Pool	1	2
Tsuen Wan			
36	Shing Mun Valley Swimming Pool	-	-
37	Tsuen King Circuit Wu Chung Swimming Pool	-	-
Tuen Mun			
38	The Jockey Club Yan Oi Tong Swimming Pool	-	-

2015		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
39	Tuen Mun North West Swimming Pool	-	2
40	Tuen Mun Swimming Pool	-	1
Yuen Long			
41	Ping Shan Tin Shui Wai Swimming Pool	1	-
42	Tin Shui Wai Swimming Pool	1	1
43	Yuen Long Swimming Pool	-	1

Note:

- (1) Kennedy Town Swimming Pool was temporarily closed from 1 December 2015 to 6 February 2017 to facilitate the re-provisioning of Kennedy Town Swimming Pool (Phase II).

2016		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
Central and Western			
1	Kennedy Town Swimming Pool <sup>(1)</sup>	-	-
2	Sun Yat Sen Memorial Park Swimming Pool	-	2

2016		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
Eastern District			
3	Chai Wan Swimming Pool	-	-
4	Island East Swimming Pool	-	-
5	Siu Sai Wan Swimming Pool	-	2
Southern District			
6	Pao Yue Kong Swimming Pool	-	-
Wan Chai			
7	Morrison Hill Swimming Pool	-	1
8	Victoria Park Swimming Pool <sup>(2)</sup>	-	1
9	Wan Chai Swimming Pool	-	-
Kowloon City			
10	Ho Man Tin Swimming Pool	-	-
11	Kowloon Tsai Swimming Pool	2	-
12	Tai Wan Shan Swimming Pool	-	-
Kwun Tong			
13	Jordan Valley Swimming Pool	-	1
14	Kwun Tong Swimming Pool	1	3
15	Lam Tin Swimming Pool	-	-

<i>2016</i>		<i>Nature of Complaints</i>	
<i>Swimming Pool</i>		<i>Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)</i>	<i>Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)</i>
Sham Shui Po			
16	Lai Chi Kok Park Swimming Pool	7	1
17	Lei Cheng Uk Swimming Pool	3	1
18	Sham Shui Po Park Swimming Pool	-	1
Wong Tai Sin			
19	Hammer Hill Road Swimming Pool	-	-
20	Morse Park Swimming Pool	3	-
Yau Tsim Mong			
21	Kowloon Park Swimming Pool	34	-
22	Tai Kok Tsui Swimming Pool	4	1
Islands			
23	Mui Wo Swimming Pool	-	-
24	Tung Chung Swimming Pool	-	-
Kwai Tsing			
25	Kwai Shing Swimming Pool	1	-
26	North Kwai Chung Jockey Club Swimming Pool	4	-
27	Tsing Yi Swimming	1	1



2016		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
North District			
28	Fanling Swimming Pool	-	-
29	Sheung Shui Swimming Pool	-	-
Sai Kung			
30	Sai Kung Swimming Pool	-	-
31	Tseung Kwan O Swimming Pool	1	2
Sha Tin			
32	Hin Tin Swimming Pool	1	-
33	Ma On Shan Swimming Pool	1	1
34	Sha Tin Jockey Club Swimming Pool	-	1
Tai Po			
35	Tai Po Swimming Pool	1	-
Tsuen Wan			
36	Shing Mun Valley Swimming Pool	-	-
37	Tsuen King Circuit Wu Chung Swimming Pool	1	1
Tuen Mun			
38	The Jockey Club Yan Oi Tong Swimming Pool <sup>2</sup>	-	-
39	Tuen Mun North West Swimming Pool	1	-
40	Tuen Mun Swimming Pool	-	2

2016		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
Yuen Long			
41	Ping Shan Tin Shui Wai Swimming Pool	-	-
42	Tin Shui Wai Swimming Pool	-	1
43	Yuen Long Swimming Pool	-	2

Notes:

- (1) Kennedy Town Swimming Pool was temporarily closed from 1 December 2015 to 6 February 2017 to facilitate the re-provisioning of Kennedy Town Swimming Pool (Phase II).
- (2) Due to revision of boundary demarcation between Eastern District and Wan Chai District, Victoria Park Swimming Pool was transferred from Eastern District to Wan Chai District with effect from 2016.

2017		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
Central and Western			
1	Kennedy Town Swimming Pool	6	3
2	Sun Yat Sen Memorial Park Swimming Pool	1	-

2017		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
Eastern District			
3	Chai Wan Swimming Pool	1	-
4	Island East Swimming Pool	-	-
5	Siu Sai Wan Swimming Pool	-	-
Southern District			
6	Pao Yue Kong Swimming Pool	2	2
Wan Chai			
7	Morrison Hill Swimming Pool	-	-
8	Victoria Park Swimming Pool	-	1
9	Wan Chai Swimming Pool	-	-
Kowloon City			
10	Ho Man Tin Swimming Pool	-	-
11	Kowloon Tsai Swimming Pool	-	1
12	Tai Wan Shan Swimming Pool	-	-
Kwun Tong			
13	Jordan Valley Swimming Pool	-	1
14	Kwun Tong Swimming Pool	-	2
15	Lam Tin Swimming Pool	-	1

2017		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
Sham Shui Po			
16	Lai Chi Kok Park Swimming Pool	10	2
17	Lei Cheng Uk Swimming Pool	-	1
18	Sham Shui Po Park Swimming Pool	-	1
Wong Tai Sin			
19	Hammer Hill Road Swimming Pool	-	-
20	Morse Park Swimming Pool	-	-
Yau Tsim Mong			
21	Kowloon Park Swimming Pool	23	-
22	Tai Kok Tsui Swimming Pool	-	3
Islands			
23	Mui Wo Swimming Pool	-	-
24	Tung Chung Swimming Pool	-	1
Kwai Tsing			
25	Kwai Shing Swimming Pool	2	-
26	North Kwai Chung Jockey Club Swimming Pool	2	-
27	Tsing Yi Swimming Pool	-	-
28	Tsing Yi Southwest Swimming Pool <sup>(1)</sup>	-	-

2017		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
North District			
29	Fanling Swimming Pool	-	-
30	Sheung Shui Swimming Pool	-	-
Sai Kung			
31	Sai Kung Swimming Pool	-	-
32	Tseung Kwan O Swimming Pool	-	2
Sha Tin			
33	Hin Tin Swimming Pool	-	1
34	Ma On Shan Swimming Pool	-	-
35	Sha Tin Jockey Club Swimming Pool	-	1
Tai Po			
36	Tai Po Swimming Pool	1	2
Tsuen Wan			
37	Shing Mun Valley Swimming Pool	-	-
38	Tsuen King Circuit Wu Chung Swimming Pool	-	-
Tuen Mun			
39	The Jockey Club Yan Oi Tong Swimming Pool <sup>(2)</sup>	-	-
40	Tuen Mun North West Swimming Pool	-	1
41	Tuen Mun Swimming Pool	3	3

2017		Nature of Complaints	
Swimming Pool		Contamination of pool water (including presence of vomitus, stool, other contaminants and spillage of activated carbon powder, etc.)	Other causes: (including turbidity of pool water, body/skin/eye irritation after swimming, saline taste/odour/strong chlorine smell in pool water, etc.)
Yuen Long			
42	Ping Shan Tin Shui	-	-
43	Tin Shui Wai Swimming Pool	1	1
44	Yuen Long Swimming Pool	3	1

Notes:

- (1) Tsing Yi Southwest Swimming Pool has been open to the public since 26 July 2017.
- (2) The Jockey Club Yan Oi Tong Swimming Pool has been closed for urgent repairs since 19 July 2017.

### Water works carried out in villages

10. **DR CHENG CHUNG-TAI** (in Chinese): *President, as at March last year, there were 19 villages across the territory with a total of around 400 residents not being supplied with tap water. Recently, a number of residents of Tsing Shan Tsuen, Tuen Mun have relayed that they have all along been getting fresh water from a storage cistern in the village and the hillside streams nearby. Those water sources dried up last month due to the very hot weather. As a result, the Water Supplies Department had to arrange for the transport of fresh water to the residents of the village. In this connection, will the Government inform this Council:*

- (1) *of the number of requests for assistance or complaints about fresh water supply received by the authorities in each of the past two years from residents of the aforesaid 19 villages, together with a breakdown by the village involved;*

- (2) *whether the authorities conducted any feasibility study and economic benefit assessment in the past two years in respect of the laying of fresh water mains connecting the aforesaid villages; if so, of the details; if not, the reasons for that; and*
- (3) *given that despite the repeated requests made by Members of this Council and members of the District Councils concerned for the construction of tap water supply systems for the aforesaid villages, the authorities have been rejecting those requests on the grounds that the cost-effectiveness of the relevant works is low and the per capita construction cost is very high, whether the authorities have reviewed if the cost-effectiveness consideration of those works should override the basic needs of residents in their daily lives?*

**SECRETARY FOR DEVELOPMENT** (in Chinese): President, at present, the treated water supply networks cover about 99.9% of the population of Hong Kong. Areas that do not have treated water supply are mainly remote villages with sparse population. Although 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 these water sources becoming depleted or insufficient, the Government will provide assistance. For example, HAD will transport potable water to villages with water shortage to meet the needs of villagers. The Water Supplies Department ("WSD") will also provide necessary assistance such as providing water tanks and potable water.

For the case of Tsing Shan Tsuen in Tuen Mun, there are about 750 residents in Tsing Shan Tsuen according to estimate of the Tuen Mun District Office. The treated water supply network of WSD currently covers about 700 residents. The remaining 50 residents are living in locations at a higher terrain of the village where the water pressure of the water supply system is insufficient for delivering treated water supply to them. However, WSD is studying the feasibility of extending the existing water supply network in Tsing Shan Tsuen and enhancing the water pressure to cover the entire village.

The reply to Dr CHENG Chung-tai's question is as follows:

- (1) In the past two years, WSD received requests for provision of treated water supply from 10 remote villages, including Tai Long (South Lantau), Nim Shue Wan, Cheung Sha Lan, Tso Wan (Northeast Lantau), Po Toi Island, Yi O (West Lantau), Mui Tsz Lam, Tung Ping Chau, Wong Chuk Yeung and Sham Chung. In addition, for some villages that are covered by the water supply network of WSD, those residents who are living in the locations at a higher terrain where the pressure of the water supply system is insufficient for delivering treated water supply to them also have requested WSD for provision of treated water supply, such as Tsing Shan Tsuen in Tuen Mun.

(2) and (3)

The Government has been monitoring the water supply situations of the above remote villages. If treated water supply systems are to be constructed for these remote villages, low water consumption may lead to stagnant water in water mains and hence resulting in the deterioration of water quality, as these remote villages have sparse populations and are far away from both urban areas and existing treated water supply network. Moreover, the per capita capital cost for the construction of treated water supply systems for these villages would be high. WSD has been continuously exploring possible options to solve the above issues and will regularly review the situations. In fact, WSD has been completing treated water supply systems for remote villages in recent years, such as the water supply systems in Tung Ah, Tung Ah Pui, Ngan Hang and Nan Lai Wan in South District, Sham Ah Shui in Lantau Island and Yuen Tun Ha in Tai Po. WSD will continue to closely monitor and regularly review the situations of the remote villages without treated water supply, for example, the latest population and nearby developments, etc., and will also study various options to address the problem of deterioration of water quality due to low water consumption, including exploring exploitation of water sources to supplement existing raw water sources, etc. For those villages with treated water supply but not able to reach the residents who are



living in the locations at a higher terrain due to insufficient water pressure, WSD will study the feasibility of extending the existing water supply networks in these villages and enhancing water pressure to cover the entire villages.

### **Arrangement for emergency temporary fresh water supply**

11. **MS ALICE MAK** (in Chinese): *President, some residents of the Tsing Yi District have complained to me that last month, the fresh water supply to a number of public rental housing estates in the District was disrupted due to fresh water mains burst, but not until three and four hours respectively after the burst incident did the water tanks and water wagons deployed by the Water Supplies Department ("WSD") to the District to provide emergency temporary fresh water supply arrive, and the quantity of water supplied by them was also inadequate. Regarding the arrangement for emergency temporary fresh water supply, will the Government inform this Council:*

- (1) of the respective current numbers of water tanks and water wagons under WSD, together with a breakdown by the operational region (i.e. Hong Kong and Islands, Kowloon, New Territories West and New Territories East) to which they belong;*
- (2) whether WSD has drawn up a performance pledge that upon learning that the normal water supply to a certain area has been disrupted, an adequate quantity of fresh water must be supplied temporarily to the area within a certain period of time; if so, of the details; if not, whether WSD will draw up such a performance pledge;*
- (3) of the average time taken by WSD in the past three years to deploy water tanks and water wagons respectively to areas in which normal water supply was disrupted, and set out the relevant figures by operational region;*
- (4) whether WSD has reviewed if the time taken to deploy water tanks or water wagons was too long; if WSD has reviewed and the outcome is in the affirmative, of the reasons for that, whether insufficient*

*emergency temporary water supply facilities was one of the causes, and of the authorities' improvement measures; and*

- (5) *how WSD assesses, after confirming the need to supply fresh water to a certain area temporarily, the number of water tanks or water wagons needed to be deployed?*

**SECRETARY FOR DEVELOPMENT** (in Chinese): President, when Water Supplies Department ("WSD") suspends fresh water supply for repair of bursting or leaking of water pipes, the Department will assess the period of suspension required. If it is expected that the supply of fresh water will be suspended for more than three hours, the Department will arrange for the provision of emergency temporary water supply, including standpipes, water wagons and/or water tanks, to the affected residents within three hours after the suspension of fresh water supply.

According to records, WSD received report of a fresh water main burst at Chung Mei Road, Tsing Yi at 6:28 pm on 17 May 2018. Staff was deployed to the site to isolate the bursting fresh water pipe for repair immediately. The bursting fresh water pipe was completely isolated at 7:45 pm, and the supply of fresh water to seven buildings in Cheung Hong Estate and Cheung Ching Estate was therefore suspended. WSD delivered the first batch of eight water tanks to the affected buildings at 8:30 pm to provide emergency temporary fresh water for the residents. The remaining two water wagons and the second batch of eight water tanks were also delivered successively to the site from 9:30 pm to 12:06 am.

My response to the five parts of Ms MAK's question is as follows:

- (1) WSD normally provides emergency temporary fresh water supply in the form of standpipes, water wagons and/or water tanks. The standpipes will be installed on site. The distribution of water wagons and water tanks in various regions of WSD is tabulated below:

	<i>Water Wagon</i>	<i>Water Tank</i>
Hong Kong and Islands Region	2	58
Kowloon Region	2	14

	<i>Water Wagon</i>	<i>Water Tank</i>
New Territories East Region	2	54
New Territories West Region	4	62

Note:

The water wagons and water tanks in each region can be shared to support each other.

- (2) The current WSD's performance pledge on provision of emergency temporary fresh water supply is as follows:

<i>Performance Pledge</i>	<i>Target</i>
Provision of emergency temporary fresh water supply after isolation of burst main	85% within three hours

Notes:

- (1) If fresh water supply interruption is expected to last for not more than three hours, WSD will normally not provide emergency temporary fresh water supply.
- (2) WSD has been able to meet the target since the establishment of the performance pledge in 2013.
- (3) In the past three years, the average time required for the provision of emergency temporary fresh water supply (including standpipes, water wagons and/or water tanks) after the closure of burst water pipes in various regions of WSD is tabulated below:

	<i>2015</i>	<i>2016</i>	<i>2017</i>
Hong Kong and Islands Region	0.65 hours	0.62 hours	0.71 hours
Kowloon Region	0.50 hours	0.32 hours	0.30 hours
New Territories East Region	1.05 hours	1.35 hours	1.50 hours
New Territories West Region	0.31 hours	0.44 hours	0.40 hours

Notes:

- (1) Standpipes, which are installed on-site, can provide emergency temporary fresh water supply more quickly.
- (2) WSD has no separate statistics for water wagons and water tanks with respect to the time required for provision of emergency temporary fresh water supply.

- (4) WSD regularly reviews the arrangement to provide emergency temporary fresh water supply. The latest enhancement measure, which will start in mid-June this year as a trial, is to arrange drivers of water wagons to work outside office hours and standby till evening, instead of requiring them to be on-call. This will expedite the delivery of water wagons to provide emergency temporary fresh water supply.
- (5) Depending on site situation, WSD will decide whether to provide emergency temporary water supply in the form of standpipes, water wagons and/or water tanks. WSD also has internal guidelines for assessing the number of water wagons and water tanks required. In general, the assessment will take into account various factors such as the number of residents affected, the water supply suspension duration and time.

### **Rescue arrangements for incidents that have occurred on the Hong Kong Link Road of the Hong Kong-Zhuhai-Macao Bridge**

12. **MR JEREMY TAM** (in Chinese): *President, according to the Inter-Governmental Agreement in respect of the Construction, Operation, Maintenance and Management of the Hong Kong-Zhuhai-Macao Bridge, signed by the governments of Hong Kong, Guangdong Province and Macao in 2010, the three said governments will adopt the "territoriality principle" in respect of the operation and management of the Hong Kong-Zhuhai-Macao Bridge ("HZMB"). The three governments will handle various issues within their own jurisdictions in accordance with the respective local laws. Regarding the rescue arrangements for incidents that have occurred on the Hong Kong Link Road ("HKLR") of HZMB, which is within Hong Kong's jurisdiction, will the Government inform this Council:*

- (1) *when an incident involving personal injuries has occurred on a lane (i) in the Hong Kong-bound direction and (ii) in the Mainland-bound direction of HKLR, of the respective routes to be taken by ambulances (a) going from the ambulance depot(s) to the scene and (b) conveying the injured persons from the scene to the North Lantau Hospital ("NLH");*

- (2) *whether the ambulance routes mentioned in (1) will involve travelling on the shoulder in the opposite direction of the traffic; if so, whether there are measures in place to ensure traffic safety; if there are such measures, of the details and whether such measures include temporarily closing off the lane adjacent to the shoulder; if not, the reasons for that;*
- (3) *of the journey distance of conveying injured persons from a section of HKLR closest to the boundary to NLH, and the respective estimated journey times during rush and non-rush hours;*
- (4) *when a traffic accident involving a number of injured persons has occurred at a section of HKLR closest to the boundary, making it necessary for ambulances to divert some of the injured persons to public hospitals other than NLH (such as the Princess Margaret Hospital), of (i) the journey distances and (ii) the estimated journey times of conveying the injured persons from the scene to such hospitals respectively;*
- (5) *of the circumstances under which the authorities will arrange for the Government Flying Service to send helicopters to convey injured persons from HKLR to public hospitals; and*
- (6) *whether the authorities have plans to arrange for maritime rescue teams to take part in the rescue operations on HKLR; if so, of the details (including the government departments involved)?*

**SECRETARY FOR SECURITY** (in Chinese): President, emergency rescue departments in Hong Kong will draw up emergency and rescue plans and conduct drills in response to possible emergencies at the Hong Kong-Zhuhai-Macao Bridge ("HZMB") Main Bridge, Hong Kong Link Road ("HKLR") or Hong Kong Port. The rescue departments in Hong Kong, Macao and the Mainland will also establish a liaison mechanism and keep in close contact for coordination and mutual support when necessary, so as to ensure prompt and appropriate care to casualties.

Having consulted the relevant departments, my reply to various parts of Mr Jeremy TAM's question is as follows:

(1) and (2)

Should there be any emergency at HKLR involving vehicles heading to Hong Kong, ambulances will attend the scene by making a U-turn at one of the turnaround facilities (one near San Shek Wan and the other on HZMB eastern artificial island) depending on the incident location to offer emergency ambulance service to casualties. The casualties will be conveyed to Hong Kong hospitals for treatment after being handled at the scene.

Under the same principle, in case of emergencies at HKLR involving vehicles heading to Zhuhai, ambulances will take the Zhuhai-bound lane to attend the scene. Upon handling the casualties at the scene, ambulances can make a U-turn back to Hong Kong at the turnaround facility near San Shek Wan or the one on HZMB eastern artificial island and convey the casualties to hospitals for treatment.

Whether it is necessary for the rescue vehicles to run in the opposite direction of the traffic on HKLR when performing duties will be determined in the light of the actual circumstances and needs. Where necessary, the Police will offer assistance to facilitate the ambulances to attend the scene soonest possible for safely conveying the casualties to hospitals.

(3) and (4)

The driving distance for conveying casualties from the boundary between Hong Kong and Guangdong of HZMB to the North Lantau Hospital ("NLH") is about 20 km.

If the incident involves a large number of casualties, the Hong Kong Fire Services Department ("FSD") will divert the casualties to different hospitals for treatment in accordance with the triage system established with the Hospital Authority. This system is well-tested as it was established having regard to past experience of major incidents and the reviews conducted afterwards.

The actual travelling time from the boundary between Hong Kong and Guangdong of HZMB to NLH or other hospitals is subject to numerous factors. FSD will work closely with other departments to

ensure that the ambulances will be able to convey the casualties to hospitals for treatment in a rapid and safe manner.

- (5) One of the major responsibilities of the Government Flying Service ("GFS") is search and rescue operations. If there is a need for assistance in an incident, particularly when the traffic is so packed at the scene, the Hong Kong Police Force ("HKPF") and FSD may request GFS for assistance in the rescue operation, including providing air ambulance service under safe conditions, conveying the casualties to hospitals for treatment or transporting personnel, tools and kits, medical supplies, etc. to facilitate the rescue operation.
- (6) If maritime search and rescue is needed, relevant departments (including the Marine Department ("MD"), HKPF and FSD, etc.) will carry out rescue operations under the "Contingency Plan for Maritime and Aeronautical Search and Rescue". The Maritime Rescue Co-ordination Centre of MD is responsible for coordinating the search and rescue operations. Where necessary, the marine departments of Guangdong and Hong Kong will conduct joint search and rescue operations in accordance with the existing cooperation mechanism.

### **Supply of tap water to remote villages**

13. **MR KENNETH LAU** (in Chinese): *President, it has been reported that as remote villages such as Tsing Shan Tsuen in Tuen Mun, Chau Tau in Tung Ping Chau and Mui Tsz Lam in Sha Tin currently have no supply of tap water, residents of those villages can get fresh water only from the storage cisterns in these villages and the hillside streams nearby. However, those water sources dried up last month due to the very hot weather, causing the residents to suffer from a lack of water supply and making it necessary for the Water Supplies Department to transport fresh water to solve the problem temporarily. In this connection, will the Government inform this Council:*

- (1) *of the name of the villages yet to be supplied with tap water and the population of each of the villages, and set out the information by District Council district;*

- (2) *of the number of times in the past three years for which the authorities transported fresh water to remote villages temporarily and the expenditures involved, broken down by name of village;*
- (3) *of the number of times to date this year for which the authorities transported fresh water to remote villages temporarily and the quantity of water supplied, broken down by name of village;*
- (4) *whether it will make good use of the fiscal surplus by constructing tap water supply systems for remote villages or improve the water storage facilities therein, so as to reduce the occurrence of a lack of fresh water supply to the residents; and*
- (5) *whether it will review the criteria used for determining if tap water supply systems should be constructed for remote villages?*

**SECRETARY FOR DEVELOPMENT** (in Chinese): President, at present, the treated water supply networks cover about 99.9% of the population of Hong Kong. Areas that do not have treated water supply are mainly remote villages with sparse population. Although 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 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 these water sources becoming depleted or insufficient, the Government will provide assistance. For example, HAD will transport potable water to villages with water shortage to meet the needs of villagers. The Water Supplies Department ("WSD") will also provide necessary assistance, such as providing water tanks and potable water.

The reply to Mr Kenneth LAU's question is as follows:

- (1) The villages currently do not have treated water supply and their respective estimated population are listed in Annex 1.
- (2) Between 2015 and 2017, the Government transported potable water, on an ad hoc basis, to remote villages for a total of 46 times at a cost



of around \$475,000. A breakdown of the details by villages is at Annex 2.

- (3) From 1 January to 8 June this year, the Government has transported potable water, on an ad hoc basis, to remote villages for a total of 21 times and at a volume of 88.5 cu m. A breakdown of the details by villages is at Annex 3.

(4) and (5)

The remote villages that do not have treated water supply have sparse populations and are far away from both urban areas and existing treated water supply network. If treated water supply systems are to be constructed for these remote villages, low water consumption may lead to stagnant water in water mains and hence resulting in the deterioration of water quality. Moreover, the per capita capital cost for the construction of treated water supply systems for these villages would be high. The Government has been monitoring the water supply situations of these remote villages. WSD has been continuously exploring possible options to solve the above issues and will regularly review the situations. In fact, WSD has been completing treated water supply systems for remote villages in recent years, such as Tung Ah, Tung Ah Pui, Ngan Hang and Nan Lai Wan in South District, Sham Ah Shui in Lantau Island and Yuen Tun Ha in Tai Po. WSD will continue to closely monitor and regularly review the situations of the remote villages that do not have treated water supply, for example, the latest population and nearby developments, etc., and will also study various solutions to tackle the problem of deterioration of water quality due to low water consumption, including exploring exploitation of water sources to supplement existing raw water sources, etc.

In addition, HAD will continue to improve the existing water storage facilities for these remote villages, such as relaying water pipes and installing additional water storage facilities to meet the needs of the villagers.

## Annex 1

Villages without treated water supply and  
their respective estimated existing population

<i>District Council</i>	<i>Village Name<sup>(1)</sup></i>	<i>Estimated Existing Population<sup>(2)</sup></i>
Tai Po	Lai Chi Chong	3
	Tung Sam Kei	1
	Sham Chung	2
	Tung Ping Chau	10
Tsuen Wan	Luk Keng (Lantau)	4
	Tai Chuen (Northeast Lantau)	9
	Tso Wan (Northeast Lantau)	2
Islands	Tai Long (South Lantau)	30
	Po Toi Island	20
	Fan Lau (West Lantau)	10
	Nim Shue Wan	150
	Cheung Sha Lan	50
Sha Tin	Mui Tsz Lam	50
Tuen Mun	Tin Fu Tsai	20
Sai Kung	Tung Lung	22

Notes:

- (1) The above table does not include the remote villages with estimated no existing population.
- (2) Estimated existing population of the villages is provided by the District Offices.

## 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 2015 and 2017

<i>District Council</i>	<i>Village Name</i>	<i>Number of times</i>	<i>Costs (HK\$)</i>
Tai Po	Tung Ping Chau	2	2,280
Islands	Po Toi Island	44	472,400

## Annex 3

The number of times and volume of water transported, on an ad hoc basis, to the villages without treated water supply between 1.1.2018 to 8.6.2018

<i>District Council</i>	<i>Village Name</i>	<i>Number of times</i>	<i>Volume of water (cu m)</i>
Tai Po	Tung Ping Chau	4	14.5
Islands	Po Toi Island	15	67.5
Tuen Mun <sup>(1)</sup>	Tin Fu Tsai	2	6.5

Note:

- (1) Tsing Shan Tsuen in Tuen Mun is not in the list of remote villages in Annex 1. However, due to the insufficient water pressure to some locations of higher terrain in the village, WSD has transported potable water for some of the residents for one time in May, the amount of water transported is 1.5 cu m.

### Water supply arrangements and management of water resources

14. **MR WU CHI-WAI** (in Chinese): *President, regarding the water supply arrangements and management of water resources in Hong Kong, will the Government inform this Council:*

- (1) *of the time limit, prescribed under the Agreement for the supply of Dongjiang water to Hong Kong signed between the Hong Kong Government and the Guangdong Provincial Government, within which the Guangdong provincial authorities must notify the Hong Kong Government upon the occurrence of incidents (such as insufficient water quantity, pollution of water sources or damages to water supply facilities) on the Mainland which may lead to an interruption to the supply of Dongjiang water to Hong Kong;*
- (2) *whether the Water Supplies Department ("WSD") has formulated a contingency plan to cope with the situation of a tight supply of fresh water in Hong Kong; if so, of the details (including the circumstances under which the plan will be activated);*
- (3) *whether various government departments have formulated plans and administrative arrangements for implementing water conservation*

*measures (such as reducing the use of fresh water for street cleaning by the Food and Environmental Hygiene Department ("FEHD")) when fresh water supply is tight; if so, of the details;*

- (4) of the respective annual water consumption of the top five government departments in water consumption (including the water consumption of their outsourced service contractors) in the past three years, with a breakdown by use of the water;*
- (5) whether various government departments have formulated (i) short-term and long-term water conservation targets as well as (ii) guidelines on water consumption; if so, of the details; as the Government said in reply to a question raised by a Member of this Council in 2013 that WSD was reviewing the water consumption practices in the Leisure and Cultural Services Department's parks and swimming pools as well as FEHD's markets, street cleaning and refuse collection points, and would gradually extend the scope of the review to other government departments that had relatively high water consumption, of the latest progress of such work;*
- (6) whether it reviewed the water tariff structure in the past three years with a view to encouraging water conservation; if so, of the details and follow-up work;*
- (7) as the Government has taken forward the Inter-Reservoirs Transfer Scheme since as early as 2004, of the reasons why the Scheme still remains at the stage of reviewing and refining the detailed design, method statements and related environmental impact assessments at present; why it has not yet submitted funding applications to the Finance Committee of this Council in respect of the major works under the Scheme; and*
- (8) apart from the Tseung Kwan O Desalination Plant which is under construction, whether the Government has studied the implementation of other seawater desalination projects; if so, of the details; if not, the reasons for that?*

**SECRETARY FOR DEVELOPMENT** (in Chinese): President, the Government is committed to ensuring the reliability of water supply in Hong Kong. Currently, the fresh water supply for Hong Kong comprises the imported Dongjiang ("DJ") water from Guangdong and rainwater from local catchments, meeting 70% to 80% and 20% to 30% of our total fresh water consumption respectively. The "package deal lump sum" approach has been adopted for the DJ water supply agreements since 2006. This approach enables us to import DJ water as needed according to the amount of local yield collected each year up to an annual supply ceiling. The annual supply ceiling in the current supply agreement is set at 820 million cu m based on fresh water demand analysis conducted by Water Supplies Department ("WSD") to ensure water supply reliability of 99%, such that water supply can be maintained round-the-clock even under extreme drought condition with a return period of 1 in 100 years.

WSD has promulgated the Total Water Management Strategy ("the Strategy") in 2008 to ensure sustainable and reliable water supply in Hong Kong. The Strategy puts an emphasis on containing the growth of water demand through water conservation, and supplementing the three existing water sources, being local yield, DJ water and seawater for flushing by three new water sources namely, desalinated seawater, reclaimed water and recycled grey water/harvested rainwater.

My response to the eight parts of Mr WU's question is as follows:

- (1) The Guangdong authorities and WSD of Hong Kong have established a notification mechanism for serious incidents regarding the supply of DJ water to Hong Kong. In case of serious incidents, the designated contact person of Guangdong authorities would immediately notify the designated contact person of WSD by telephone. Furthermore, the Guangdong authorities would hold regular meetings with Hong Kong's Development Bureau and WSD to discuss issues regarding the supply of DJ water to Hong Kong (including the quantity and quality of DJ water). These meetings include the Hong Kong/Guangdong Water Supply Operation and Management Technical Cooperation Sub-Group Meeting, the Hong Kong/Guangdong Water Supply Business Meeting and the Special Panel on the Protection of DJ Water Quality under the Expert Group of the Hong Kong/Guangdong Joint Working Group on Sustainable Development and Environmental Protection.

(2) and (3)

As mentioned above, water supply can be maintained round-the-clock even under extreme drought condition with a return period of 1 in 100 years under the current water supply arrangement in Hong Kong. If Hong Kong suffers from persistent extremely dry weather, we will take into account a host of factors including fresh water demand, supply situation of various water resources, rainfall forecast, etc. for implementing appropriate responsive actions, such as imposing restriction on non-essential supplies including landscape irrigation, filling of swimming pools, street cleansing, etc.

(4) and (5)

The five government departments with the highest water consumption in the past three years are tabulated below:

<i>Government Department</i>		<i>Water Consumption (Million cu m)*</i>		
		<i>2015</i>	<i>2016</i>	<i>2017</i>
1	Leisure and Cultural Services Department	13.05	12.51	12.38
2	Correctional Services Department	4.49	4.30	4.34
3	Food and Environmental Hygiene Department	3.42	3.63	3.52
4	Hong Kong Police Force	2.88	2.47	2.47
5	Drainage Services Department	1.92	2.12	2.22
Total Water Consumption:		25.76	25.03	24.93

Note:

\* The figures include water consumed by service providers at the premises of the respective government departments

WSD has prepared best practice guidelines for the top three government departments in water consumption, namely Leisure and Cultural Services Department, Correctional Services Department and Food and Environmental Hygiene Department. All of them are progressively taking forward the water conservation measures recommended in the guidelines. In addition, WSD has been carrying out the installation of water saving devices (such as water taps, showers, etc.) in suitable government venues and schools in

phases since 2009. Currently, more than 50 000 devices have been installed. We target to complete the installation work by 2022. Besides, the installation of flow controllers in government venues and schools was substantially completed with about 53 000 pieces installed.

- (6) Domestic consumers are usually billed for their water charges at quad-monthly intervals. Currently, the water charges payable are calculated using a tariff structure which consists of four tiers:

the first tier: free of charge for the first 12 cu m

the second tier: \$4.16 per cubic metre for the next 31 cu m

the third tier: \$6.45 per cubic metre for the next 19 cu m

the fourth tier: \$9.05 per cubic metre for any consumption above the level of 62 cu m

The above tier tariff structure encourages the public to conserve water. The Government reviews the tariff rates and the tariff structure on a regular basis.

- (7) The Government takes forward the Inter-Reservoirs Transfer Scheme, under which a tunnel connecting the Kowloon Byewash Reservoir and the Lower Shing Mun Reservoir will be built to reduce flood risks in the West Kowloon region and reduce overflow from Kowloon Group of Reservoirs, thereby increasing water resources at the same time. We have obtained support on the project from the Legislative Council Public Works Subcommittee on 28 May 2018. We are now seeking funding approval from the Finance Committee. If the funding is approved, Drainage Services Department plans to commence the construction works in the first quarter of 2019 for completion in the fourth quarter of 2022.
- (8) Tenders are being invited for the "Design, Build and Operate" contract of the first stage of the Tseung Kwan O ("TKO") desalination plant for commissioning in 2022. The first stage of the desalination plant will have a water production capacity of 135 000 cu m per day to meet about 5% of the fresh water demand in Hong Kong. There is also a provision for future expansion to the ultimate water production capacity of up to 270 000 cu m per day if necessary. The Government will study the programme for

implementing the second stage of TKO desalination plant having regard to the supply situation of various water resources, the fresh water demand forecast, the desalination technology development, etc.

### **Improving the per capita floor area of accommodation**

15. **MR JIMMY NG** (in Chinese): *President, in 2016, the median floor area of accommodation of domestic households was about 430 square feet ("sq. ft.") and the median per capita floor area of accommodation was about 161 sq. ft., with more than 90% of households in the territory living in accommodation of less than 753 sq. ft. In addition, among the approximately 2.508 million accommodations in Hong Kong, 8.1% of them had a floor area less than 215 sq. ft., while 4.9% of them were private permanent housing. There are comments that such data shows that the accommodation area of Hong Kong people is becoming smaller, which runs counter to the vision emphasized by the Government to improve the per capita floor area of accommodation. In this connection, will the Government inform this Council:*

- (1) *whether it knows, in respect of the private residential flats to be completed in each of the coming five years, the following information on those flats with a usable area (a) below 161 sq. ft., (b) ranging from 161 sq. ft. to less than 431 sq. ft. and (c) ranging from 431 sq. ft. to 752 sq. ft. respectively:*
  - (i) *the total number of flats and its percentage in the annual flat production,*
  - (ii) *a breakdown of the number of flats by District Council district, and*
  - (iii) *the estimated average per-square-foot price;*
- (2) *as the Chief Executive has proposed in the Policy Address delivered in October 2017 the vision of developing Hong Kong into a liveable city, whether the authorities will consider formulating a standard of per capita floor area of accommodation for private residential flats; if so, of the details; if not, the reasons for that;*



- (3) *whether the authorities will consider, by drawing reference to the experience of countries such as the United States, Canada, Japan and Korea, formulating "minimum living standards" to stipulate the minimum standards on aspects such as the (i) safety and basic facilities of accommodation, (ii) number of residents and (iii) areas of bedroom and kitchen, as a benchmark for living quality; if so, of the details; if not, the reasons for that; and*
- (4) *as the per-square-foot prices of private residential properties have hit record high time and again in recent years, the flats built by private developers have become increasingly smaller to cater for the continuous decline in affordability among prospective buyers, whether the authorities will consider including a provision of "minimum flat area" or "maximum number of flats" in residential land leases, with a view to reversing the trend of a continuous decrease in the area of newly completed residential flats; if so, of the details; if not, the reasons for that; of the authorities' measures to strike a reasonable balance between per capita floor area of accommodation and housing production?*

**SECRETARY FOR DEVELOPMENT** (in Chinese): President, in consultation with relevant bureau and departments, my reply to various parts of the question raised by Mr Jimmy NG is as follows:

- (1) According to the "Hong Kong Property Review 2018" published by the Rating and Valuation Department, the forecast number of private units to be completed in 2018 and 2019 are 18 130 and 20 371 respectively. A breakdown on the number of units with saleable area (i) less than 40 sq m (about 431 sq ft) and (ii) between 40 and 69.9 sq m (about 431 to 752 sq ft) by District Councils, their aggregate total and percentage of the annual forecast completion are at Annex. The above mentioned report does not provide further breakdown on the forecast completions of private units with saleable area less than 40 sq m, nor does it provide forecast completions of private units in and after year 2020, hence the Government cannot provide such information. As regards the forecast price of the private flats, it is determined by the market and the Government is not in a position to, and will not, estimate it.

(2) to (4)

Hong Kong is a highly dense and compact city with high concentration of population. The advantages include convenience and greater economies of scale for city and infrastructure development. High-density development will however also affect our liveability, living space and average living floor area per person.

We agree that there is room for enhancing the liveability and improving the living space in Hong Kong. These are indeed the vision and long-term goals of Hong Kong as advocated in the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" study. Nevertheless, setting specific living space standards alone by the Government cannot improve our living space. A more important and fundamental approach is to increase land supply in a sustained manner.

In this regard, the Government will continue to adopt multi-pronged strategy on land and housing supply. The Task Force on Land Supply ("Task Force") is conducting a five-month public engagement ("PE") to invite views from all sectors in the community on the 18 land supply options. The Task Force has particularly pointed out in its PE booklet that the average living floor area per person in Hong Kong is lower than that of other nearby advanced economies such as Tokyo and Singapore, and has highlighted the importance of establishing a land reserve to improve livability.

As mentioned in Mr NG's question, we need to strike a reasonable balance between housing production and average living floor area per person, as both the increase in housing production to address needs for accommodation and the increase in average living floor area per person to improve living standard would require additional land. In view of the imbalance in supply and demand for land and housing, and given the fact that property prices are soaring continuously, our current priority is accorded to increasing housing production to meet the basic accommodation needs of the people. Besides, as a pluralist society, there are diverse aspirations in respect of flat size. In the longer run, we consider that when the land shortage situation is alleviated, the society will be in a better position to explore whether a standard on average living floor area per person should be set.

## Annex

Forecast Completion of Private Residential Properties for Class A (with saleable area less than 40 sq m (about 431 sq ft)) and Class B (with saleable area between 40 and 69.9 sq m (about 431 to 752 sq ft)) in 2018 and 2019  
(by District Councils)

	2018		2019	
	<i>Class A Flats</i>	<i>Class B Flats</i>	<i>Class A Flats</i>	<i>Class B Flats</i>
Central and Western	276	207	1 479	221
Wan Chai	22	-	22	-
Eastern	724	870	820	73
Southern	-	-	142	-
Yau Tsim Mong	54	-	728	-
Sham Shui Po	628	41	1 048	120
Kowloon City	2 585	1 361	897	506
Wong Tai Sin	232	2	-	-
Kwun Tong	-	-	651	2
Kwai Tsing	136	-	-	-
Tsuen Wan	666	1 243	634	990
Tuen Mun	788	335	956	413
Yuen Long	90	183	225	532
North	136	160	365	136
Tai Po	-	-	585	1 867
Sha Tin	54	182	410	20
Sai Kung	435	1 203	687	2 850
Islands	26	24	-	-
Overall	6 852	5 811	9 649	7 730
Percentage in the Annual Completion Forecast	38%	32%	47%	38%

Notes:

- (1) The figures are extracted from the "Hong Kong Property Review 2018" by the Rating and Valuation Department.
- (2) The figures do not include village houses.

**Protection of animal rights, interests and welfare**

16. **MR CHAN HAK-KAN** (in Chinese): *President, regarding the protection of animal rights, interests and welfare, will the Government inform this Council:*

- (1) *whether it will study the formulation of guidelines on the space, food, water, etc. that animal keepers are required to provide for various types of animals;*
- (2) *whether it will organize courses on the knowledge and skills needed for keeping various types of animals; if so, of the details; if not, the reasons for that;*
- (3) *of the number, content and effectiveness of the dog training courses organized in the past five years for dog owners by the Agriculture, Fisheries and Conservation Department;*
- (4) *whether it will consider afresh making it mandatory for persons convicted of cruelty to animals or animal abandonment to attend courses relating to animal welfare; if so, of the details; if not, the reasons for that;*
- (5) *whether it will consider amending the legislation to require cat owners to arrange for microchipping their cats; if so, of the details; if not, the reasons for that;*
- (6) *as there are views that the number of animals being adopted has been on the low side over the years, whether the authorities will launch an animal adoption fund to support animal welfare organizations ("AWOs") to promote animal adoption; if so, of the details; if not, the reasons for that;*
- (7) *given that with the completion of the three-year "Trap-Neuter-Return" Trial Programme for Stray Dogs in January this year, the authorities indicated last month that they were open-minded about AWOs or other groups conducting this type of programme at specific locations, of the attitude taken by the authorities regarding the implementation of the same type of*

*programme to tackle the problem of stray cats, as well as whether they will provide the relevant organizations or groups with the resources and support needed;*

- (8) of the number of cases in which animals smuggled into the territory were seized by the authorities in each of the past five years, with a breakdown by the boundary control point where such animals were seized; among such cases, the number and percentage of those involving endangered species; the measures to be put in place to step up the efforts in combating such smuggling activities; and*
- (9) of the number of complaints received by the authorities in the past five years involving pet services (including beauty, boarding, hospice services) and the use of animals in commercial activities (e.g. pet cafes); the legislation currently in place to regulate such activities, and whether it will study stepping up the regulation of the relevant activities through licensing; if so, of the details; if not, the reasons for that?*

**SECRETARY FOR FOOD AND HEALTH** (in Chinese): President, having consulted the relevant departments, my reply to various parts of the question is as follows:

(1) and (2)

To further protect animal welfare, the Government is exploring the introduction of a concept of positive duty of care on animal keepers in the legislation. At the same time, having regard to overseas practices and the situation in Hong Kong, we plan to draw up code(s) of practice for animal caring, covering among others requirements for carers to provide their animals with suitable diet and living environment, with a view to protecting animal welfare and health.

The Agriculture, Fisheries and Conservation Department ("AFCD") has set up a dedicated website on animal keeping and management <<https://www.pets.gov.hk/english/index.html>>, which provides relevant information on taking proper care of various types of pets.

In addition, AFCD and partner organizations organize various activities from time to time to promote animal welfare and adoption, and provide the public with the knowledge of animal keeping. To tie in with the above legislative amendments and code(s) of practice for animal caring, we will further enhance our publicity and education efforts.

- (3) AFCD organized a total of 22 dog training courses for more than 750 dog owners from 2013 to 30 May 2018. Featuring both theory and practical sessions, these courses covered common behavioural problems of dogs and basic skills in dog training, with the aim of promoting the message on responsible pet ownership and educating participants on proper control of dogs. These courses were well-received with positive feedback, showing that dog owners considered them helpful in enriching their knowledge of dog management. AFCD will continue to allocate resources for organizing more dog training courses.
- (4) In reviewing the legislation relating to animals, we will also examine the feasibility of empowering the Courts to prohibit convicted persons from keeping animals again having regard to severity of the cases. Meanwhile, AFCD will explore ways to help convicted persons enhance their knowledge of proper caring of animals, such as through providing online courses or information, and encouraging them to take dog training courses, etc.
- (5) Cats are usually kept indoors. Since cats infected with rabies are less likely to exhibit aggressive behaviour, the risk of spreading rabies in the community by cats is far lower than that by dogs. Under the Rabies Regulation (Cap. 421A), cat owners are not required to have their cats licensed, vaccinated against rabies and microchipped.

This notwithstanding, cat owners may take their cats to veterinary clinics for vaccination against rabies and microchipping for identification purpose. Furthermore, in reviewing the effectiveness of the Public Health (Animals and Birds) (Trading and Breeding) Regulations (Cap. 139B) in the future, we will also consider whether it is necessary to extend the regulation to also cover cat breeding and

trading activities, as well as to incorporate the requirement of microchipping cats for sale.

- (6) AFCD has been collaborating with animal welfare organizations ("AWOs") to enhance animal welfare and promote animal adoption. As most AWOs are non-profit making with limited resources, the Government, as long as resources permit, has been providing subvention for these AWOs since 2011 to support their work, which includes promoting animal adoption and disseminating messages on responsible pet ownership, etc. Interested AWOs may submit their applications together with details of their animal welfare initiatives, estimated budget, and the associated performance indicators under the proposed programme to AFCD for consideration.

With the implementation of the above mentioned measures and the close collaboration between AFCD and AWOs, the number of stray cats and dogs caught by AFCD has decreased by around 70% over the past five years. Over the same period of time, the animal adoption rate has been gradually rising from 10.8% in 2013 to 15.6% in 2017. We will continue to step up our efforts in promoting animal adoption.

- (7) Cats are not a major source of rabies transmission, thus having less implication for public health and safety. At present, some AWOs (such as the Society for the Prevention of Cruelty to Animals) run the "Trap-Neuter-Return" programme for stray cats with their own resources. AFCD has been supporting concerned organizations' work, by explaining the programme to relevant stakeholders and handling complaints about stray cats.
- (8) In accordance with the Public Health (Animals and Birds) Ordinance (Cap. 139) and the Rabies Ordinance (Cap. 421), AFCD regulates the import of animals from other places through a permit system to prevent the transmission of diseases into Hong Kong through animals.

AFCD's dog handlers perform duties with their quarantine detector dogs at various boundary control points in Hong Kong, and take surveillance and enforcement actions against illegal import of

animals in collaboration with other law enforcement departments. If any act of illegal import of animals is found or suspected, members of the public may report the case to AFCD.

On publicity and education, dog handlers, together with their quarantine detector dogs, often conduct talks and demonstrations at schools and in local communities to promote the messages on prevention of animal smuggling.

The number of cases relating to seizure of animals smuggled into the territory by AFCD in the past five years is at Annex 1.

- (9) The Public Health (Animals and Birds) (Trading and Breeding) Regulations (Cap. 139B) and the Public Health (Animals) (Boarding Establishment) Regulations (Cap. 139I) regulate the activities of animal traders and boarding establishments respectively in Hong Kong. A breakdown of complaints against such shops received by AFCD in the past five years is at Annex 2.

As stipulated in the Prevention of Cruelty to Animals Ordinance (Cap. 169), any person who cruelly beats, kicks, ill-treats, over-rides, over-drives, overloads, tortures, infuriates, or terrifies any animal, or, by wantonly or unreasonably doing or omitting to do any act, causes any unnecessary suffering to any animal commits an offence, and shall be liable on conviction to a fine of \$200,000 and to imprisonment for three years. Enforcement departments will follow up on individual cases depending on the evidence available. Any person who intentionally causes suffering to animals when operating an animal related business (e.g. animal grooming) may be prosecuted.

Regarding "animal cafe", operators are required to comply with the Food Business Regulation (Cap. 132X) just as operators of other food premises. As for hospice services for animals, operators are required to comply with the provisions of relevant ordinances, including the Public Health and Municipal Services Ordinance (Cap. 132), the Air Pollution Control Ordinance (Cap. 311), the Fire Services Ordinance (Cap. 95), the Dangerous Goods Ordinance (Cap. 295) and the Buildings Ordinance (Cap. 123), as well as land



lease conditions. The numbers of complaints about hospice services for pets received by the Environmental Protection Department, the Lands Department and the Fire Services Department respectively in the past five years are set out in Annex 3.

The Government currently has no plan to set up a separate licensing system for regulating other commercial activities relating to animals.

## Annex 1

Numbers of cases  
relating to seizure of animals smuggled into the territory by AFCD

<i>Control point</i> <i>Year</i>	<i>Number of illegal import cases</i>			<i>Percentage of endangered species</i>
	<i>Airport</i>	<i>Boundary</i>	<i>Total</i>	
2013	21	23	44	43%
2014	25	29	54	43%
2015	17	25	42	40%
2016	25	34	59	37%
2017	31	34	65	46%

## Annex 2

Breakdown of complaints received by AFCD  
against animal trading and boarding shops

<i>Year</i>	<i>Number of complaints received</i>	
	<i>Animal trading</i>	<i>Animal boarding</i>
2013	51	10
2014	40	12
2015	111	17
2016	88	13
2017	133	25

Numbers of complaints about hospice services for pets received by the Environmental Protection Department, the Lands Department and the Fire Services Department respectively in the past five years

	<i>Environmental Protection Department</i>	<i>Lands Department</i>	<i>Fire Services Department</i>
Total	35	32	4

Note:

The Buildings Department and the Food and Environmental Hygiene Department do not have a breakdown of complaints about animal hospice services.

### **Surrender of fugitive offenders between Hong Kong and other jurisdictions**

17. **MR KENNETH LEUNG** (in Chinese): *President, the Government of the Hong Kong Special Administrative Region ("SAR") has so far signed agreements with 20 jurisdictions on the surrender of fugitive offenders ("SFO"). On matters relating to SFO, will the Government inform this Council:*

- (1) *of the respective numbers of SFO requests made pursuant to the relevant agreements which were received, accepted and rejected by the Government in each of the past 10 years; whether it consulted the Central Government in respect of any of such requests; if so, of the number of requests involved and the consultation details, and set out such information one by one by the jurisdictions concerned;*
- (2) *of the number of SFO requests made by the Government pursuant to the relevant agreements in each of the past 10 years and, among them, the respective numbers of requests accepted and rejected; whether it consulted the Central Government before making any of such requests; if so, of the number of requests involved and the consultation details, and set out such information one by one by the jurisdictions concerned; and*

- (3) *as the Department of State of the United States ("US") stated in the Hong Kong Policy Act Report submitted to the Congress last month that the Chief Executive of SAR had rejected in October last year "at the behest of the Central Government" an SFO request made by the US Government, of the reasons of the SAR Government for rejecting the request; whether the SAR Government had consulted the Central Government upon receipt of the request; if so, of the reasons and the legal basis for that; whether the person requested to be surrendered has been arrested, detained and deported from Hong Kong by the SAR Government; if so, of the details?*

**SECRETARY FOR SECURITY** (in Chinese): President, the Hong Kong Special Administrative Region ("HKSAR") Government has been actively taking forward cooperation with other jurisdictions on surrender of fugitive offenders ("SFO") and mutual legal assistance in criminal matters ("MLA"). The juridical assistance network has been expanded through signing relevant agreements with more jurisdictions, with a view to combating crimes and upholding the law. According to Article 96 of the Basic Law, "[w]ith the assistance or authorization of the Central People's Government, the Government of the Hong Kong Special Administrative Region may make appropriate arrangements with foreign states for reciprocal juridical assistance". As far, Hong Kong has signed SFO agreements with 20 jurisdictions<sup>(1)</sup> and MLA agreements with 32 jurisdictions.<sup>(2)</sup>

Having consolidated inputs from the Department of Justice ("DoJ"), my reply to Mr Kenneth LEUNG's question is as follows:

- (1) and (2)

In the past 10 years, Hong Kong, pursuant to its signed SFO agreements with other jurisdictions, made 24 SFO requests to other jurisdictions; while other jurisdictions, pursuant to their signed SFO

- (1) Australia, Canada, Czech, France, Finland, Germany, India, Indonesia, Ireland, Malaysia, the Netherlands, New Zealand, the Philippines, Portugal, the Republic of Korea, Singapore, South Africa, Sri Lanka, the United Kingdom and the United States.
- (2) Argentina, Australia, Belgium, Canada, Czech, Denmark, France, Finland, Germany, India, Indonesia, Ireland, Israel, Italy, Japan, Malaysia, Mongolia, the Netherlands, New Zealand, the Philippines, Poland, Portugal, the Republic of Korea, Singapore, Sri Lanka, South Africa, Spain, Sweden, Switzerland, the United Kingdom, the United States and Ukraine.

agreements with Hong Kong, made 66 SFO requests to Hong Kong. Pursuant to these requests, other jurisdictions surrendered 11 persons to Hong Kong and refused 4 requests from Hong Kong; while Hong Kong surrendered 23 persons to other jurisdictions and refused 5 requests from other jurisdictions. For the remaining requests, some are being processed, some cannot be implemented due to failure in locating fugitive offenders or other reasons, and some have been withdrawn due to arrest of the fugitive offenders in another place or the requesting place, or because of other reasons.

- (3) All SFO requests are processed in strict accordance with the Fugitive Offenders Ordinance ("FOO") (Cap. 503 of the Laws of Hong Kong) and pursuant to the agreements signed between Hong Kong and the relevant jurisdictions. Regarding SFO requests made by the Government of the United States, the Agreement between the Government of Hong Kong and the Government of the United States of America for the Surrender of Fugitive Offenders has stipulated clearly the circumstances under which surrender requests may be refused. The relevant provisions are extracted at Annex. It is inappropriate to discuss individual surrender cases in public or disclose the information involved. As regards the movement of persons in and out of Hong Kong, they have all along been dealt with by the HKSAR Government in accordance with the laws of Hong Kong.

Under section 6 of FOO, on receipt of a surrender request from another jurisdiction by the HKSAR Government, the Chief Executive must first issue an authority to proceed before the request can be processed further. The decision on whether to issue an authority to proceed rests entirely with the Chief Executive, who would consult DoJ in making such a decision. For the purpose of complying with FOO and the applicable bilateral agreement, the Chief Executive would only make a decision after taking into full account the relevant facts and circumstances of each case. It is also stipulated in section 24 of FOO that the HKSAR Government is required to give notice to the Central People's Government in relation to surrender requests received and made by Hong Kong.

## Annex

Under the Agreement between the Government of Hong Kong and the Government of the United States of America for the Surrender of Fugitive Offenders, a fugitive offender shall/may not be surrendered under the following circumstances:

- (a) The executive authority of the Government of Hong Kong reserves the right to refuse the surrender of nationals of the State whose government is responsible for the foreign affairs relating to Hong Kong in cases in which:
  - (i) The requested surrender relates to the defence, foreign affairs or essential public interest or policy of the State whose government is responsible for the foreign affairs relating to Hong Kong, or
  - (ii) The person sought neither has the right of abode in Hong Kong nor has entered Hong Kong for the purpose of settlement, and the State whose government is responsible for the foreign affairs relating to Hong Kong has jurisdiction over the offence relating to the requested surrender and has commenced or completed proceedings for the prosecution of that person; [Article 3(3)]
- (b) When the offence for which surrender is sought is punishable by death under the laws of the requesting Party and is not punishable by death under the laws of the requested Party, the requested Party may refuse surrender unless the requesting Party provides assurances that the death penalty will not be imposed or, if imposed, will not be carried out; [Article 4(1)]
- (c) Surrender shall not be granted when the person sought has been convicted or acquitted in the requested Party for the offence for which surrender is requested; [Article 5(1)]
- (d) A fugitive offender shall not be surrendered if the offence of which that person is accused or was convicted is an offence of a political character; [Article 6(1)]

- (e) Surrender shall not be granted if the competent authority of the requested Party, which for the United States shall be the executive authority, determines:
  - (i) that the request was politically motivated;
  - (ii) that the request for surrender, though purporting to be made on account of an offence for which surrender may be granted, was in fact made for the primary purpose of prosecuting or punishing the person sought on account of his race, religion, nationality or political opinion; or
  - (iii) that the person sought is likely to be denied a fair trial or punished on account of his race, religion, nationality, or political opinions; [Article 6(3)]
- (f) The competent authority of the requested Party, which for the United States shall be the executive authority, may refuse the surrender of a fugitive when such surrender is likely to entail exceptionally serious consequences related to age or health; [Article 7]
- (g) If the surrender of a fugitive offender is requested concurrently by one of the Parties and a State or States with which the United States of America or Hong Kong, whichever is being requested, has arrangements for the Surrender of Fugitive Offenders, the executive authority of the requested Party shall make its decision having regard to all the circumstances, including the relevant provisions of such arrangements, the place of commission of the offences, their relative seriousness, the respective dates of the requests, the nationality of the fugitive offender, the nationality of the victim, and the possibility of subsequent surrender to another jurisdiction. [Article 11]

### **Prevention and treatment of breast cancer**

18. **MR PAUL TSE** (in Chinese): *President, according to the information from the Hong Kong Cancer Registry under the Hospital Authority ("HA"), breast cancer is the most common cancer among women in Hong Kong (with one in every 16 women developing breast cancer). In recent years, there has been an*

*upward trend in the number of cases of women being diagnosed with breast cancer: 1 152 cases in 1993 rising by about three times to 3 900 cases in 2015 (i.e. 10 women were diagnosed with breast cancer each day on average). Breast cancer patients in Hong Kong are relatively younger than their overseas counterparts, with the lowest incidence age being 20. It has been reported that in the United States, a female terminal breast cancer patient whose cancer cells had spread to the liver and other organs was selected for participation in an immunotherapy trial ("adoptive cell transfer ('ACT') therapy"), which enlisted her own "tumor-infiltrating lymphocytes" ("TILs" which contained T cells) to fight against the cancer, coupled with drug treatment which assisted her immune system in attacking cancer cells. Forty-two weeks later, no cancer cells could be found in her body and there was no relapse of cancer within two years. The same therapy was also very effective in treating two other patients suffering from terminal liver cancer and terminal colon cancer respectively. A doctor of the United States National Cancer Institute considered that the three cases had indicated that the aforesaid therapy would hopefully provide a blueprint for treating solid tumours in body organs (e.g. stomach cancers, oesophageal cancers, etc.). Regarding the prevention and treatment of breast cancers, will the Government inform this Council:*

- (1) whether it knows the number of patients diagnosed with breast cancer in each of the past three years and, among them, the number of those whose cancer had reached advanced and terminal stages when they were diagnosed;*
- (2) whether it knows, apart from palliative care, other more positive therapies for terminal breast cancer patients; the costs and efficacy of such therapies; whether there are drugs for treating terminal breast cancer in the Hospital Authority Drug Formulary at present; if so, of their prices;*
- (3) given that ACT therapy gives terminal breast cancer patients a ray of hope, coupled with the fact that its side effects are much milder than those of conventional therapies, such as chemotherapy and electrotherapy, whether the Government and the authorities will consider studying the introduction of this technique or developing it on their own initiatives, with a view to providing an additional option for those terminal breast cancer patients who volunteer to try new therapies;*

- (4) *given that quite a number of breast cancer patients have relayed that oncologists and surgeons often have conflicting opinions, with the former mostly recommending that the patients should receive chemotherapy first and surgery to remove tumour should be performed only after the spread of cancer cells has been effectively controlled or the size of the tumour has reduced, while the latter mostly advocating surgical removal of the tumour first before chemotherapy or electrotherapy, thus leaving patients perplexed, of the measures put in place by the Government to assist the patients in making appropriate decisions after weighing the opinions of the two sides;*
- (5) *as some oncology experts have pointed out that genetic testing technique, which has been implemented in overseas countries for 10 years, analyzes the hazard of a tumour and the risk of relapse and can help patients determine whether it is suitable to receive chemotherapy and spend some \$200,000 on it, but such genetic testing services are unavailable in public hospitals in Hong Kong so far, whether the Government knows the reasons for that; whether it will consider introducing such genetic testing services expeditiously; whether HA has assessed if the techniques used in Hong Kong for treating cancers were below international standards;*
- (6) *given that earlier, the Government announced the injection of \$50 billion for the development of innovation and technology, whether the Government will consider, in addressing the medical needs of the terminal breast cancer patients in Hong Kong, taking the initiative to invite the medical research institutes which intend to introduce ACT therapy to apply for research grants, with a view to meeting the critical and urgent needs of the patients; and*
- (7) *whether the Government will, on the basis of the notion that prevention is better than cure, and making reference to UK's offer of breast screening services for its nationals and the successful example of the Colon Assessment Public-Private Partnership Programme launched by HA in 2016, offer non-means-tested free breast screening services for all women of the relevant age cohort in the territory; if so, of the details and the implementation timetable; if not, the reasons for that?*



**SECRETARY FOR FOOD AND HEALTH** (in Chinese): President, having consulted the Innovation and Technology Bureau, my reply to the various parts of the question raised by Mr Paul TSE is as follows:

- (1) The Hong Kong Cancer Registry ("HKCaR") of the Hospital Authority ("HA") oversees cancer surveillance and assists in compiling and analysing data on cancer cases in the local population to facilitate the planning of relevant medical services. The HKCaR's statistics on the incidence and stage distribution of female breast cancer cases in Hong Kong from 2013 to 2015 are tabulated below:

<i>Year</i>	<i>Stage I</i>	<i>Stage II</i>	<i>Stage III</i>	<i>Stage IV</i>	<i>Unstaged</i>	<i>Total</i>
2013	1 098	1 277	528	262	359	3 524
2014	1 252	1 334	610	318	354	3 868
2015	1 255	1 327	635	277	406	3 900

- (2) Cancer service provided by HA is based on a coordinated cross-specialty (e.g. pathology, radiology, medicine, surgery, clinical oncology, palliative care) and cross-disciplinary service system, and is organized on a cluster basis. Doctors from different specialties (including oncology and surgery) work closely with each other to make appropriate treatment plans for patients according to their clinical conditions.

Generally speaking, terminal cancer patients need more support in the final stage of their lives owing to changes in their medical conditions and emotions. Such support includes inpatient service for functional disabilities, continuous care upon discharge from hospitals and psychosocial support to alleviate emotional disturbances. The palliative care service of HA provides holistic care and support for patients suffering from life-threatening illnesses and their families to meet their physical, psychological, social and spiritual needs, so that the patients will be able to face death in a dignified and peaceful way.

Currently, HA provides palliative care service in all its seven clusters. The scope of service includes inpatient service, outpatient service, day care service, home care service and bereavement

service. With the aim of providing holistic care for patients, HA has been providing appropriate palliative care under a comprehensive service model for terminally-ill patients and their families through a multidisciplinary teams of professionals, including doctors, nurses, medical social workers, clinical psychologists, physiotherapists, occupational therapists, etc.

HA will continue to regularly review the demand for various medical services and plan for the development of such services having regard to factors such as population growth and changes, advancement of medical technology and health care manpower, and will collaborate with community partners to better meet the needs of patients.

At present, there are different drugs in the HA Drug Formulary for treatment of terminal breast cancer. The table below sets out the information of the relevant drugs:

<i>Drug name</i>	<i>Category</i>	<i>Cost</i>
Capecitabine	General drug <sup>(1)</sup>	Standard fees and charges
Gemcitabine	General drug	Standard fees and charges
Vinorelbine	Special drug <sup>(2)</sup>	Standard fees and charges
Doxorubicin Liposomal	Self-financed item <sup>(3)</sup>	\$15,207 for every four weeks
Eribulin	Self-financed item	\$17,880 for every three weeks

Notes:

- (1) General drugs are drugs with well-established indications and cost-effectiveness which are available for general use as indicated by patients with relevant clinical indications. These drugs are provided at standard fees and charges in public hospitals and clinics.
- (2) Special drugs are drugs used under specific 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. Patients who do not meet the specified clinical conditions but choose to use these Special drugs are required to pay for them.

- (3) Self-financed items include drugs with preliminary medical evidence only, drugs with marginal benefits over available alternatives but at significantly higher costs, and lifestyle drugs. These drugs are not covered by standard fees and charges. Patients who choose to use these drugs are required to purchase these drugs at their own expense.

(3) and (5)

HA notices that immunotherapy with adoptive transfer of autologous tumour-infiltrating T lymphocytes, and checkpoint inhibitor pembrolizumab, is a proof of principle for the use of immunotherapy in metastatic breast cancer, but it is still experimental. Its long-term efficacy and safety need to be confirmed in larger clinical trials before it could be applied more widely in clinical practice. In addition, not every patient is expected to be suitable or would benefit from the treatment. Similarly, the application of genetic testing technique to assess the risk of tumour relapse is yet to be confirmed. HA will keep closely in view the development of medical technology. Moreover, it has an established mechanism under which experts study and review regularly the testing and treatment options for patients, and the latest development of clinical and scientific evidences of drugs, so that adjustments can be made as appropriate. During the process, factors such as scientific evidences, cost-effectiveness, opportunity cost, technological advancement and views of patient groups are taken into account.

- (4) HA has been providing appropriate services for cancer patients through its multi-specialty team of professionals specialized in pathology, radiology, medicine, surgery, clinical oncology and palliative care. For patients with complex breast cancer, cancer case managers coordinate communication within the multi-specialty team, while surgeons and clinical oncologists maintain communication through various channels including close collaboration at multidisciplinary conferences, so as to make appropriate treatment arrangements for patients according to their conditions and wishes.
- (6) The Government has set aside over \$50 billion in the 2018-2019 Budget to promote the development of innovation and technology in Hong Kong. One of the initiatives is to establish research clusters

on health care technologies and on artificial intelligence and robotics technologies in the Hong Kong Science Park. The research cluster on health care technologies aims to attract local, Mainland and overseas top universities, scientific research institutions and technology enterprises for conducting more research and development ("R&D") projects on health care technologies. In addition, the Innovation and Technology Fund finances applied R&D projects that can contribute to industrial innovation and technologies upgrading, including biotechnology-related projects, which covers researches on new drugs and therapy for various diseases.

- (7) The Cancer Expert Working Group on Cancer Prevention and Screening ("CEWG") under the Government's Cancer Coordinating Committee has kept abreast of the latest local and international scientific evidence on cancer prevention and screening, and conducted timely reviews to ensure the evidence-based recommendations that CEWG formulated are applicable to the local circumstances.

After considering the emerging scientific evidence, CEWG considers that it is still unclear whether population-based mammography screening does more good than harm in local asymptomatic women. Therefore, CEWG concludes that there is insufficient evidence to recommend for or against population-based mammography screening for asymptomatic women at average risk in Hong Kong. For women at increased risk (e.g. carriers of certain deleterious gene mutations, those with a family history of breast or ovarian cancer), they should seek doctors' assessment and advice before deciding whether they should undergo breast cancer screening.

Given the lack of justification from public health perspectives as supported by scientific evidence, the Government at present does not have plans to introduce a population-based mammography screening programme. The Government and the medical sector need to gather more research findings and data to explore whether it is appropriate to implement population-based breast cancer screening for asymptomatic women at average risk in Hong Kong. Before a conclusion is drawn, service providers should offer adequate explanation to women who are considering breast cancer screening

regarding its benefits, harms and limitations in order to help them make an informed choice.

**Installation of mobile base stations of public mobile services operating in the 3.5 GHz band affected by the setting up of restriction zones**

19. **MR CHARLES PETER MOK** (in Chinese): *President, to tie in with the launch of the fifth generation (i.e. "5G") mobile service in the market in 2020, the Communications Authority ("CA") has decided to re-allocate the radio spectrum in the 3.4-3.7 GHz band from fixed satellite service ("FSS") to mobile service with effect from 1 April 2020. Moreover, in order to avoid radio interference with the existing earth stations for telemetry, tracking and control of satellites in orbit ("TT&C Stations"), CA has decided to set up restriction zones in Tai Po (which will cover areas including the entire Tai Po District, Shatin, Ma On Shan, Fanling, Sai Kung, and the core areas of scientific research activities in the Hong Kong Science Park and The Chinese University of Hong Kong) and Stanley, in which the installation of mobile base stations of public mobile services operating in the 3.4-3.6 GHz band ("3.5 GHz band") is forbidden. Some members of the information and technology sector have relayed to me that the setting up of such restriction zones will render members of the public residing and working in the restriction zones unable to use 5G mobile service in future, directly affecting scientific research activities and smart city development. In this connection, will the Government inform this Council:*

- (1) *of the respective populations of the two aforesaid restriction zones, and the respective numbers of households, courts/estates, industrial buildings, office buildings, shopping centres, schools, universities, companies and scientific research institutions (if any) covered by them (set out in a table);*
- (2) *whether CA has assessed (i) the impact on the daily lives of the residents in the zones, (ii) the impact on the scientific research and economic activities in the zones and (iii) the losses to be sustained by the entire local economy (including the loss caused by the failure to provide 5G mobile service in the zones), to be brought about by the setting up of the two restriction zones; whether CA will remove the two restriction zones, or reduce their coverage; if CA will, of the details and the implementation timetable;*

- (3) *whether CA had, before deciding to re-allocate the aforesaid spectrum, studied (i) the identification of alternative sites for relocating the existing TT&C Stations and (ii) the minimum area to be covered by the restriction zones; if CA had, of the details; if not, the reasons for that;*
- (4) *apart from the two restriction zones, whether CA has studied forbidding the installation of mobile base stations of public mobile services operating in the 3.5 GHz band in other areas or locations; if CA has, of the areas or locations involved and the reasons for that; and*
- (5) *whether CA has plans to relocate the FSS-related facilities to avoid the impact of the setting up of the restriction zones on the use of 5G mobile service and scientific research activities; if CA does, of the details of the plans and the implementation table?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Chinese): President, consolidated reply to the five parts of the question is as follows:

Hong Kong and the Asia-Pacific region have been allocating the 3.4-4.2 GHz band for use by satellite services for years. Currently, there are two satellite companies in Hong Kong which operate a total of 12 satellites. These satellites are important external telecommunications facilities for Hong Kong as a telecommunications hub in the region. At present, the two satellite companies have set up earth stations for telemetry, tracking and control ("TT&C Stations") in Tai Po and Stanley for the operation of the satellites in space orbit. In view of the development of mobile communications in recent years, upon frequency coordination with the Mainland authorities and completion of the relevant public consultation exercise, the Communications Authority ("CA") decided in March 2018 to reallocate the 3.4-3.7 GHz band from satellite services to mobile services, and to assign the 3.4-3.6 GHz band ("3.5 GHz band") for public mobile services with effect from 1 April 2020. This arrangement provides an advance notice of about two years to the affected licensees so that they can make necessary changes and adjustment. Since the TT&C Stations will still need to make use of the 3.4-3.7 GHz band to operate the satellites already launched, and the base stations for mobile services may cause interference to the TT&C Stations, in making its decision on the reallocation, CA has to impose restriction zones around these

TT&C Stations whereby future deployment of base stations for mobile services (including the fifth generation ("5G") mobile services) operating in the 3.5 GHz band inside the restriction zones will not be allowed.

According to the "Projections of Population Distribution 2015-2024" published by the Planning Department, the population in these two restriction zones is roughly estimated to be around 740 000. However, we must point out that coverage of 5G services will be available in these restriction zones in future (as explained below). We do not have other breakdowns as requested in part (1) of the question.

To ensure that the current spectrum management is in line with the 5G development, apart from reallocating the 3.5 GHz band for public mobile services (including 5G services), CA also plans to allocate the 26 GHz band (24.25-27.5 GHz band) and the 28 GHz band (27.5-28.35 GHz band) for public mobile services. Such spectrum, which is planned for assignment in 2019-2020, amounts to a total of 4 300 MHz, seven times more than the aggregate amount of spectrum currently deployed for the second, third and fourth generation ("2G", "3G" and "4G") mobile services. Hence, 5G services will be provided through a number of frequency bands, instead of relying on the 200 MHz of spectrum in the 3.5 GHz band alone. Besides, in accordance with the technology neutral principle, operators may refarm their existing 2G/3G/4G spectrum for 5G services. CA will continue to identify more spectrum for 5G services. All the spectrum can be used for provision of 5G services to cover areas within the restriction zones applicable to the 3.5 GHz band.

In late May 2018, mobile network operators ("MNOs") proposed to the Office of the Communications Authority ("OFCA") some measures for reducing the size of the restriction zones. Whether the measures proposed by MNOs are feasible will need to be examined by way of in-depth technical analysis and/or field tests. OFCA has already set up a working group comprising satellite operators and MNOs in order to identify options which are technically feasible and acceptable to all operators. The working group already convened its first meeting in early June and will continue to conduct regular discussions.

As for MNOs' proposal to relocate the existing TT&C Stations, there is no legal basis for CA to unilaterally request satellite operators to relocate their existing TT&C Stations which are legally set up, invested and put to use. In fact, the TT&C Stations concerned have been in operation for more than 20 years. Satellite operators indicated that the relocation of TT&C Stations will not only

involve substantial investment, but will also disrupt their operation. That said, if satellite operators have plans to relocate their stations or set up new backup stations to reduce the constraints on employing spectrum in the 3.5 GHz band for 5G services, OFCA will provide full assistance.

In sum, any concern on 5G development and coverage in individual areas being affected due to the need to protect satellite services when using spectrum in the 3.5 GHz band is one-sided, and reflects that those having such concern may not have a full picture of the 5G development. As advised by the Commerce and Economic Development Bureau and OFCA on various occasions, the first batch of new 5G spectrum is primarily in the 26 GHz and 28 GHz bands which CA plans to assign in early 2019, ahead of the assignment of spectrum in the 3.5 GHz band. Various areas of Hong Kong, including the restriction zones applicable to the 3.5 GHz band, can have 5G coverage by using spectrum in the 26 GHz and 28 GHz bands at an earlier stage.

### **Improving the work arrangements and environment for correctional staff**

20. **DR ELIZABETH QUAT** (in Chinese): *President, it is learnt that the wastage rates of correctional staff have remained persistently high in recent years. As at the end of February this year, a total of 316 rank and file correctional staff members retired, resigned or were transferred out in the 2017-2018 financial year, representing a wastage rate of 6.8%, hitting a record high in five years. On improving the work arrangements and environment for correctional staff, will the Government inform this Council:*

- (1) *given that the Correctional Services Department ("CSD") has been providing rehabilitative services to persons in custody for more than 20 years, whether the authorities will provide special allowances to frontline staff who have completed a diploma in social work programme, certificate course in social work, certificate course in psychological approaches in working with offenders or other courses recognized by CSD and the Qualifications Framework; if so, of the details and timetable; if not, the reasons for that;*
- (2) *whether the authorities will, on the premise that the number of weekly working hours remains unchanged, extend the five-day work week arrangement to all correctional staff to enable them to have*



*more rest time, and use this work mode as the basis for calculating the number of leave days to be deducted when they take vacation leave; if so, of the details and timetable; if not, the reasons for that;*

- (3) whether the authorities will provide transport for correctional staff working in remote correctional institutions to commute to and from work so as to reduce their commuting time; if so, of the details and timetable; if not, the reasons for that;*
- (4) given that while the authorities will, under extremely adverse weather conditions, arrange means of transport to pick up correctional staff to accommodation facilities to perform sleep-in standby duty, some means of public transport still maintain limited services under such conditions at present, whether the authorities will cancel the sleep-in standby duty arrangement and instead arrange means of transport to pick up staff at designated places to commute to and from work; if so, of the details and timetable; if not, the reasons for that;*
- (5) whether the authorities will, in view of the fact that the social environment and service demand have changed, consider reviewing, enhancing and shortening the recruit training programmes for correctional staff, so that those staff members may perform frontline duties as early as possible; if so, of the details; if not, the reasons for that;*
- (6) whether the authorities will consider reducing the weekly working hours of correctional staff from the current 48 hours to 44 hours in order to enhance their quality of life; if so, of the details; if not, the reasons for that;*
- (7) whether the authorities will deploy resources and manpower for building "smart prisons", including the introduction of smart wristbands which can monitor the pulse rates of persons in custody and a closed circuit television system with facial recognition features in order to provide a safer custodial environment, thereby reducing the workload of frontline staff; if so, of the details; if not, the reasons for that;*

- (8) *as some correctional staff members have relayed that the foot protection capability of the leather shoes they wear will be undermined with the wear and tear of the shoes, causing strain injuries to them, whether the authorities will proactively consider improving the design of these shoes in accordance with ergonomics and by adopting advanced materials; if so, of the details; if not, the reasons for that;*
- (9) *given that as the gates in correctional institutions are mainly installed with mechanical locks at present, it is time-consuming to lock and unlock them and extensive and complicated procedures are involved in the safe keeping and transfer of keys, of the progress of the authorities' work to replace the locks of the gates in individual correctional facilities with electric locks; whether various correctional institutions will completely switch to using electric locks; if so, of the details and timetable; if not, the reasons for that; and*
- (10) *as some correctional staff members have recently relayed to me that the staff common rooms in correctional institutions are small with insufficient number of beds and facilities, of the authorities' specific improvement measures?*

**SECRETARY FOR SECURITY** (in Chinese): President, correctional staff have all along been dedicated and diligent in performing their duties, ensuring a safe and secure custodial environment and helping persons in custody rehabilitate. They have made significant contributions to the law and order and public safety of the society over the years. The Correctional Services Department ("CSD") has always attached great importance to staff welfare and treatment. Various measures have been adopted to attract and retain talent to meet the continuous demand for manpower resources.

My reply to the various parts of the question raised by Dr Elizabeth QUAT is as follows:

- (1) CSD is committed to providing appropriate rehabilitation programmes for persons in custody to help them rehabilitate and reintegrate into society after serving their sentences. With a view

to enhancing the professionalism of correctional staff and the quality of rehabilitation services, CSD encourages its staff to pursue further studies. CSD has been co-organizing the Advanced Diploma in Applied Social Sciences (Corrections) programme with the School of Professional and Continuing Education of the University of Hong Kong for its staff and 405 staff have been sponsored to enrol in the programme. In addition, CSD sponsors frontline staff to enrol in the Certificate in Social Work for Correctional Services Officers programme and 592 staff have been sponsored.

- (2) CSD has, where practicable, changed the shift arrangements in some correctional institutions, including implementing trials on the five-day work week, to enable colleagues to have more rest days, thereby promoting better work-life balance and reducing overall commute time, under the principle of no reduction in the conditioned hours of service. The trials are still in progress and CSD will review their effectiveness when appropriate. CSD is also studying the feasibility of other shift arrangements and will try out such arrangements in other suitable institutions. In the process, correctional staff will be fully consulted.
- (3) As some of the correctional institutions are located in remote areas where public transport services are inadequate, CSD provides transport for correctional staff between designated locations and the relevant correctional institutions, thereby reducing their commute time. For instance, CSD currently arranges transport for correctional staff of Cape Collinson Correctional Institution, Tai Lam Correctional Institution, Tai Lam Centre for Women, Siu Lam Psychiatric Centre, Lo Wu Correctional Institution, Shek Pik Prison, Sha Tsui Correctional Institution and Tong Fuk Correctional Institution for commuting between these institutions and designated locations at specific timeslots respectively. CSD will, having regard to the ancillary public transport services for the institutions, discuss with the departments concerned the feasibility of providing transport for correctional staff to and from correctional institutions as appropriate.
- (4) At present, correctional staff are required to stand by in the accommodation facilities near the correctional institutions during a typhoon. To facilitate staff to return to the accommodation

facilities under inclement weather conditions, CSD arranges transport to pick up staff from designated locations to the concerned accommodation facilities within two hours after the Hong Kong Observatory has made the Pre-No. 8 Special Announcement. This arrangement ensures smooth handover of duties among staff of different shifts and that the security and normal operation of correctional institutions can be maintained during a typhoon. Taking into account the fact that public transport is now more convenient than in the past, CSD set up a working group in January 2018 to fully review whether the existing arrangement of standby in accommodation facilities during a typhoon should be suitably adjusted.

- (5) CSD is conducting a comprehensive review of its induction courses, which will be refined from time to time having regard to operational needs. For example, CSD has introduced virtual reality scenario training to enhance trainees' capabilities in dealing with contingencies in correctional institutions through different training scenarios and settings, with a view to providing newly recruited correctional staff with more appropriate training.
- (6) The current conditioned hours of work for correctional staff is 48 hours per week. Under the existing government policy, a proposal to reduce the conditioned hours of work would only be considered if it complies with the three prerequisites of cost neutrality, no additional manpower, and maintaining the same level of service to the public, as well as the "same grade (or rank), same conditioned hours of work" principle. Having regard to the above prerequisites, the management, operation, schedules and custodial arrangements of persons in custody at correctional institutions, CSD has no plan for the time being to adjust the conditioned hours of work for correctional staff. That said, CSD will continue to explore possible measures for improving the work environment of correctional staff, which include introducing new technologies and streamlining existing procedures, and pilot different shift arrangements such that frontline staff can have more rest time.
- (7) CSD will introduce various appropriate technologies from time to time to enhance operational efficiency, having regard to operational

needs. For example, a project of "Replacement of Core Information Technology Systems with the Integrated Custodial and Rehabilitation Management System" is being implemented. For this purpose, CSD engaged a contractor in May this year to carry out the related work. The project is expected to be completed by 2022. Moreover, CSD is exploring how the use of information technology can further improve its operations, with a view to providing a safer and more secure custodial environment. This includes exploring the feasibility of applying motion analysis surveillance technology, location surveillance system technology, etc. by conducting small-scale tests.

- (8) The shoes correctional staff wear while on duty have several functional characteristics, e.g. water-proof, breathable, arch supporting, breathable and shock absorbing insoles, etc. The slip and wear resistance of the soles has been accredited to meet internationally recognized standards. The overall design and specifications have already balanced the needs for wearing comfort and occupational safety and health of colleagues. At present, the life cycle of the shoes is 15 months. CSD will make arrangements for colleagues who need to have their shoes replaced earlier than scheduled according to established procedures. Furthermore, the Monitoring Group on Implementation of Field Dress of CSD will also regularly review and enhance the staff's uniforms and accoutrement, with a view to meeting operational needs and enhancing the occupational safety and health of colleagues.
- (9) CSD has all along enhanced and improved ageing correctional facilities having regard to practical needs. It has installed electric locks security systems in newly built and redeveloped correctional institutions, including Lo Wu Correctional Institution and Tai Lam Centre for Women (redevelopment area). In addition, the projects of installing electric locks security systems in Tai Lam Centre for Women (non-redevelopment area) and Stanley Prison are now in progress and are expected to be completed by the end of 2020 and 2025 respectively. CSD will also continue to study the feasibility of installing electric locks security systems in other correctional institutions.

- (10) CSD is now upgrading the overnight accommodation for correctional staff by phases. The relevant renovation works in individual institutions have been completed. Moreover, CSD has recently provided newly designed beds for trial use by colleagues and is collecting their views.

### **Regulation of third-party payment platforms**

21. **MR HO KAI-MING** (in Chinese): *President, electronic payment services have become popular in recent years, bringing considerable convenience in consumption to members of the public. However, as some third-party payment platforms fail to properly verify payers' identities when processing online transactions (for instance, payers are only required to input credit card/debit card numbers and security codes, as well as cardholders' names), unauthorized transactions are prone to occur. In this connection, will the Government inform this Council:*

- (1) of the number of complaints involving third-party payment platforms received by the authorities in the past three years, with a breakdown by type of complaints;*
- (2) of the measures taken by the authorities in the past three years to step up the regulation of the operation of third-party payment platforms (including collection of users' personal data and charging of handling fees or other fees);*
- (3) whether the authorities will consider making it a mandatory requirement for third-party payment platforms to adopt, when processing online transactions, two-factor authentication for verifying payers' identities, such as by requiring payers to input a one-time password either sent via short message service or generated by security tokens, in addition to credit card/debit card numbers and cardholders' names; and*
- (4) whether it has plans to promote the acceptance of payment for all government bills and payment notices through third-party payment platforms; if so, of the details and timetable?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Chinese): President, the Payment Systems and Stored Value Facilities Ordinance ("PSSVFO") (Cap. 584) prescribing the licensing and regulatory regime of stored value facilities ("SVFs") came into operation in 2015. The Hong Kong Monetary Authority ("HKMA") considers licence applications and supervises SVF licensees to ensure their safe and sound operation and to foster the development of a secure, efficient, and diversified electronic payment industry.

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

- (1) Since the granting of the first batch of SVF licences in August 2016 under PSSVFO, HKMA has received around 140 SVF-related complaints. Two cases were related to unauthorized transactions and the remaining were related to SVF licensees' service qualities, commercial arrangements, etc.
- (2) HKMA has issued regulatory guidelines requiring SVF licensees to implement relevant control measures in their operations. HKMA also monitors and reviews licensees' implementation of the guidelines through ongoing supervisory work. On personal data and privacy protection, the HKMA's guidelines require SVF licensees to put in place robust information security measures and to comply with the Personal Data (Privacy) Ordinance ("PDPO") (Cap. 486) as well as relevant guidelines issued by the Office of the Privacy Commissioner for Personal Data ("PCPD") to ensure that their users' personal data are properly handled and safeguarded. HKMA also maintains regular liaison with PCPD and has reminded SVF licensees to contact PCPD on issues relating to the implementation of PDPO and relevant guidelines. On fees and charges, SVF licensees are required to set out and explain clearly the applicable fees and charges relating to the use of their services and products, and ensure that such details are effectively communicated and made available to users.
- (3) The HKMA's guidelines require SVF licensees to implement adequate payment security controls to ensure the authenticity and traceability of transactions and to institute mechanism for preventing and detecting unauthorized transactions that may arise from fraud. Where needed, SVF licensees should implement additional controls

to detect unauthorized transactions, such as introducing two-factor authentication to verify users' identity and issuing transaction notifications to users. HKMA also requires banks to implement appropriate measures to confirm the authenticity of credit card transactions and protect customers' interest.

SVF licensees are required to implement appropriate payment security measures having regard to individual circumstances. However, the adoption of two-factor authentication or other payment security technology (e.g. biometric authentication) depends on various factors, such as the risk of the relevant SVF, the security level of the authentication technology, the convenience of the payment method, transaction patterns of users, etc. As the design of relevant security measures needs to be balanced against the nature of an SVF's operation, it may not be appropriate for HKMA to require all SVF licensees to adopt the same measures. Some SVF licensees have already adopted two-factor authentication in processing payment transactions. With regard to online credit card transactions, some banks verify the identity of their customers by using two-factor authentication such as SMS one-time password, whereas some other banks send SMS notifications to their customers after the transactions. In general, if a cardholder did not act fraudulently or with gross negligence, he or she will not be held liable for unauthorized transactions.

- (4) The Government currently accepts a wide range of electronic payment means, including Internet banking, phone banking, PPS, autopay, automated teller machine, etc., for the public's convenience. We note that the e-wallets offered by some SVF operators provide bill payment service as well. Users can scan the barcodes on their bills (such as phone bills and Towngas bills) and make payments through the e-wallets on their mobile phones. To facilitate the development of the SVF market, the Financial Services and the Treasury Bureau is exploring with relevant government departments on a pilot scheme under which members of the public can settle government bills in the same manner.



## **Manpower wastage of the Office of the Privacy Commissioner for Personal Data**

22. **MR KENNETH LEUNG** (in Chinese): *President, it has been reported that a number of staff members, including those at the rank of Division Heads, of the Office of the Privacy Commissioner for Personal Data ("PCPD") departed in recent years. Some members of the public worry about the impact of manpower wastage on the daily operation of and the handling of cases by PCPD. In this connection, will the Government inform this Council:*

- (1) *whether it knows the current staffing establishment of PCPD, with a breakdown by (i) whether the posts are at the managerial level and (ii) the mode of employment;*
- (2) *whether it knows the respective numbers and percentages of the staff members of each of the divisions under PCPD who departed each year since 2012, broken down by the mode of employment; and*
- (3) *whether the authorities requested, in the past five years, PCPD to review its mode of employment, remuneration packages and workflow, with a view to boosting staff morale and reducing staff wastage?*

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Chinese): President, having consulted the Office of the Privacy Commissioner for Personal Data ("PCPD"), our consolidated reply to the question raised by Mr Kenneth LEUNG is as follows:

At present, all PCPD staff (including directorate staff) are employed on a contract basis. As at 31 May 2018, the staff structure of PCPD is set out below:

<i>Rank</i>	<i>Number of Staff</i>
Directorate	4
Non-directorate	73
Total	77

Since 2012, the number and percentage of staff departed from PCPD are set out below:

<i>Year</i>	<i>The number of staff departed</i>	<i>The total number of staff of that year (as of 31 December of that year)</i>	<i>The percentage of staff departed</i>
2012	19	70	27%
2013	10	75	13%
2014	14	80	18%
2015	9	85	11%
2016	17	78	22%
2017	9	74	12%

PCPD is an independent statutory body. Under the "Memorandum of Administrative Arrangements" between the Government and PCPD, PCPD is autonomous in the employment of its staff and the determination of the remuneration as well as terms and conditions of services of its staff while observing the need to ensure sound corporate governance and good internal management, and exercise prudent budgetary practices with a view to ensuring that public funds are used properly and cost-effectively. In light of the keen demand for talents acquainted with protection of personal data, PCPD has been conducting reviews on its operations and management from time to time in the past few years and making improvements with a view to retaining talents. The relevant improvement measures include, with regard to the remuneration packages, offering gratuity and cash allowance in new contracts where appropriate to staff fulfilling the requirements of contract renewal; in respect of promotion, encouraging internal promotion and avoiding external recruitment of senior officers as far as practicable; as regards the workflow, redesigning and streamlining the workflows of the Complaints and Compliance Divisions, and through revising the complaints handling procedures and the forms of providing information to reduce the number of complaints that are irrelevant to personal data privacy, frivolous in nature or in lack of evidence; devoting more resources in personnel training and increasing the opportunities of training and practical experiences, such as arranging staff from various divisions to participate in local and overseas seminars and international conferences to keep them abreast of the global development trend of personal data protection. The relevant improvement measures have helped boost staff morale. PCPD was also acknowledged as "Manpower Developer" under the category of "Government Department, Public Body and NGO" by the Employees Retraining Board in May 2018.

**GOVERNMENT BILLS****First Reading and Second Reading of Government Bill****First Reading of Government Bill**

**DEPUTY PRESIDENT** (in Cantonese): Government Bill: First Reading.

**EMPLOYMENT (AMENDMENT) BILL 2018**

**CLERK** (in Cantonese): Employment (Amendment) Bill 2018.

*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**

**DEPUTY PRESIDENT** (in Cantonese): Government Bill: Second Reading.

**EMPLOYMENT (AMENDMENT) BILL 2018**

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): Deputy President, I move the Second Reading of the Employment (Amendment) Bill 2018 ("the Bill"). The purpose of the Bill is to increase the statutory paternity leave under the Employment Ordinance from three days to five days.

The Government undertook to review the implementation of the statutory paternity leave, which has been made a statutory benefit for male employees since 27 February 2015, one year after its coming into operation. After conducting the review, the Labour Department ("LD") has consulted the Labour Advisory Board ("LAB") and the Legislative Council Panel on Manpower ("the Panel") on the review outcomes and obtained their support.

The proposed Bill is based on the outcomes of the review on the implementation of the statutory paternity leave, and it commands the support of LAB and the Panel. The relevant proposals can help male employees better discharge their family responsibilities around the time of their children's birth. The Bill proposes that the relevant employees' entitlement to paternity leave be increased from three days to five days. In other words, if the Bill is passed by the Legislative Council, eligible working fathers of newborns will be entitled to two more days of paternity leave on top of the three days of paternity leave conferred by the existing legislation.

Our proposal of increasing the statutory paternity leave to five days is based on our consideration of various employers' manpower status and their varying abilities to afford employees' benefits. Some industries or enterprises are rather labour intensive, such as the catering industry. And, 98% of the enterprises in Hong Kong are small and medium enterprises. Their employers may come under greater impact. Speaking of small and tiny enterprises, LD's survey has found that it looks like most responding enterprises can afford five days of paternity leave. While some employers have indicated that they will still face manpower difficulties, most employers can cope with the resource and manpower impact caused by the two-day increase in paternity leave.

Other major arrangements under the paternity leave mechanism will remain unchanged. Some examples include maintaining the statutory paternity leave pay rate at four-fifths of the employee's average daily wages; the required employment conditions on the male employee's eligibility for paternal leave or paternity leave pay; the various notice requirements on the male employee taking paternity leave; the documentary proof to be submitted to the employer; and the time limit on the employer's payment of paternity leave pay. The experience of implementing paternity leave has shown us that employers and employees generally have not faced any difficulties in the operation of paternity leave.

I wish to point out that the existing proposal put forth by the Government is a result of thorough consideration. It has taken full account of the impacts on employees and employers, and is based on the agreement of representatives from employers and employees in LAB. Increasing paternity leave from three days to five days is the only proposal acceptable to both employees and employers. And, the agreement between employers and employees is certainly hard to come

by, so the Government must hold fast to it. Increasing paternity leave from three days to five days is likewise the only proposal that is acceptable to the Government.

Since the objective of the Bill is simple and straightforward, in the sense that it seeks to increase paternity leave to five days, and it is distinguishable from other complicated bills, I sincerely ask Members to consider the idea of sparing the need to form a Bills Committee on this simple Bill with only one objective, so as to enable its expeditious passage.

If a Bills Committee is not formed on the Bill, we expect that at the last Council meeting on 11 July before the summer recess, we can resume its Second Reading and see its passage after Third Reading. Because of the summer recess, even if it is passed by the Legislative Council, we can only introduce a piece of subsidiary legislation on its commencement date into the Legislative Council for scrutiny under the usual procedure at the first Council meeting after the Legislative Council resumes. We hope to complete the relevant proceedings before the end of this year, so that the fathers of some babies born in the Year of the Dog can enjoy the two additional days of paternity leave.

However, if a Bills Committee is formed on the Bill, then due to the summer recess, we must wait until the endorsement of the relevant report at the first House Committee meeting after the Legislative Council resumes at the soonest—if the Bills Committee can complete the scrutiny of the Bill—before we can give notice to the Legislative Council on resuming its Second Reading. In that case, I believe only the fathers of babies born in the Year of the Pig can enjoy the two additional days of leave.

For these reasons, I sincerely ask Members ... I am aware that some Members have other views on the amendments introduced by the Bill, and they even intend to put forth their amendments. But Members can fully express their views during the resumption of Second Reading at the Council meeting. Nevertheless, I must reiterate one point, the point that increasing paternity leave from three days to five days is the only proposal that is acceptable to the Government.

Thank you, Deputy President.

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Employment (Amendment) Bill 2018 be read the Second time.

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

### **Resumption of Second Reading Debate on Government Bill**

**DEPUTY PRESIDENT** (in Cantonese): This Council resumes the Second Reading debate on the Inland Revenue (Amendment) (No. 2) Bill 2018.

### **INLAND REVENUE (AMENDMENT) (NO. 2) BILL 2018**

#### **Resumption of debate on Second Reading which was moved on 11 April 2018**

**DEPUTY PRESIDENT** (in Cantonese): Mr Kenneth LEUNG, Chairman of the Bills Committee on the Bill, will first address the Council on the Committee's Report.

**MR KENNETH LEUNG:** Deputy President, as Chairman of the Bills Committee on Inland Revenue (Amendment) (No. 2) Bill 2018, I now give a brief account of the work of the Bills Committee.

The objective of the Bill is to amend the Inland Revenue Ordinance ("the Ordinance") to expand the scope of the existing profits tax deduction for capital expenditure incurred for the purchase of intellectual property rights ("IPRs") to cover three additional categories of IPRs, namely, performer's economic rights, protected layout-design rights and protected plant variety rights. According to the Administration, the legislative exercise is to give effect to the proposal as announced by the Financial Secretary in the 2016-2017 Budget, and will bring about positive effects to the development of the intellectual property industry in Hong Kong and enhance its status as a premier intellectual property trading hub in Asia.

Deputy President, the Bills Committee supports the Bill in principle. In the course of deliberations, the Bills Committee has considered, among other issues, the rationale for choosing the three additional categories of IPRs for inclusion in the proposed profits tax deduction, the impact on tax revenue, the mechanism for determining the true market value of IPRs for tax assessment, the deeming provisions in respect of the trading receipts of IPRs, and relevant anti-avoidance measures.

As advised by the Administration, the three additional categories of IPRs are covered by the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights and are protected in Hong Kong under the respective dedicated legislations on intellectual properties. The inclusion of the three additional categories of IPRs will render the scope of profits tax deduction in respect of capital expenditure incurred for the purchase of IPRs under the Ordinance more comprehensive.

On members' enquiry about the impact of the legislative proposal on Government's tax revenue, in particular the estimated amount of tax revenue to be forgone pursuant to the proposed profits tax deduction, the Administration has advised that it may not be feasible to arrive at a precise estimation given limited market information and statistics on the trading volume of the three additional categories of IPRs. The Inland Revenue Department ("IRD") also does not have relevant data for estimation because capital expenditure, including the acquisition cost incurred for the three additional categories of IPRs, is not tax deductible at present and therefore no relevant claim has been recorded. The Bills Committee however notes that the total amount of deduction claimed in respect of capital expenditure on the purchase of the existing five categories of tax deductible IPRs for the year of assessment 2015-2016 was \$846 million.

The Bills Committee is concerned that an enterprise may over-claim the amount of capital expenditure incurred for the purchase of IPRs for tax deduction and has sought details of the mechanism for determining whether an alleged purchase cost of an IPR in a transaction is eligible for deduction under the regime of profits tax deduction.

The Administration has assured members that IRD has a well-established mechanism to guard against abuses where the claim for tax deduction does not

represent the true market value of IPR at the time of purchase or sale. In determining the true value of the acquisition costs of the relevant IPRs, IRD will make reference to the arm's length principle and determine real taxable profits. For transactions involving related parties, IRD will take into account relevant transfer pricing provisions, and consider whether the anti-avoidance provisions of the Ordinance will be applicable should the relevant cases demonstrate an intent of tax avoidance or tax evasion.

The Bills Committee notes that proposed section 15(1)(bb) under clause 3 of the Bill provides that sums received by or accrued to a performer or an organizer for an assignment of, or an agreement to assign, a performer's right in relation to a performance given by the performer in Hong Kong would be deemed as taxable receipts arising in or derived from a trade, profession or business carried on in Hong Kong. The Bills Committee has enquired how IRD will conduct tax assessment and tax collection in respect of a non-resident person who is chargeable to tax in respect of sums deemed by the said proposed section to be trading receipts arising in or derived from Hong Kong.

The Administration has explained that the said proposed section is applicable to both Hong Kong residents and non-residents. In case non-residents are involved, IRD has an established mechanism for tax assessment and collection. Where section 20B of the Ordinance applies, the non-resident person concerned will be chargeable to tax in respect of the sums concerned in the name of any person in Hong Kong who has paid those sums to that or any other non-resident person, and the tax so charged shall be recoverable by all means under the Ordinance from that person in Hong Kong. That person in Hong Kong shall, at the time he makes the payment, deduct from those sums which are sufficient to produce the amount of such tax. Clause 7 of the Bill proposes to extend the above arrangement to sums deemed to be trading receipts under proposed section 15(1)(bb).

The Bills Committee has also examined the meaning and scope of the term "performer's right" under clause 3 of the Bill. Members note that the term in clause 3(1) and (2) includes both performer's "economic rights" and "non-economic rights" whereas the same term in clause 3(3) practically covers performer's "economic rights" only. As performer's economic rights are



transmissible whereas performer's non-economic rights are not assignable nor transmissible, the Administration has been requested to clarify whether and how the use of the same term "performer's right" could be able to reflect the Administration's different policy intent under the said provisions.

The Administration has explained that the term "performer's right" includes both economic rights which are assignable and non-economic rights which are not assignable. It is necessary for clause 3(1) and (2) of the Bill to cover both types of rights, so as to clarify what sums received by or accrued to a person for the use of "performer's right" should be deemed as trading receipts arising in or derived from Hong Kong. In this regards, trading receipts can arise from the use of both economic rights and non-economic rights. Clause 3(3) of the Bill, however, seeks to deal with sums received arising from the assignment (rather than mere use) of performer's rights. Since only economic rights are assignable, clause 3(3) of the Bill will practically cover economic rights only. The Administration has pointed out that taking the words in context, the reference to "performer's right" in the relevant provisions is clear enough.

Clause 6 of the Bill seeks to amend section 16EC of the Ordinance to provide that the existing anti-avoidance measures in relation to tax deduction for capital expenditure for the purchase of the existing five categories of IPRs would also apply to the three additional categories of IPRs to the effect that tax deduction is not allowable under certain circumstances. The Bills Committee notes that the industrial sector has been appealing to the Administration over the years to amend sections 39E and 16EC of the Ordinance to enable manufacturers to claim tax allowances in respect of the machinery, equipment and IPRs used in their production procedures located outside Hong Kong. Yet, the Administration has not taken up such proposal on the ground that the proposal may be regarded as encouraging the manufacturer's transfer of company profits via transfer pricing arrangement. Referring to the view expressed by some deputations that the restriction under the existing section 16EC(4)(b) of the Ordinance should be reviewed or removed, the Bills Committee has enquired whether the Administration would change its stance in respect of the review of sections 39E and 16EC of the Ordinance.

The Administration has explained the section 16EC(4)(b) was introduced in 2011 as an anti-avoidance provision, following similar principles behind section 39E of the Ordinance. The purpose of section 16EC(4)(b) is to deny tax deduction for IPRs which are used outside Hong Kong by a party other than the taxpayer for production of profits not chargeable to tax in Hong Kong. On the issues relating to sections 39E and 16EC, the Administration has advised that the subject matter is not only concerned with Hong Kong's tax policy, but also the tax arrangements in the Mainland. In the light of possible economic integration that may be brought about by the development of the Guangdong-Hong Kong-Macao Bay Area, the Administration has communicated with the industry and is re-examining the issues, and will study and explore feasible options that comply with the principles of tax symmetry and transfer pricing. The Administration will take into account the views expressed by Members and the relevant deputation in its study.

Deputy President, the Bills Committee notes that the Administration has proposed a textual amendment to the Chinese text of a provision under clause 5(2) of the Bill, so as to align it with the English text. The Bills Committee agrees to the Administrations' amendment.

The following part of the speech carries my personal views on the Bill.

**MR KENNETH LEUNG** (in Cantonese): Deputy President, the Bills Committee on Inland Revenue (Amendment) (No. 2) Bill 2018 ("the Bills Committee") has held two meetings and received a total of 11 written submissions from the trade and relevant organizations. The Inland Revenue (Amendment) (No. 2) Bill 2018 ("the Bill") is a tax enhancement measure of the SAR Government and one of its policy actions to encourage scientific research and the development of innovation and technology.

The Bill is very simple. It only seeks to expand the scope of profits tax deduction from the existing five categories of IPRs to eight by covering three additional categories of IPRs. The three new categories are performer's economic rights, protected layout-design rights, or the layout-design (topography) of integrated circuits, and protected plant variety rights. As an accountant, Deputy President should know that the purchase of IPRs is a capital expenditure generally not tax deductible. But following the proposed inclusion, capital

expenditure incurred for the purchase of the three additional categories of IPRs is tax deductible for the purpose of the Inland Revenue Ordinance ("IRO").

The Bill also sets out some basic, not over-stringent, anti-avoidance provisions. Capital expenditure incurred for the purchase of the three additional categories of IPRs is tax deductible as long as it complies with the most basic anti-avoidance principles. Besides, I have to draw our attention to clause 3(3) of the Bill, which also provides for new anti-avoidance measures to deal with sums received for assignment of a performer's economic right. Capital receipts are normally not treated as trading receipts under the existing IRO. However, as the Bill allows tax deduction for capital expenditure, on the basis of "tax symmetry", sums received by a performer or an organizer for an assignment of that performer's right will be deemed as trading receipts of that performer or organizer derived from Hong Kong.

Some members have asked the Inland Revenue Department ("IRD") about the impact of the inclusion of three additional categories of tax deductible IPRs on Hong Kong's tax revenue. Deputy President, you might have learned from the report of the work of the Bills Committee which I have delivered in English just now that IRD actually could not come up with an exact figure. Yet, I can tell Members that the total amount of deduction claimed in respect of capital expenditure incurred for the purchase of the existing five categories of tax deductible IPRs for the assessment year of 2015-2016 was \$846 million. Instead of focusing on the tax revenue to be forgone, we should look into what economic benefits can be generated from this special concessionary measure for Hong Kong as an intellectual property registration centre.

I earnestly hope that after the passage of the Bill, the Government would report to the relevant panel one or two years after implementation of the relevant provisions to let us know the economic benefits to be gained from this tax relief measure.

Deputy President, I support the Second Reading of the Bill, and I call on all colleagues to support the Second and Third Readings of the Bill. I so submit. Thank you.

**MR WONG TING-KWONG** (in Cantonese): Deputy President, bills scrutiny is our routine work every year. It is just something normal. But this year, there is a particularly large number of bills seeking to amend the Inland Revenue Ordinance ("IRO"). I participated in the scrutiny of nearly all the bills on taxation, and I even chaired some of the Bills Committees concerned.

The Inland Revenue (Amendment) (No. 2) Bill 2018 ("the Bill") is also about taxation. It seeks to expand the scope of profits tax deduction for capital expenditure incurred for the purchase of intellectual property rights ("IPRs") from five categories at present to eight. The three additional categories include "performer's economic rights", "protected layout-design (topography) rights" and "protected plant variety rights". To the industries, the amendments proposed by the Bill are definitely beneficial, as they can help lower their capital expenditure. So, both the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") and I support the Bill.

The Government's objective of expanding the scope of tax deduction is to promote Hong Kong as a regional hub of intellectual property trading. Specifically, the aim is to give impetus to the development of Hong Kong's intellectual property industry and upgrade our status as a trading hub of intellectual property in Asia. But, it has been quite some time since statutory protection was accorded to the three additional categories of intellectual property rights mentioned above. Also, as early as March 2015, the Working Group on Intellectual Property Trading already recommended an expansion of the scope of tax deduction for capital expenditure incurred for the purchase of intellectual property rights. If the Government wants to promote the development of Hong Kong's intellectual property industry, it should act proactively. I really wonder why the Government has delayed the matter for three years and seeks to implement the said recommendation only today.

Well, the proposed tax deduction is supported by most people. Apart from the Bills Committee, various organizations have expressed support in their submissions. But my concern is that many small and medium enterprises ("SMEs") may be unable to thoroughly grasp the arrangement of adding three categories of rights to the existing five, as their awareness of intellectual property protection is still low, and they need to increase their alertness. During the scrutiny of the Bill, I therefore asked the authorities to clarify the rationale, scope and workings of the tax deduction, especially the definitions of "performer's economic rights" and "protected plant variety rights".

Another concern of mine is that people applying for tax deduction may not be truthful about the market transaction values of the intellectual property rights concerned. In this connection, I actually want to know if the authorities have devised any precautionary mechanism to pre-empt the problem. The authorities say in their reply that the Inland Revenue Department ("IRD") will determine the true value of the acquisition costs of an intellectual property right according to the arm's length principle (i.e. prices should be the same as they would have been, had the parties to the transaction not been related to each other). In case a transaction involves two related parties, IRD will take into account the relevant transfer pricing provisions. If there are any signs of tax avoidance or evasion, IRD will consider whether the anti-avoidance provisions of IRO are applicable.

As SMEs will also encounter the above situation, they do need clear explanations and a good understanding of the issues involved. For this reason, the relevant government departments must brief the industries in detail after enacting the legislation, and strengthen publicity. Moreover, the authorities need to communicate and liaise closely with the industries so as to answer their queries. I believe this will help encourage enterprises to consider using and purchasing more IPRs. The industries are of the view that since the business environment nowadays is full of challenges and SMEs are faced with many problems, expanding the scope of tax concessions will surely help create a favourable environment for the research and development ("R&D") of enterprises. I hope that when intellectual property trading among enterprises matures, it can become the impetus for business transformation, thus helping enterprises to embark on their own R&D and brand-name building.

Deputy President, it is definitely a good thing to see our intellectual property rights policy keep abreast of the times. There is now industry support, so the Government should step up its promotion efforts.

With these remarks, Deputy President, I support the Bill and the amendment.

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

(No Member indicated a wish to speak)

**DEPUTY PRESIDENT** (in Cantonese): If not, I now call upon the Secretary for Commerce and Economic Development to reply. Then, the debate will come to a close.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): Deputy President, the Inland Revenue (Amendment) (No. 2) Bill 2018 ("the Bill") was introduced into the Legislative Council in April this year. I am very grateful to Chairman of the Bills Committee Mr Kenneth LEUNG and other members for their efforts and full support to enable the smooth completion of the scrutiny of the Bill.

As I have said in the moving of the Second Reading, the Bill seeks to expand the scope of profits tax deduction for capital expenditure incurred for the purchase of intellectual property rights ("IPRs"). At present, capital expenditure incurred for the purchase of five categories of IPRs, i.e. patent rights, rights to know-how, copyright, registered designs, and registered trade marks, is profits tax deductible under the Inland Revenue Ordinance. The Bill proposes to expand the scope of profits tax deduction from the aforesaid five categories of IPRs to eight. The three additional categories of IPRs are layout-design (topography) of integrated circuits, plant variety, and performer's right.

The proposed expansion of the scope of tax deduction helps to encourage enterprises to engage in the development of IP-related business, thus reinforcing Hong Kong's status as a regional IP trading hub. If the Bill is passed, the tax deduction arrangement will cover capital expenditure incurred for the purchase of various major types of IPRs.

In the course of deliberation, members of the Bills Committee generally expressed their support for the Bill. All 11 organizations which have provided submissions to the Bills Committee supported the proposals put forward in the Bill.

Mr WONG Ting-kwong has mentioned the need for the Government to step up its publicity and promotion efforts to raise the awareness of the industry. I strongly agree with him about this. The Government has indeed put in place a number of measures to support the creation and use of IP by enterprises, including small and medium enterprises ("SMEs") which Mr WONG has referred to. The measures include providing free initial IP consultation service for SMEs

to raise their IP awareness and assist them in developing effective IP management and commercialization strategies. We have also launched an IP Manager Scheme to help SMEs build up their IP manpower capacity and assist them in managing and commercializing their IP assets.

Mr WONG has asked why it takes such a long time to implement the proposed tax deduction. The Government commenced the preparation work and consulted the Panel on Commerce and Industry of the Legislative Council in November 2016 right after the announcement of the relevant measures in the 2016-2017 Budget. The Government originally planned to submit the Bill to the Legislative Council in 2017.

If the Bill is passed, the proposed tax deduction will take effect from the beginning of the basis period of the 2018-2019 assessment year. In other words, for companies which basis period ends on or after 1 April 2018, capital expenditure incurred for the purchase of the three additional categories of specified IPRs after the beginning of this basis period will be profits tax deductible.

Later on when we proceed to the Committee stage, I will move a simple amendment to the Chinese text of clause 5(2) of the Bill to replace the expression "布圖設計(拓撲圖)權利" with "布圖設計", so as to align it with the English text. The Bills Committee agrees to the proposed amendment.

I implore Members to support the Bill and the amendment to be moved in the Committee stage to enable us to implement the Budget proposal and expand the scope of tax deduction arrangement to cover new categories of IPRs as soon as possible. The proposal is beneficial to the industry and conducive to Hong Kong's development as an IP trading hub in the region.

I so submit. Thank you.

**DEPUTY PRESIDENT** (in Cantonese): I now put the question to you and that is: That the Inland Revenue (Amendment) (No. 2) Bill 2018 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

**CLERK** (in Cantonese): Inland Revenue (Amendment) (No. 2) Bill 2018.

Council became committee of the whole Council.

### **Consideration by Committee of the Whole Council**

**DEPUTY CHAIRMAN** (in Cantonese): Council now becomes committee of the whole Council to consider the Inland Revenue (Amendment) (No. 2) Bill 2018.

Members may refer to the Appendix to the Script for the debate and voting arrangements for the Bill.

### **INLAND REVENUE (AMENDMENT) (NO. 2) BILL 2018**

**DEPUTY CHAIRMAN** (in Cantonese): I will first deal with the clauses with no amendment. I now propose the question to you and that is: That the following clauses stand part of the Bill.

**CLERK** (in Cantonese): Clauses 1 to 4, 6 and 7.

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

(No Member indicated a wish to speak)



**DEPUTY CHAIRMAN** (in Cantonese): If no Member wishes to speak, I now put the question to you and that is: That the clauses read out by the Clerk stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

**DEPUTY CHAIRMAN** (in Cantonese): I now deal with the clause with amendment. I now propose the question to you and that is: That the following clause stand part of the Bill.

**CLERK** (in Cantonese): Clause 5.

**DEPUTY CHAIRMAN** (in Cantonese): The Secretary for Commerce and Economic Development will move his amendment as set out in the Appendix to the Script.

**DEPUTY CHAIRMAN** (in Cantonese): Members may now proceed to a joint debate on the original clause and the amendment.

Secretary for Commerce and Economic Development, you may move your amendment.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): Deputy Chairman, I move my amendment to amend clause 5, as set out in the Appendix to the Script. As I have said during the resumption of the

Second Reading debate, this amendment seeks to amend an expression in the Chinese text of clause 5(2) to align it with the English text. The Bills Committee agrees to the proposed amendment. I implore Members to support the passage of the Bill.

*Proposed amendment*

**Clause 5 (See Annex I)**

**DEPUTY CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That the amendment moved by the Secretary for Commerce and Economic Development be passed.

Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

**CLERK** (in Cantonese): Clause 5 as amended.

**DEPUTY CHAIRMAN** (in Cantonese): I now put the question to you and that is: That clause 5 as amended stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

**DEPUTY CHAIRMAN** (in Cantonese): All the proceedings on the Inland Revenue (Amendment) (No. 2) Bill 2018 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): Deputy President, I now report to the Council: That the

Inland Revenue (Amendment) (No. 2) Bill 2018

has been passed by committee of the whole Council with amendment. I move the motion that "This Council adopts the report".

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

In accordance with the Rules of Procedure, this motion shall be voted on without amendment or debate.

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

(Members raised their hands)

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

(No hands raised)

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

### **Third Reading of Government Bill**

**DEPUTY PRESIDENT** (in Cantonese): Government Bill: Third Reading.

### **INLAND REVENUE (AMENDMENT) (NO. 2) BILL 2018**

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): Deputy President, I move that the

Inland Revenue (Amendment) (No. 2) Bill 2018

be read the Third time and do pass.

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Inland Revenue (Amendment) (No. 2) Bill 2018 be read the Third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

**CLERK** (in Cantonese): Inland Revenue (Amendment) (No. 2) Bill 2018.

## **GOVERNMENT MOTION**

**DEPUTY PRESIDENT** (in Cantonese): Government motion. Proposed resolution under the Import and Export Ordinance.

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

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

## **PROPOSED RESOLUTION UNDER THE IMPORT AND EXPORT ORDINANCE**

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

As announced in the 2018-2019 Budget, the Government proposes to cap the import and export declaration ("TDEC") charges at \$200. To implement the

proposal, we need to amend the Import and Export (Registration) Regulations through the Import and Export (Registration) (Amendment) Regulation 2018 ("the Amendment Regulation") by way of the present motion.

As set out in the Budget, it is the Government's strategic objective to develop Hong Kong into a trading, storage, logistics and distribution hub for high-value goods. Although TDEC charges have been kept at low levels and more than 70% of TDEC charges in 2016-2017 were at or below \$10, TDEC charges for some high-value goods can still be substantial under the present mechanism. Capping TDEC charge for each declaration at \$200 will lower the cost of importing and exporting high-value goods into and from Hong Kong, encourage the trading and logistics industry to move up the value chain, and thereby enhance Hong Kong's advantages as a trading hub.

The proposal is expected to save the trade about \$458 million a year and benefit about 900 000 TDEC cases involving goods at a value above \$1.644 million. The estimated revenue from TDEC charges will reduce by about 48% a year.

The Panel on Commerce and Industry of the Legislative Council indicated in April its support to the Government's proposed legislative amendments. Subject to passage of the resolution by the Legislative Council, the Amendment Regulation will come into effect on 1 August 2018.

I would like to appeal to Members for their support to the early passage of the resolution, so that the trade may reap early benefits from the measure. Thank you, Deputy President.

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

"RESOLVED that the Import and Export (Registration) (Amendment) Regulation 2018, made by the Chief Executive in Council on 29 May 2018, be approved."

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

**MR WU CHI-WAI** (in Cantonese): Deputy President, the purpose of the Government in moving this resolution is so simple—just to set a cap on the import and export declaration ("TDEC") charges. Just as the Secretary has pointed out in his speech just now, it is the Government's strategic objective to develop Hong Kong into a trading, storage, logistics and distribution hub for high-value goods.

As said by the Secretary in his speech, the initiative of setting a cap on the TDEC charges this time will benefit about 900 000 TDEC cases involving goods at a value above \$1.64 million. The Government hopes that the initiative will help encourage the trading and logistics industry to move up the value chain. For all that, we had brought up a crucial issue both at the meetings of the Panel on Commerce and Industry ("the Panel") and during the discussion sessions related to this resolution: Will the imposition of a cap on the TDEC charges necessarily turn Hong Kong into a high value-added logistics centre? Are there any ways other than setting a cap on the TDEC charges that can also help us achieve such an important goal of making Hong Kong a high value-added logistics centre?

I once provided an example at a meeting of the Panel. I wonder if Members still remember that at the time when the Government sought to abolish the wine duty, relevant measures were implemented to support the development of relevant industries like wine storage, logistics, auction and exhibition in Hong Kong. We learn from this example that the implementation of reduction in TDEC charges alone is not enough to make Hong Kong a high value-added centre indeed.

Therefore, apart from its current proposal of setting a cap on TDEC charges, are there any other further measures that the Government will put in place to help promote the development of the entire industry chain in fact? Regrettably, we have still not heard about any conceptualization or strategy from the Government regarding this so far. At the meetings of the Panel, the Government only kept repeating the official reply, telling members that sites at the airport and in Tuen Mun had been earmarked for high value-added logistics development. However, instead of paying lip service, is it possible that the Government also provides other facilities and puts in place measures to facilitate the development of high value-added logistics in addition to provision of sites?

Besides, the Government has repeatedly mentioned that Hong Kong has favourable conditions for developing scientific research of biotechnology both at

present and in the future, and so the Innovation and Technology Bureau and the science park have plans to develop biotechnology in Hong Kong. As a matter of fact, the entire South China and Central China have great demand for Hong Kong's health care services, where many Mainland women have even come to Hong Kong for vaccination in recent years. In light of this, will the Government consider building Hong Kong into a storage/distribution centre for temperature-sensitive pharmaceutical products, while encouraging large international pharmaceutical manufacturers to set up their headquarters in Hong Kong for the conduct of research and development ("R&D") and distribution of pharmaceutical products, or that the Government provide sites for developing dedicated high value-added logistic services to cater for temperature-sensitive pharmaceutical products? Should this be the Government's vision, will it make the efforts to enhance local services in drug certification and re-export of drugs to the Mainland? As to the research on biotechnology, will the Government take forward relevant strategies in addition to putting in resources for this purpose? As a matter of fact, imposing a cap on TDEC charges only marks the very first step as there is still a long way to go if we really want to realize our vision of developing high value-added logistics industry in Hong Kong.

On the other hand, Hong Kong has always been among the most important Chinese medicinal materials trade centres, where the import and export of Chinese medicinal materials worth billions Hong Kong dollars every year. Since the Government had said that it intended to develop Chinese medicinal material industry in Hong Kong, will it make any complementary efforts in this regard by strengthening relevant certification services while providing high value-added logistics service for the Chinese medicinal material industry? All such initiatives need to be put in place if the Government does not wish to waste the 48% of estimated revenue from TDEC charges foregone resulting from the cap imposed on TDEC charges because the Government's goal is to provide suitable conditions for developing Hong Kong into a high value-added logistics and trade centre. Relying solely on reducing TDEC charges without implementing necessary complementary policies, it is impossible to achieve this goal. Otherwise, how will it be possible to increase the trade volume by developing the high value-added logistics industry? Or should the Government just sit there until opportunity knocks?

In order to better utilize the benefits brought by the reduction in TDEC charges, the Government has actually formulated a set of strategies for the development of the high value-added logistics industry while studying from a



macro perspective the feasibility of developing the entire industry chain. It is imperative that the Government find out all the answers to the questions raised above, or it will only be "doing for doing's sake" in the end if it fails to find out the answers. Of course, even it is so, Hong Kong's trade volume will still see some growth in consequence to the moving of this resolution by the Government today. Nevertheless, the leverage effect we expect to achieve is more than successfully attracting dealers of certain expensive items to choose Hong Kong as the trade centre or re-export centre for their business. More importantly, we expect the Government to launch complementary policies in a timely manner after exercising control over the level of TDEC charges in order to attract more high value-added industries to set up their headquarters in Hong Kong, thereby boosting development of various industry chains in Hong Kong.

In its reply to our enquiries, the Government said it was not only paying lip service. In fact, various work is underway, including earmarking a site at the airport managed by the Airport Authority Hong Kong with certain progress made, where a consortium was successful in bidding for the land use right of the site and has started to plan for matters concerning the development of logistics facilities. The winning tenderer is a consortium led by a company of the Alibaba Group, which is expected to invest \$12 billion for the development of a world-class smart logistics centre.

We definitely welcome an international commercial institute like this one to invest in Hong Kong. But the question is: Will this, of which the land use right is awarded to the consortium, bring us benefits other than that related to the logistics industry? Or will it only make Hong Kong a transit stop for transshipment of goods, whereby less-than-expected economic benefits for Hong Kong will be generated?

We understand that investment brings benefits, but we do not only expect to see Hong Kong become a transit stop for transshipment of goods. We also hope that with various policies and initiatives in place, more industry chains will emerge to show us some crucial directions for economic restructuring to take place in Hong Kong. Therefore, as I have pointed out just now, there are three important directions for Hong Kong's economic development according to the Government, namely AI (i.e. artificial intelligence), smart city, and biotechnology. As for development of biotechnology, various aspects will be involved, including storage, distribution and marketing of the drugs developed. Yet, the crux lies in whether those trades involved in these aspects stand any

chances of taking root in Hong Kong to form a complete industry chain. If so, then they will certainly help enrich Hong Kong's economy in the process of economic restructuring.

Hence, we need to ask: Does the Government have plans to develop relevant industry chains on the sites zoned for uses other than e-commerce, such as for storage of temperature-sensitive pharmaceutical products which I have mentioned just now? Furthermore, I certainly hope that the Government will draw up strategies to attract internationally well-known pharmaceutical manufacturers and enterprises to set up their headquarters in Hong Kong and build up their own production chains here, thereby pushing forward pharmaceutical manufacturing to emerge as a new industry in the domain of biotechnological research in Hong Kong.

Finally, I wish to make a point. The Government has been talking about developing the high value-added logistics industry for years but has yet to deliver significant outcomes so far. On the contrary, members of the logistics industry have been complaining about insufficient support from the Government which has led to the shrinking of the industry. And as told by the Secretary, the current move of capping TDEC charges will only benefit about 900 000 TDEC cases involving high-value goods, it will probably not of much help indeed. I remember the Government said in its reply to my enquiry that of the 900 000 TDEC cases covering 5.18 million declaration items, 70% fall into the category of "Machinery and Mechanical Appliances", including electrical equipment (e.g. parts of television image), which may be regarded as high value-added items; only 6.34% of the 900 000 TDEC cases involve "Articles of Apparel and Clothing Accessories"; and pharmaceutical product only account for 0.4%.

Having gone through these figures, I cannot help but ask: Is the imposition of exorbitant TDEC charges the genuine reason for Hong Kong's failing to attract in the past imports of those high value-added goods mentioned above? Or is it actually due to the lack of complementary initiatives? If the latter is true, then the authorities' move of capping TDEC charges will not be conducive to turning Hong Kong into a high value-added logistics hub. I remember the Secretary once said on a television show that a lot of local industries (e.g. the industry specializing in organizing auctions for works of cultural art which has emerged and become so popular lately) had to bear heavy financial burden due to the absence of a cap on TDEC charges. Conversely, although the Government has made such a big move this time, has it also put in place corresponding

complementary initiatives to help achieve the policy objective concerned? I think it should make this clear to the public.

Given that the Government aims at achieving the policy objective of promoting the development of local high value-added logistics industry, it has the responsibility to examine why the development of local high value-added logistics industry had come to a standstill and failed to help boost the growth in trade volume in the past. By doing so, it is expected that while proposing setting a cap on TDEC charges today, a clear direction can be provided for the Government's reference in formulating policies to take forward the development of high value-added logistics industry. Meanwhile, more complementary initiatives can be launched to tie in with the crucial direction for Hong Kong's economic restructuring to take place as frequently mentioned by the Government (including biotechnology, artificial intelligence and smart city), thereby providing due support to various areas involved in the process of economic restructuring instead of relying solely on the single move of setting a cap on TDEC charges. Yet, the Government should never think that taking such a step is all that it has to do in this regard.

I so submit, Deputy President, hoping that the Secretary will respond to my remarks. The Democratic Party supports the resolution.

**DEPUTY PRESIDENT** (in Cantonese): I remind Members that the main purpose of this resolution is to cap TDEC charge for each declaration at \$200. The scope of Mr WU Chi-wai's speech delivered just now is very broad, where issues concerning the overall policy on sectors that generate higher value were touched on. I urge Members who will speak later on to focus their discussions on the contents of this resolution.

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

(No Member indicated a wish to speak)

**DEPUTY PRESIDENT** (in Cantonese): If not, I now call upon the Secretary for Commerce and Economic Development to reply. Then, the debate will come to a close.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): Deputy President, as I have said in the opening speech, the resolution seeks to amend the relevant subsidiary legislation to implement the \$200 cap on the import and export declaration ("TDEC") charges. The measure will lower the cost of importing and exporting high-value goods into and from Hong Kong, encourage the trading and logistics industry to move up the value chain, and thereby enhance Hong Kong's advantages as a trading hub.

Mr WU Chi-wai has said the imposition of a cap on TDEC charges alone is insufficient to develop Hong Kong into a trading and logistics hub for high-value goods. We absolutely agree with this point. Hence, in parallel to TDEC charge cap, the Government has also introduced a number of measures to support the continual healthy growth of the logistics industry and its migration towards high value-added services. To achieve this, the Government has proactively identified and provided dedicated land for the development of modern logistics facilities. A focus study has also been carried out on the redevelopment of the Air Mail Centre of Hongkong Post at the Hong Kong International Airport in order to significantly enhance its efficiency and capacity. Actually, business opportunities abound in the transport and logistics industry which is one of the priority sectors we have kept promoting. Invest Hong Kong has also been actively reaching out to Mainland and overseas companies, including AI or biotechnology companies which Mr WU has referred to just now, to encourage them to set up or expand their businesses in Hong Kong.

Deputy President, subject to Members' support for this resolution, the \$200 cap on TDEC charges will come into effect on 1 August 2018. I implore Members to support this resolution to enable the trade to reap early benefits from the measure, and encourage it to move up the value chain. Thank you, Deputy President.

**DEPUTY PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Commerce and Economic Development 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.

## **MEMBERS' MOTIONS**

**DEPUTY PRESIDENT** (in Cantonese): Members' motions.

Four proposed resolutions under the Interpretation and General Clauses Ordinance in relation to the extension of the period for amending subsidiary legislation.

First motion: To extend the period for amending three items of subsidiary legislation in relation to the Securities and Futures Ordinance, which were laid on the Table of this Council on 23 May 2018.

I call upon Mr CHEUNG Kwok-kwan to speak and move the motion.

**Stand over items: Three Members' motions on "Proposed resolution under section 34(4) of the Interpretation and General Clauses Ordinance" (since the meeting of 13 June 2018)**

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

**MR CHEUNG KWOK-KWAN** (in Cantonese): Deputy President, I move that the motion, as printed on the Agenda, be passed.

At the House Meeting on 25 May 2018, Members decided to establish a subcommittee to study the three pieces of subsidiary legislation related to the open-ended fund company regime and gazetted on 18 May 2018.

To allow more time for the Subcommittee to conduct the scrutiny work, I move in my capacity as Chairman of the Subcommittee that the period for scrutinizing the three pieces of subsidiary legislation be extended to 11 July 2018.

Deputy President, I urge Members to support the motion.

**Mr CHEUNG Kwok-kwan moved the following motion:**

"RESOLVED that in relation to the—

- (a) Securities and Futures (Amendment) Ordinance 2016 (Commencement) Notice, published in the Gazette as Legal Notice No. 96 of 2018;
- (b) Securities and Futures (Open-ended Fund Companies) Rules, published in the Gazette as Legal Notice No. 97 of 2018; and
- (c) Securities and Futures (Open-ended Fund Companies) (Fees) Regulation, published in the Gazette as Legal Notice No. 98 of 2018,

and laid on the table of the Legislative Council on 23 May 2018, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 11 July 2018."

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr CHEUNG Kwok-kwan be passed.

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 Mr CHEUNG Kwok-kwan 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 respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

**DEPUTY PRESIDENT** (in Cantonese): Second motion: To extend the period for amending the Securities and Futures (Professional Investor) (Amendment) Rules 2018, which was laid on the Table of this Council on 23 May 2018.

I call upon Mr Holden CHOW to speak and move the motion.

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

**MR HOLDEN CHOW** (in Cantonese): Deputy President, I move that the motion under my name be passed. The contents of the motion are printed on the Agenda.

At the meeting of the House Committee on 25 May 2018, Members decided to form a Subcommittee to study the Securities and Futures (Professional Investor) (Amendment) Rules 2018.

In order to allow the Subcommittee more time for scrutiny, I move on behalf of the Subcommittee that the scrutiny period of the above Rules be extended to 11 July 2018.

Deputy President, I implore Members to support the motion.

**Mr Holden CHOW moved the following motion:**

"RESOLVED that in relation to the Securities and Futures (Professional Investor) (Amendment) Rules 2018, published in the Gazette as Legal Notice No. 99 of 2018, and laid on the table of the Legislative Council on 23 May 2018, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 11 July 2018."

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

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 Mr Holden CHOW 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 respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

**DEPUTY PRESIDENT** (in Cantonese): Members have already been informed that as Mr Holden CHOW's motion to extend the period for amending the subsidiary legislation has been passed, Mr James TO has withdrawn his motion on this subsidiary legislation.

**DEPUTY PRESIDENT** (in Cantonese): Third motion: To extend the period for amending four items of subsidiary legislation in relation to the Telecommunications Ordinance, which were laid on the Table of this Council on 23 May 2018.

I call upon Mr Charles Peter MOK to speak and move the motion.

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

**MR CHARLES PETER MOK** (in Cantonese): Deputy President, I move that the motion under my name be passed. The contents of the motion are printed on the Agenda.

At the meeting of the House Committee on 25 May 2018, Members decided to form a Subcommittee to scrutinize the subsidiary legislation on spectrum utilization fees. At the meeting of the Subcommittee on 5 June 2018, members already completed the scrutiny of the relevant Legal Notices.

In order to allow the Subcommittee sufficient time to compile the report for submission to the House Committee, I move in my capacity as the Subcommittee Chairman that the scrutiny period of the piece of subsidiary legislation be extended to 11 July 2018.

Deputy President, I implore all Members to support the motion.

**Mr Charles Peter MOK moved the following motion:**

"RESOLVED that in relation to the—

- (a) Telecommunications (Designation of Frequency Bands subject to Payment of Spectrum Utilization Fee) (Amendment) Order 2018, published in the Gazette as Legal Notice No. 103 of 2018;
- (b) Telecommunications (Level of Spectrum Utilization Fees) (Second Generation Mobile Services) (Amendment) Regulation 2018, published in the Gazette as Legal Notice No. 104 of 2018;
- (c) Telecommunications (Determining Spectrum Utilization Fees by Auction) (Amendment) Regulation 2018, published in the Gazette as Legal Notice No. 105 of 2018; and
- (d) Telecommunications (Method for Determining Spectrum Utilization Fee) (Administratively Assigned Spectrum in the 1800 MHz Band) Regulation, published in the Gazette as Legal Notice No. 106 of 2018,

and laid on the table of the Legislative Council on 23 May 2018, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 11 July 2018."

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Charles Peter MOK be passed.

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 Mr Charles Peter MOK 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 respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

**DEPUTY PRESIDENT** (in Cantonese): Fourth motion: To extend the period for amending six items of subsidiary legislation in relation to the Public Bus Services Ordinance, which were laid on the Table of this Council on 23 May 2018.

I call upon Mr Frankie YICK to speak and move the motion.

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

**MR FRANKIE YICK** (in Cantonese): Deputy President, I move that the motion under my name be passed. The contents of the motion are printed on the Agenda.

At the meeting of the House Committee on 25 May 2018, Members decided to form a Subcommittee to study the six pieces of subsidiary legislation on updating the bus route schedules of five bus franchisees which had been gazetted on 18 May 2018.

In order to allow the Subcommittee more time for scrutiny, I move in my capacity as the Subcommittee Chairman that the scrutiny period of the six pieces of subsidiary legislation be extended to 11 July 2018.

Deputy President, I implore Members to support the motion.

**Mr Frankie YICK moved the following motion:**

"RESOLVED that in relation to the—

- (a) Schedule of Routes (Citybus Limited) Order 2018, published in the Gazette as Legal Notice No. 83 of 2018;
- (b) Schedule of Routes (Citybus Limited) (North Lantau and Hong Kong International Airport) Order 2018, published in the Gazette as Legal Notice No. 84 of 2018;
- (c) Schedule of Routes (Kowloon Motor Bus Company (1933) Limited) Order 2018, published in the Gazette as Legal Notice No. 85 of 2018;
- (d) Schedule of Routes (Long Win Bus Company Limited) Order 2018, published in the Gazette as Legal Notice No. 86 of 2018;
- (e) Schedule of Routes (New Lantau Bus Company (1973) Limited) Order 2018, published in the Gazette as Legal Notice No. 87 of 2018; and
- (f) Schedule of Routes (New World First Bus Services Limited) Order 2018, published in the Gazette as Legal Notice No. 88 of 2018,

and laid on the table of the Legislative Council on 23 May 2018, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 11 July 2018."

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

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 Mr Frankie YICK 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 respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

**DEPUTY PRESIDENT** (in Cantonese): Debates on motions with no legislative effect.

The motion debate on "Cross-boundary elderly care".

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

I call upon Mr LEUNG Che-cheung to speak and move the motion.

**Stand over items: Members' motions on "Cross-boundary elderly care" and "Developing venues and creating room to support the development of local culture, arts, recreation and sports" (since the meeting of 6 June 2018)**

## **CROSS-BOUNDARY ELDERLY CARE**

**MR LEUNG CHE-CHEUNG** (in Cantonese): Deputy President, when I propose the motion on "Cross-boundary elderly care", some will definitely criticize me, saying that I intend to oust elderly people out of Hong Kong and cease our care for them. But I must reply to such criticisms. I merely hope that elderly retirees can have the best option for their lives.

At present, many elderly people in Hong Kong invariably want to live in a good environment and place which offers them a comfortable life after retirement, or to spend their twilight years in their hometowns. I have met some local residents who will soon retire. They often join property inspection tours on the Mainland, with the aim of finding a place where they can escape from the hustle and bustle of life and enjoy a tranquil retirement life. I propose this motion today precisely with the intention of assisting such elderly people who wish to spend their retirement life on the Mainland.

Deputy President, Hong Kong has now formulated portability arrangements for welfare benefits. As early as 1997, the Portable Comprehensive Social Security Assistance Scheme ("the PCSSA Scheme") was launched for elderly recipients of the Comprehensive Social Security Assistance, and the Guangdong Scheme was introduced in 2013 for the "fruit grant." In April this year, the Fujian Scheme was rolled out.

The intention of implementing portability arrangements for welfare benefits is to enable elderly people to choose their living place more flexibly while also continuing to receive subsidies and welfare benefits. But after reviewing the Social Welfare Department's statistics, I have found that elderly people's response to such schemes is not very active. For example, the number of participants under the PCSSA Scheme has remained at the level of 1 000 all along, and as at April this year, merely 1 328 cases were recorded. Seventeen thousand applications were recorded under the Guangdong Scheme, and the figure for the Fujian Scheme which was just rolled out was around 560.

A rough estimation shows that around 20 000 elderly people have moved to the Mainland, accounting for about 1.8% of the 1 200 000 elderly people in Hong Kong. But their willingness to leave Hong Kong and spend their retirement life on the Mainland shows that cross-boundary elderly care arrangements are honestly necessary. In fact, I strongly believe this figure cannot fully reflect the reality mainly because the Government is not realistic enough when implementing the policy on portable welfare benefits. As a result, its effectiveness has been greatly affected. I will explain the reason in the following part of my speech.

The first reason is that its health care policies and measures are unable to dovetail with this initiative. The authorities once conducted a survey and issued questionnaires to 400 elderly people who had opted out of the PCSSA Scheme and returned to live in Hong Kong during the period from April 2012 to December 2016, so as to ascertain the reason why they opted out of the scheme. Forty-one per cent of the respondents said that they returned to Hong Kong for medical treatment, and 21% indicated that their family members in Guangdong or Fujian were unable to take care of them. Besides, 10% of the respondents said that they could not adapt to the local lifestyle. The survey results show that health care policies and measures must dovetail with the initiative of portable welfare benefits, so that the latter can be successful.

At present, if Hong Kong people living on the Mainland need to seek medical treatment due to ailments, they must pay heavy medical fees each time as they are not covered by the Mainland's medical system. Owing to the inability to afford limitless medical expenses, many seriously ill elderly people in need of long-term treatment have no alternative but to return to Hong Kong and seek medical treatment from the public health care system. Frankly speaking, elderly people initially intended to live a wonderful life on the Mainland together with their families and spend their twilight years in contentment. But due to their need for medical treatment, they must return to Hong Kong alone in the final years of their lives and part with their families again.

Hong Kong's health care vouchers have become applicable to Shenzhen Hospital since October 2015, and Shenzhen Hospital also adopts Hong Kong's style in its operation. But as Shenzhen is not the hometown of many elderly people, they also need to travel afar to Shenzhen Hospital where they seek medical treatment with their health care vouchers. Besides, the amount of a

health care voucher is merely \$2,000 a year, and it is only sufficient for outpatient medical fees. It is simply not enough to cover the expenses on hospitalization or surgeries. Therefore, elderly people generally are not willing to settle in their hometowns.

Precisely because of incomprehensive health care support, the Pilot Residential Care Services Scheme in Guangdong ("the Pilot Scheme") has likewise come under impact. Since the introduction of the Pilot Scheme in June 2014, it has received a lukewarm response in the number of applications. As at late March this year, merely 1 060 applications were recorded. The original intention of the Pilot Scheme is to offer assistance to elderly people in need of long-term care and provide them with the additional option of recuperating on the Mainland. At the same time, this may alleviate their pressure of waiting for subsidized residential care homes for the elderly in Hong Kong. But the result turns out to go against our wish. As learnt, the occupancy rates of the two residential care homes for the elderly under the Pilot Scheme are very low, much to our disappointment indeed.

For these reasons, I have always emphasized that the primary task in the development of cross-boundary welfare benefits is the provision of comprehensive health care benefits and support, so as to assist elderly people in moving to the Mainland for retirement. For example, in the case of Sweden, an European country, their government allows its nationals to live their twilight years in some 30 countries, including those in the European Union ("EU"), Switzerland and Canada, while continuing to receive old-age pensions and enjoy concessionary charges for health care services. They may pay the local standard rate for the treatment of their illnesses. As I have learnt, residents in the European Economic Area and Switzerland may use the health care services in Sweden, just like its local residents or nationals do.

Deputy President, by the same token, it should not be difficult to implement such health care benefits and support as the relationship between Hong Kong and the Mainland should be closer than that between Sweden and EU regions. An important question is whether the Government has any intention to implement such benefits. At present, the Central Government is preparing to promote the development of the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area"). We think this is an important opportunity for taking forward cross-boundary elderly care. We propose to expand the application of health care vouchers to the 11 cities in the Bay Area as the first step and then to major



Mainland hospitals and clinics. As for the lack of health care protection for Hong Kong people in need of medical treatment on the Mainland, the Government may follow the example of overseas countries and adopt the "on-par" approach or other ways, so that Hong Kong people may receive basic health care services in local communities at the same service charges as those in Hong Kong. Certainly, with the construction of more jointly-operated hospitals with Hong Kong-style management and also the development of health record transfer services for Hong Kong residents, elderly people can live on the Mainland on a long-term basis without any worries and need to return to Hong Kong reluctantly due to medical problems.

The second factor which hinders cross-boundary elderly care is the limit on absence from Hong Kong. Apart from inadequate health care support, which has deterred elderly people from spending their twilight years on the Mainland without any worries, the existing limit on absence from Hong Kong under the Social Security Allowance Scheme is another major factor. When I meet with local residents in communities, I often come across some elderly people who are forced to stay in Hong Kong. They often hang around and wander in parks, not so much because they cannot find a place to live in their hometowns or do not have the company of their relatives, but because they are restricted by the limit on absence from Hong Kong under the "fruit grant" and the Old Age Living Allowance ("OALA").

I believe Members are aware that at present, "fruit grant" and OALA applicants are required to stay in Hong Kong for 60 days a year, and the period of absence from Hong Kong must not exceed 305 days. In other words, elderly people who wish to live permanently in places other than Guangdong or Fujian on the Mainland must observe the requirement of staying in Hong Kong for 60 days a year. The Government may refute my assertion and say that it has rolled out the Guangdong Scheme and also the Fujian Scheme. But as Members all know, elderly people may come from different places. If the Government intends to formulate various schemes specifically for different provinces and cities, we think it had better abolish the limit on absence from Hong Kong, so that elderly people can spare the need to travel back to Hong Kong from different places. In that case, where can elderly people stay upon returning to Hong Kong? This is also a practical problem. If elderly people leave Hong Kong, they will be caught in the middle of nowhere. This is a major deterrence to elderly people.

Government officials once explained that setting a limit on absence from Hong Kong could ensure that elderly people were still alive and prevent the misuse of our public money. However, with technological advancement, is it still necessary to adhere to this primitive method of requiring elderly people to report their presence in Hong Kong as a means of verifying their identities? Speaking of Sweden as I mentioned just now, its elderly people who live overseas are only required to update their life certificates once a year and submit them to the Swedish Pensions Agency. That way, they may continue to receive welfare benefits in overseas countries and live their retirement life in contentment. We think that the Government may develop new identity detection technologies, such as a personal identity confirmation system, so as to spare elderly people the need to travel between both places every year for conducting the formalities.

A press report I read recently says that Tencent has joined hands with the Hong Kong Science and Technology Parks Corporation and developed a "Tencent e-pass" for storing the identity card, the Home Visit Permit and also the electronic Exit-entry Permit for Travelling to and from Hong Kong and Macao in just a mobile phone. This is known as "multiple identifications in one device", and it is exclusive to the Bay Area for the time being. But with the permission of the Governments in Hong Kong, Zhuhai and Macao, the "Tencent e-pass" can be used for immigration clearance, hotel check-in and opening bank accounts. From this, we can see that with rapid technological advancement, the Government is absolutely capable of progressing abreast of the times and introducing changes.

Deputy President, these days, the community is discussing the need to increase the area of floor space per resident in residential care homes for the elderly, in the hope of enabling elderly people in such care homes to live in a more spacious environment. People have debated this topic for quite some time. Finally, the Government has said that it can only be increased from 6 sq m to 8 sq m for the time being. I believe the Government and the general public all wish to see better treatment for our elderly people and give them a better life in their final years as far as possible. But Hong Kong is honestly a tiny place with many people. As some elderly people wish to live their desired life in places outside Hong Kong, why should the Government impose all sorts of restrictions and hindrance on them all the same?

I so submit.

**DEPUTY PRESIDENT** (in Cantonese): Mr LEUNG Che-cheung, please move your motion.

**MR LEUNG CHE-CHEUNG** (in Cantonese): Deputy President, I move the motion on "Cross-boundary elderly care".

**Mr LEUNG Che-cheung moved the following motion: (Translation)**

"That, all along, quite a number of elderly persons in Hong Kong have chosen to spend their twilight years on the Mainland, but the current cross-boundary portability arrangements for welfare benefits made by the SAR Government have a very narrow scope, benefiting only eligible elderly persons who are receiving the Comprehensive Social Security Assistance payments or the Old Age Allowance and have moved to reside in Guangdong or Fujian Province on the Mainland; to facilitate more elderly persons in spending their twilight years on the Mainland, this Council urges the SAR Government to:

- (1) extend the arrangements of the Guangdong Scheme and the Fujian Scheme to other provinces on the Mainland;
- (2) introduce cross-boundary portability arrangements for the Old Age Living Allowance to support eligible elderly persons who are receiving the allowance and have moved to the Mainland;
- (3) abolish the existing absence limit for various welfare benefits under the Social Security Allowance Scheme, and conduct a study on developing an identity verification system with the relevant Mainland departments to obviate the need for elderly persons who have moved to the Mainland to return to Hong Kong for making applications for continuous collection of such benefits on a yearly basis;
- (4) introduce cross-boundary portability arrangements for the Disability Allowance such that eligible elderly persons with disabilities aged 65 or above can choose to reside on the Mainland;

- (5) optimize the existing Pilot Residential Care Services Scheme in Guangdong by, for example, purchasing residential care places for persons with disabilities from Mainland residential care homes, and purchasing more quality residential care places for the elderly in various major cities on the Mainland, as well as providing needy elderly persons who choose to reside on the Mainland with one-stop escort arrangements for travelling to and from Hong Kong;
- (6) conduct a study on the implementation of a scheme for the transfer of medical records of Hong Kong residents under which, with the consent of the elderly persons who have moved to the Mainland, their medical records will be transferred to designated Mainland hospitals so that they can seek medical consultation conveniently;
- (7) conduct a study on extending the scope of application of Hong Kong's Health Care Vouchers to cover major hospitals and clinics on the Mainland, with a view to alleviating the burden of medical expenses on elderly persons who have moved to the Mainland;
- (8) by drawing reference from the model of the University of Hong Kong-Shenzhen Hospital, co-establish hospitals in major Mainland cities by Hong Kong and the Mainland and adopt Hong Kong-style management to jointly provide quality healthcare services to elderly persons who have moved to the Mainland; and
- (9) by drawing reference from the Pilot Scheme on Community Care Service Voucher for the Elderly, conduct a study on providing elderly persons who have moved to the Mainland with support services for ageing in place."

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr LEUNG Che-cheung be passed.

Three Members will move amendments to this motion. This Council will conduct a joint debate on the motion and the amendments.

I will call upon Members who move the amendments to speak in the following order: Dr Priscilla LEUNG, Mr WONG Kwok-kin and Mr Alvin YEUNG, but they may not move the amendments at this stage.

**DR PRISCILLA LEUNG** (in Cantonese): Deputy President, I thank Mr LEUNG Che-cheung very much for moving this motion on "Cross-boundary elderly care" today, so that I can have a chance to express my views on such an important social issue as elderly care. In fact, the Business and Professionals Alliance for Hong Kong and the district body Kowloon West New Dynamic to which I belong have all along been attaching particular importance to the development of elderly persons and the problem of elderly care in Hong Kong.

In my proposed amendment, I urge the Government to cooperate with the Mainland Government to conduct a study on planning for elderly persons in Hong Kong livable new development areas that can facilitate leisurely retirement life on the Mainland, especially in the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area"), so that they may enjoy quality retirement life and even consider developing their second career in life there. As the post-war baby boomers are gradually approaching old age, the pace of ageing of our population will be particularly rapid in the next decade. According to figures provided by the Legislative Council, it is anticipated that the proportion of elderly persons against our total population will rise from 17% in 2017 to 23% in 2026, and surge further to 32% in 2046. By then, it is estimated that there will be one elderly person in every three people.

Moreover, figures of the United Nations reveal that the life expectancies for men and women in Hong Kong have been increasing steadily since 1950, and are expected to exceed 90 years on average in 2100. It can thus be seen that Hong Kong is following the footstep of Japan to become an ageing society. In the meantime, Hong Kong is an economically developed region, but quite a number of elderly persons here have not been granted their share of bonus from the economic take-off, and sufficient efforts have indeed not been made by Government in the past few terms in the area of elderly policy.

I should give credits to the current-term Government for taking concrete actions to implement some proposals that we have previously put forward, including the launching of Silver Bond, the granting of incentives for making

voluntary contributions to Mandatory Provident Fund ("MPF") schemes, the introduction of a life annuity scheme and the provision of an additional \$1,000 worth of Elderly Health Care Vouchers. However, as far as long term planning is concerned, how should we tackle the problem of an ever rising proportion of elderly population in the coming 10, 20 and 30 years? In this connection, I think the Government has still failed to make any long term planning.

Deputy President, many of my elderly friends have raised to me that they do not dare and are unable to retire, because on the one hand, the public health care facilities in Hong Kong are indeed inadequate, while on the other hand, they are worry about the loss of medical insurance coverage after retirement. Deputy President and Secretary, it is a social norm nowadays in Hong Kong that many elderly persons reaching the retirement age are compelled to take up extremely low-paid jobs or even seek re-employment because of a serious lack of elderly protection.

It is true that we have always encouraged the implementation of social policies for retired elderly persons, especially those who have retired at the age of 55, so that they would be given the choice to enjoy a stable and secure retirement life when they wish to retire, but would still be able to find a job that is suitable for their age and working experience if they want to stay in workforce. As we all know, many Hong Kong people simply love working, and this is especially true for those who were born after the baby boom.

However, it is most sorrowful to see some elderly persons of advanced age pushing a cart loaded with waste paper, which can only be sold at a price of 70 to 80 cents per catty. We can actually see stories like this in our real life every day, just like watching some family soap dramas. I have visited an elderly person living alone the year before last, and what made me go visiting this old lady back then? I went to visit her because I was saddened to learn from news reports that it was her New Year wish to die as early as possible, and I therefore gave her an electric rice cooker as a gift and spent one whole afternoon chatting with her. I notice that many elderly persons who have reached the age of 80 will be left in a panic if there is no one taking care of them and when they feel unloved. They can also find no way to prove the value of their survival, and this is grossly unfair to these elderly persons who have contributed greatly to Hong Kong. Hence, I hope the Government would really try harder and do more in this respect.

As we all know, Hong Kong is a small and densely populated city, and we therefore are looking for development opportunities in the Bay Area. Given that the Bay Area covers a vast area of land, shall we make good use of its extremely rich land resources and draw reference from experiences of overseas countries or Taiwan to build self-contained community areas for elderly persons to spend their twilight years there?

I have seen some very successful community areas for retirees in the United States, and elderly persons living there can even manage to have some savings left in the last three months of their life, so that they can bequeath the money to their children who have already reached the age of 50 and even 60. They are leading a worry-free retirement life, and these community areas are also provided with well-equipped facilities. This can of course be attributed to the insurance system and community facilities of the United States, and the fact that its people are aware of the importance of making early planning for their retirement life. On the contrary, Hong Kong people only have very limited knowledge in this area, and many people do not realize the seriousness of this issue until they approach retirement age, when they start to hesitate whether they should stay working or start their retirement life with their meagre savings. Let us not even talk about MPF, which is not enough to support our retirement life, and it is simply depressing to look at the statement of our MPF account.

Therefore, apart from creating more employment opportunities for young people, would it also be possible to assess the issue from the perspective of promoting business opportunities and development of industries, and let retirees of a younger age at different age groups participate in community service work for elderly persons in the Bay Area? Among others, they can make use of their experience of working as a consultant, or even personally take up the most basic duty of serving and taking care of elderly persons, thereby increasing their income. All these involve major planning, and can we make early preparation for this?

On 13 April this year, District Council members of the Kowloon West New Dynamic met with the Secretary, who has frankly and sincerely tell us the difficulties faced by the Government and what they plan to do. We proposed to the Secretary directly that consideration should be given to including the Bay Area and even Hainan Province into our elderly care service plan, such as

expanding the scope of application of Elderly Health Care Vouchers to cover these areas. We understand that as far as elderly care is concerned, endeavours have to be made to ensure that elderly persons are willing to move to the Mainland and their family can rest assured about it. Hence, it is desirable to first set our target in this "one-hour living circle" of the Bay Area, and strive to bring genuine convenience to the daily life of elderly persons who have chosen to spend their twilight years there.

I would also like to say a few words here about the results of some trial schemes. The Administration has tried to create a retirement community back in 2014, but the response was far from satisfactory. According to some public reports back then, a total of over 200 fully subsidized places would be provided in two residential care homes for the elderly under the Pilot Residential Care Services Scheme in Guangdong. The results of a survey conducted in 2015 also revealed that elderly persons opted for cross-boundary elderly care services because they considered the service price cheaper on the Mainland, while they could enjoy fresher air and more spacious environment there. However, only 9 of the 100 places provided in the residential care home for the elderly in Zhaoqing were taken up, and only 123 elderly persons were admitted to the one located in Shenzhen. In other words, the occupancy rate of one of the residential care homes for the elderly under the Scheme was only 9%.

We cannot help but ask: Given their favourable environment, how come only a small number of elderly persons are willing to move into these residential care homes for the elderly? The reason is very simple: It is quite difficult for their children to go visiting them, and is inconvenient living there. I therefore consider that reference should be drawn from the experience of Suang-Lien Elderly Center in Taiwan, which is highly recommended by its Mainland counterparts, to provide efficient and convenient transport services so that elderly persons would set their mind at ease and move to the Bay Area. Besides, it is also the hope of elderly persons that they can use Elderly Health Care Vouchers in the Bay Area for seeking medical advice from doctors in Hong Kong, and a proposal has even been put forward for allowing elderly persons to use their Elderly Health Care Vouchers through video calls. The provision of health care services, efficient and convenient transport arrangements, measures to facilitate visits by their family and fare concessions for passengers using the Hong Kong-Zhuhai-Macao Bridge and the Guangzhou-Shenzhen-Hong Kong Express



Rail Link are all important elements in seizing the opportunities brought about by the Bay Area to make planning for our elderly care services.

Deputy President, my speaking time is up. I so submit.

**MR WONG KWOK-KIN** (in Cantonese): Deputy President, many Chinese people of the older generations long for returning to their homelands in old age. Therefore there is nothing new about people returning to the Mainland to live their twilight years. Instead, it is something which has existed over the past few decades. According to the government statistics in 2011, over 110 000 Hong Kong people aged above 60 were residing in the Mainland, accounting for nearly 10% of the Hong Kong residents aged 60 and above. However, owing to the differences in lifestyles, cultures, systems etc., the elderly have to face a lot of challenges to retire in the Mainland. The Hong Kong Federation of Trade Unions ("FTU") set up FTU Mainland consulting centres ("Mainland Centres") in 2004. One major area of their work is to offer support to those elderly persons who live their twilight years back in their hometowns, providing them with assistance in respect of daily living, medical care and daily necessities. In the past 12 years, the Mainland Centres handled up some 40 000 cases, most of which related to elderly welfare, medical care, etc.

Deputy President, Hong Kong is a densely populated place with scarce land resources. When this is coupled with the peak of population ageing in the near future, proper handling of the issue of elderly care and support will be a great challenge to us. As reported in the press earlier, the Chief Executive proposed developing medical care, elderly services, etc. in the Guangdong-Hong Kong-Macau Bay Area ("the Bay Area") so as to integrate the Bay Area into the quality living circle for Hong Kong people. Consequently, there are discussions in society about retirement in the Mainland. In fact, the Mainland is much larger and spacious as a place of living than Hong Kong. Its pace of living is also slower than that of Hong Kong. To the elderly, it is a desirable place for retirement. Nevertheless, both FTU and I think that if the Government is to encourage people to live their twilight years in the Mainland, it must provide both software and hardware facilities instead of merely building one or two more Hong Kong-style hospitals or residential care homes alone. There should also be support at policy level to ensure coordination between the two places. Otherwise, even if the elderly reside in the Mainland, they will still have to worry

whether they can make ends meet. Retirement then becomes a source of worries, thus producing an opposite effect in the end. Therefore, my amendment mainly focuses on making recommendations about financial assistance, livelihood, medical care, etc., which are the major concerns from the perspective of the elderly returning to their hometowns for retirement.

(THE PRESIDENT resumed the Chair)

President, since 2008, FTU has kept requesting the Government to relax the permissible limit of absence from Hong Kong for the "fruit grant" (i.e. Old Age Allowance) and Comprehensive Social Security Assistance recipients. Finally, the Government launched the Guangdong Scheme in 2013. At present, around 15 000 Hong Kong elderly persons who reside in the Mainland are receiving "fruit grant". Actually, upon the roll-out of the Guangdong Scheme, we already sought to include the Old Age Living Allowance ("OALA") in the Scheme, but the then Secretary for Labour and Welfare stated that the Government would have to review the Scheme one year after its implementation to sum up the experience before considering introducing what we requested. That said, the study and review have been delayed for five years. While Mr Matthew CHEUNG, the then Secretary for Labour and Welfare, has been promoted to be the Chief Secretary for Administration, the promise made back then has not yet been honoured. This year, at the launch of the Higher OALA, we reiterated our request to include the OALA in the Guangdong Scheme and the Fujian Scheme. Still, the Government replied that our request would be considered. The current situation is unfair and also hinders Hong Kong people's plan to move to the Mainland for retirement. As a matter of fact, the prices of goods have been on the rise in the Mainland in recent years, making it fairly difficult for the elderly to live on the "fruit grant" of \$1,000-odd in the Mainland. Considering the limited number of beneficiaries under the Guangdong Scheme, the financial burden on Government is not going to be heavier if they are allowed to receive OALA. I do not understand why the Government has to resort to procrastination. President, as the Government wishes to develop the Guangdong-Hong Kong Quality Living Circle to create incentives for the elderly to live their twilight years in the Mainland, there must be corresponding measures allowing portability of welfare benefits so that the goal will be achieved.

The elderly residing in the Mainland actually require much assistance from the Government and one major issue is medical care. In fact, due to the difference between the two systems, it is inconvenient for Hong Kong people to take out insurance or purchase the very basic Urban Resident Basic Medical Insurance. As they are not being insured, they will worry a lot about the fees and the treatment while seeking medical consultation in the Mainland. Some elderly persons even avoid receiving any medical treatment for this reason. In the light of this, the Government has proposed strengthening collaboration between the two places and building Hong Kong-style hospitals and clinics. We are supportive of the proposal. Nevertheless, given the vast territory of the Mainland, the Bay Area alone may require multiple medical service points. Therefore, we also propose that the scope of application of the Health Care Vouchers be extended to cover major municipal hospitals and clinics in major Mainland cities. In this way, the elderly in need may use the Health Care Vouchers for medical treatment in their neighbourhood. Certainly, it is also necessary to enable Hong Kong people to join the welfare schemes in the Mainland, such as the medical insurance and social insurance schemes, as this will give them peace of mind to spend their twilight years in the Mainland.

President, the Mainland covers a vast expanse of land. Another issue about retiring in the Mainland concerns how to strengthen the elderly's connection with Hong Kong to enable them to maintain close connection with their children, relatives and friends while obtaining care and support. In fact, transport connection has always been a problem for retirement in the Mainland. For example, the present Pilot Residential Care Services Scheme in Guangdong fails to yield satisfactory results owing to poor transport accessibility. When an elderly person develops an acute illness and needs to return to Hong Kong for treatment, there will be much inconvenience because ambulances are unable to gain direct access to where he or she is. That is why I especially requested that cross-regional ambulance services be introduced in my amendment. In addition, I also requested that the Government discuss with relevant departments of the Mainland about implementing comprehensive fare concessions for Hong Kong elderly in the Mainland. When the medical support for the elderly is strengthened on the one hand, and, on the other, their financial burden in connection with travelling, transport and returning to Hong Kong is lightened, the welfare benefits available to them will be brought in line with those enjoyed by their Mainland counterparts.

President, lastly, as stated in my amendment, I propose setting up one-stop consultation and support centres in the Mainland to provide elderly persons who have moved to the Mainland with information and consultation services in respect of daily life, welfare, health care, etc., as there is no government department designated to handling problems encountered by the Hong Kong elderly residing in the Mainland. Currently, the Mainland offices of Hong Kong, including the Hong Kong Economic and Trade Office in Guangdong of the Government of the Hong Kong Special Administrative Region, are mainly responsible for economic and trade affairs only. However, it is not just the elderly who will face some strange and complicated problems while living in the Mainland. As such, we need to have a permanent department to offer assistance to them. Actually, we have handled a number of cases concerning elderly persons retiring in the Mainland originally but coming back to Hong Kong later due to different reasons. Without any support measures in place, there is simply no one to give them assistance and it follows that they have nowhere to turn to for assistance when they are back in Hong Kong. The one-stop consultation and support centres not only can act as the bridge between the two places, but also relieve Hong Kong people's concerns about retiring in the Mainland.

President, currently, retirement in the Mainland is not the choice of the majority because of inadequate software and hardware for cross-boundary elderly care at present. If the Government is determined to deal with the matter and coordinate various aspects, the elderly will feel that living in the Mainland is just as convenient and decent as in Hong Kong, whether in terms of daily living, financial support or social service and transport concessions. Then, Hong Kong people will subsequently choose to live and retire in their hometowns, in Guangdong Province, in the Bay Area, etc. We hope that the Government will have the determination to take the lead.

President, I so submit.

**MR ALVIN YEUNG** (in Cantonese): President, first, I wish to thank Mr LEUNG Che-cheung for proposing this Member's motion today and giving us an opportunity to discuss this subject. In face of the ageing population, elderly care has become a pressing problem. We should conduct related discussions and make proposals irrespective of political parties and groups because we are facing the ageing population together. However, before we have an in-depth discussion on Mr LEUNG Che-cheung's motion, before we consider whether or

not to let more elderly persons to live in the Mainland for their twilight years, and before we frequently mention the Guangdong-Hong Kong-Macao Bay Area, perhaps we should first think about the 5 000 elderly persons who pass away every year whiling waiting for a place in residential care homes and remind ourselves not to forget the elderly persons who have waited 13 months and are still waiting for home care services.

Elderly care services in Hong Kong are inadequate and plagued with problems. This is a fact we all know. What the Government should do is to pragmatically and expeditiously spend more resources on improving the queuing time, rather than encouraging elderly persons to retire in the Mainland, so as to cut the queue and solve the problem of inadequate resources. Hence, a major amendment focus of the Civic Party is that we should first meet the needs of elderly persons who spend their twilight years in Hong Kong, and then consider formulating measures that can facilitate elderly persons to go to the Mainland for retirement.

Perhaps some people may think that my view lacks foresight and will choose a difficult option rather than an easy one. But the measures we now adopt to force the Government to face squarely the elderly care policy precisely seek to stop undesirable actions early, so as to avoid policies that are supposed to be beneficial to the people being abused by greedy people due to lax regulation.

Why do I say so? Last week, a number of non-local personal care workers who had come to work in Hong Kong through the Supplementary Labour Scheme of the Government presented a petition to the Legislative Council. They complain that the elderly care home where they work has been unreasonably withholding their wages, defaulting overtime pay, charging high labour service fees and asking them to do additional work on top of elderly care without subsidies. They thus presented a petition to review these shady acts of the management. It is thus well-justified that the democratic camp has requested or called for monitoring the quality of private elderly care homes.

Irrespectively of the numerous scandals involving elderly care homes, there have been many elderly persons or their family who chose not to live in private care homes and would rather painstakingly wait for a place in subsidized care homes. It is thus evident that living in private care homes may not be the means to have truly stable and enjoyable twilight years.

There are some regulatory systems in Hong Kong, but still the operation of elderly care homes is very poor. Worse still, many elderly persons or disabled persons who need to stay in care homes do not know how to tell other people they are being abused or bullied. If elderly persons or disabled persons are living in Mainland care homes which are not regulated by the Social Welfare Department ("SWD") or under the Residential Care Homes (Elderly Persons) Ordinance, what will happen to them and how big a risk they have to take? This is what worries us.

Moreover, SWD has been purchasing residential care places from two Mainland elderly care homes operated by Hong Kong welfare organizations and these homes still have vacant places available. Members request SWD to purchase residential care places in other places in the Mainland. What criteria do they base their request on?

Moreover, I wish to speak more on ageing in place. The service quotas for ageing in place have been a special concern to the Civic Party. Due to insufficient services, elderly persons need to wait for 13 months for support services for ageing in places. If the applicants are relatively healthy, they are advised to withdraw their application or change to self-financed private services to save from the pain of waiting.

A report of the Consumer Council, as reported by the media recently, finds that there are numerous self-financed escorting services for medical consultations for the elderly on the market, and their charging schemes are not transparent and vary greatly. Worse still, the qualifications of the escorts are questionable. People provide these services because they know this can save elderly persons from the long queue for subsidized services. This is the evil of commercialization of social services. These service providers will certainly charge for their services, but these services should be people-oriented in the first place. The most important criterion of the service providers is to have a heart. Hence, commercialized social services can provide a certain quantity of services, but they cannot provide quality services. If we truly follow the suggestion in the motion to draw reference from the Pilot Scheme on Community Care Service Voucher for the Elderly, and provide home care support services for elderly persons residing on the Mainland, I am afraid the situation will be like the anti-gambling advertisement that compares gambling to dumping money into the sea.

To alleviate the long queue for integrated home care services, some people in the community initiated a service matching scheme in the neighbourhood through volunteer matching to fill the service gap. Although the scheme only benefited a limited number of people, the elderly service recipients and the volunteers who helped in the service both experienced the benefits of being helped and helping others. I want to take this opportunity to point out that the quotas of these elderly care services are so limited because the Government has not tried its best to implement or support elderly care services. If the Government is willing to subsidize the pilot schemes of these organizations, it can reverse the problem of inadequate elderly care services and stop the misconception among the elderly that they can easily obtain elderly care service support if they move to the Mainland.

Regarding the proposals of allowing the existing elderly and disabled allowances to be portable and expanding the scope of application of the Health Care Vouchers to not just Guangdong Province, but also other Mainland provinces, the Civic Party has great concern about them. A report of the Consumer Council finds that the usage of Health Care Vouchers has been seriously abused. Some medical service organizations deliberately raise the charges; some unscrupulous traders urge elderly persons to buy medicines they do not need, or buy an extra pair of glasses. The deceiving methods are numerous and there is no way to stop them. How can we easily hand over the old age allowances without worries to the unscrupulous traders who are not within our scope of regulation? The situation in Hong Kong is already bad enough, and the Mainland is out of the scope of regulation of SWD. It is thus questionable whether the money can truly be properly used on the elderly. This is where our worry is.

Besides, I hope we can go back to the original intention of providing elderly care services. These services are meant to honour the elderly who have spent their years to serve Hong Kong. We should thus encourage them to stay in Hong Kong to spend their twilight years, and the service resources should first be used on elderly persons who stay in Hong Kong for their retirement. The reason for elderly persons to move to the Mainland on their own initiative is that they want to save the pain of queuing. But a stronger reason is probably that they have a bigger support network on the Mainland, such as having relatives there, than in Hong Kong. They are thus willing to leave Hong Kong and return to the Mainland for residence. Hence, we should more than ever use the resources on

the elderly persons who are willing to stay in Hong Kong because this is the place where they have the strongest personal network. Besides, Hong Kong also has the responsibility to provide them with elderly care services.

Moreover, if we are to lay down a long-term target for elderly care services, it is very important that we assess the software and hardware, manpower training and facility construction and project the number of service recipients. According to SWD's information, 20 000 and 6 000 elderly persons who have already moved to the Mainland respectively under the Guangdong Scheme and Fujian Scheme are eligible for elderly allowances. Hong Kong is located in the Guangdong Province. It is believed that the number of eligible elderly in other provinces is even less. In contrast, Hong Kong has over 1 million elderly population. The Civic Party holds that it is putting the cart before the horse and is absolutely inappropriate to provide more allowances and make more service arrangements for the minority elderly persons to return to the Mainland for their twilight years.

Moreover, another point I must say is that the co-location arrangement, which has just been passed, is supposed to facilitate people commuting between the Mainland and the Hong Kong SAR. This door of convenience will not block the elderly persons who have already moved to the Mainland from coming back to Hong Kong to receive a means test. I thus cannot see any valid reason to make elderly care benefits and allowances portable and expand the coverage to other Mainland provinces.

Precisely because of the intense local demand for elderly care services and the acute shortage of such services, the SAR Government is duty-bound to let elderly persons in Hong Kong to enjoy the services first. Hence, the Civic Party is against launching cross-boundary elderly care measures without first satisfying the local service demand, and extending the schemes to other Mainland provinces without permission or thorough consultation. So, despite our due respect for the other amendment proposers today, the Civic Party is against the original motion and the amendments proposed by the other two Members.

I so submit.



**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, first of all, I thank Mr LEUNG Che-cheung for proposing this motion. I also thank the three Members, namely Dr Priscilla LEUNG, Mr WONG Kwok-kin, and Mr Alvin YEUNG, for proposing amendments to the motion. Through this motion debate, we can discuss how to assist elderly persons who wish to settle on the Mainland after retirement.

The Government appreciates that some Hong Kong elderly persons, especially those who came to Hong Kong from the Mainland at a younger age, may choose to reside on the Mainland after retirement. The Government respects their wish and provides assistance to them through various portable welfare measures.

Regarding the development of the "cross-boundary" social security services, as we all know, the Social Welfare Department ("SWD") launched the Portable Comprehensive Social Security Assistance ("PCSSA") Scheme as early as in April 1997 to enable eligible elderly people on Comprehensive Social Security Assistance ("CSSA") to continue to receive CSSA if they chose to retire in the Guangdong Province.

Since August 2005, the scope of the PCSSA Scheme has been extended to cover the Fujian Province, with a corresponding change of its name in Chinese. The payment under PCSSA ranges from \$3,700 to \$6,100 per month for elderly singletons, depending on their health condition. As of the end of April 2018, over 1 300 elderly persons benefited from PCSSA, with 1 200 of whom residing in Guangdong.

On the recent development of cross-boundary elderly care, the Government introduced a number of measures in just few years between 2013 and 2018 in the form of cash assistance, elderly services, as well as medical care to further facilitate Hong Kong elderly persons to reside on the Mainland if they so wish.

Regarding cash assistance, SWD introduced the Guangdong Scheme under the Social Security Allowance Scheme in October 2013 to enable eligible Hong Kong elderly persons who choose to reside in Guangdong to receive the Old Age Allowance ("OAA") currently at HK\$1,345 per month without having to return to Hong Kong every year. As of the end of April 2018, about 17 000 elderly persons benefited from the Guangdong Scheme.

With reference to the arrangements of the Guangdong Scheme, SWD introduced the Fujian Scheme in April 2018 under which eligible Hong Kong elderly persons who choose to reside in Fujian are also able to receive monthly OAA. Some 600 elderly persons benefited from the Scheme in the first month of its launch.

On the provision of elderly services, SWD has implemented the Pilot Residential Care Services Scheme in Guangdong since June 2014. Under the scheme, the Government purchases places from two residential care homes for the elderly ("RCHEs") located in Yantian, Shenzhen and Zhaoqing and operated by Hong Kong non-governmental organizations. The scheme enables elderly persons waiting for subsidized care-and-attention places in Hong Kong to choose to reside in the two participating RCHEs. Elderly persons are offered full subsidy on the home accommodation fees. The Government also requires the two participating RCHEs to provide medical support services to elderly residents including a specific number of free transportation to and from Hong Kong for them to receive medical treatments in Hong Kong. As of the end of April 2018, about 180 elderly persons joined the scheme.

In respect of the provision of "cross-boundary" medical services, according to information from the Food and Health Bureau, the Government launched the Pilot Scheme at the University of Hong Kong—Shenzhen Hospital under the Elderly Health Care Voucher ("HCV") Scheme in October 2015. The scheme enables eligible Hong Kong elderly people to use HCVs to pay for designated outpatient services at the University of Hong Kong-Shenzhen Hospital ("HKU-SZ Hospital"). The scheme aims to provide one more service point for Hong Kong elderly people and facilitate those who reside on the Mainland or places near Shenzhen (such as North District in the New Territories) to seek necessary medical treatment. Since the launch of the scheme till the end of April 2018, about 2 500 elderly persons used HCVs at the HKU-SZ Hospital, and the total amount of the vouchers claimed was \$4.83 million.

Similar to the use of HCV in Hong Kong, the annual voucher amount under the pilot scheme has been increased to \$2,000. The Government also announced in the 2018-2019 Budget that the accumulation limit of HCVs will be increased from \$4,000 to \$5,000 while an additional \$1,000 worth of HCVs will be provided, on a one-off basis, to each eligible elderly person.

President, as we can see from the various measures I have mentioned just now, the Government has been making every effort in different areas to facilitate elderly people to reside on the Mainland if they so wish. I welcome Members to give views on the relevant issues. I will give a consolidated response after Members have delivered their speeches.

I so submit. Thank you.

**MR POON SIU-PING** (in Cantonese): President, as shown by the statistics of the Social Welfare Department, the number of people waiting for subsidized residential services for the elderly has been on the rise, climbing from 29 672 in 2016-2017 to 31 711 in 2017-2018. As a matter of fact, spending their post-retirement lives on the Mainland is an option for elderly people. Unfortunately, there is a drop in the number of participants in the two major portable welfare schemes introduced by the Government in the past two decades, including the Portable Comprehensive Social Security Assistance ("PCSSA") Scheme, the "Guangdong Scheme" and the "Fujian Scheme" as these schemes cannot meet the need of the community. According to the Social Welfare Department's reply to the budget expenditure, the number of PCSSA recipients decreased from 1 917 in 2014-2015 to 1 387 in end of December 2017. Meanwhile, the number of Guangdong Scheme recipients decreased from 17 145 in 2014-2015 to 16 149 at the end of 2017. The population of elderly people aged 65 and above in Hong Kong is 1.63 million. One may say that the number of elderly people who opt to spend their twilight years on the Mainland is negligible. With regards to the imminent integration of the Bay Area as well as the question of attracting elderly people to spend their post-retirement lives on the Mainland, I consider the Government should conduct a comprehensive review on the existing arrangement for elderly people to retire and reside on the Mainland.

Is the health care support adequate? I believe it is vital to the success of the above schemes. At present, Hong Kong people are not entitled to enjoy the benefit of Mainland's health care services. Elderly people choosing to spend their post-retirement lives on the Mainland may have to bear the hefty health care expenditure. In October 2015, the University of Hong Kong—Shenzhen Hospital ("the HKU-SZ Hospital") participated in the Elderly Health Care Voucher Pilot Scheme to enable eligible Hong Kong elders to use health care vouchers to pay for the fees of outpatient services provided by designated clinics/departments of the HKU-SZ Hospital. They include the Orthopaedic

Clinic, the Medicine Clinic, the Ophthalmology Clinic, the Dental Clinic and the Chinese Medicine Clinic. After the implementation of the Scheme by the end of December 2017, 2 100 elderly people have used the services. The Chief Secretary for Administration has once pointed out that the Government would closely monitor the implementation of the Pilot Scheme and examine the feasibility of extending the Elderly Health Care Voucher Scheme to other parts on the Mainland. I hope the Government will extend the Elderly Health Care Voucher Scheme to different areas on the Mainland. In addition to allowing elderly people who have migrated to the Mainland to have more options, it can also help Hong Kong to alleviate its burden on public health care. I also hope the Government can bring across the message of elderly people who have migrated to the Mainland to the relevant authorities that they also wish to enjoy Mainland's public health care benefits.

President, my office has dealt with cases relating to the cancellation of Comprehensive Social Security Assistance ("CSSA") or cash benefit of elderly people who have migrated to the Mainland for retirement. This issue have become the important consideration for elderly people who intend to apply for settlement on the Mainland upon retirement. Some elderly people have to travel between Hong Kong and the Mainland due to medical treatment and follow-up needs. But they will easily be disqualified if they fail to meet the requirements of the duration of stay. I suggest that the Government should allow elderly people to retain the existing CSSA or cash benefit if the Government knows that such elderly people breach the requirements of the duration of stay on medical grounds.

Furthermore, all elderly people who are recipients of these portable schemes are required to return their public rental housing ("PRH") units to the Government. Although the Government indicated that these elderly people might apply to the Housing Authority for a "Letter of Assurance", so that a suitable PRH units will be allocated to them so they need not apply for PRH afresh through the General Waiting List should they later choose to return to reside in Hong Kong in future, the "Letter of Assurance" cannot make the elderly people feel at ease. For example, it cannot assure the elderly applicants that they can get a PRH unit in the same district they used to live, and the elderly applicants can only get the chance of allocation once. I understand that Hong Kong's PRH resources are so precious that we should cherish them, but if the provisions of the "Letter of Assurance" are more lenient, such as making a pledge that a PRH unit will be allocated within a definitive time frame and ensuring

elderly people can get more than one allocation opportunity, I believe that will enhance the confidence of elderly people who are going to settle and reside on the Mainland, and at the same time the relevant PRH units can be vacated for people who have the housing need, thereby achieving a win-win situation.

Lastly, besides keeping on studying the extension of the above schemes to other places on the Mainland, I hope the Government will also improve the existing schemes in order to rectify the deficiencies, so that elderly people in Hong Kong can have more options to sustain their post-retirement lives.

President, I so submit.

**MR SHIU KA-CHUN** (in Cantonese): President, it is rather rare for the Legislative Council to have the opportunity to discuss the issue concerning "Cross-boundary elderly care". I wish to thank Mr LEUNG Che-cheung for enabling us to discuss the issue of "Cross-boundary elderly care"—in particular the question of elderly care—in this hall of the Legislative Council, so that no one is left alone in distress or Hong Kong's elderly people are not left alone in distress. In fact, since the reunification, the former Chief Executive TUNG Chee-hwa has been calling for elderly care, but what has been done now? That is, we can see the situation as Dr Priscilla LEUNG has just mentioned: When she was paying a visit to an elderly person, the New Year wish of this elderly person was to die as early as possible. Everyone knows that the worst curse to Hong Kong people is "a defective body which enjoys immortality". This is something bestowed by the Hong Kong Government over the years—I am not only talking about the Carrie LAM regime, but also her predecessors. Since the 1970s, the Hong Kong Government had lost its vigilance to the ageing population. It overestimated the stability of the Chinese family system. As a result, the entire planning of elderly care services lagged far behind the reality. All the remedial measures could not resolve the problem even the Government later allowed private elderly residential care homes to fill up the gap. The gap was simply too large to mend.

Just now Mr Alvin YEUNG mentioned that each year 5 000 elderly people passed before placements of subsidized elderly residential care homes were made. In fact, up till 31 May 2018, a total of 38 724 elderly people are waiting for placement. Take the "super elderly residential care home" that I oppose as an example—that is, a massive elderly residential care home which can

accommodate 250 elderly people—even for an elderly residential care home which has 250 places, the Government has to build 155 such elderly residential care homes to cope with the need of 38 724 elderly people. This is the situation for placement that elderly people are facing now.

The Government could not address the problem even it has tried to address it by administrative means, regardless of the implementation of the Standardised Care Need Assessment Mechanism for Elderly Services to shorten the waiting list, or the introduction of private elderly residential care homes which allows private elderly residential care homes to enter the elderly care market. On the contrary, a new problem is getting out of hand due to that. As the private care homes' quality problem mentioned by Mr Alvin YEUNG just now, such as the case involving the Wing Kwong Care Home for The Elderly in Kowloon Bay which treated its foreign care workers badly, there are incessant entanglements. The Government mentioned in the paper submitted to the Panel on Welfare Services on 12 March 2018 that the average construction costs of a new contract elderly residential care home with 200 places would be \$122,400,000. If the Government is going to deal with more than 30 000 elders, it has to construct 194 elderly residential care homes and spend \$23.7 billion to resolve the issue. Is the issue really unresolvable?

Returning to today's topic of "Cross-boundary elderly care", the focus lies on issues concerning cross-boundary as well as elderly care. First I wish to speak about cross-boundary issues. The other side of the boundary is not someplace else, it is the Mainland. I am not sure if Mr LEUNG Che-cheung had considered that if his proposal of Cross-boundary elderly care would shift Hong Kong's ageing population problem to China when he was drafting this motion. According to certain estimation, China's population of people over age 60 in 2020 would be increased to 255 million, which will account for 17.8% of the total population, while the number of elderly people will be increased to 29 million, and the number of singleton elders will be increased to 118 million. This is actually an ageing tsunami. Of course Hong Kong has its own ageing tsunami issue. According to the Census and Statistics Department, the current 1.16 million elderly persons aged 65 or above will be increased to 2.3 million by 2034. But it is quite insignificant when compared with that of China.

Once elderly people opted cross-boundary elderly care under the "Guangdong Scheme" or "Fujian Scheme" and received a monthly allowance of \$1,345, a lot of problems will follow. As to the "Guangdong Scheme" launched

since 1 October 2013, the number of cases has decreased on a yearly basis from the original 17 194 cases in 2013-2014. According to the Social Welfare Department's Controlling Officer's Reply to my questions raised in examining this year's Estimates of Expenditure (LWB(WW314)), the number of cases in 2016-2017 was only 14 600, which was 2 594 cases less than the year 2013-2014; while the number of recipients who had returned to Hong Kong has increased from 46 in 2013-2014 to 924 in 2016-2017.

Why elderly people had to return to Hong Kong? Social Welfare Department did not explain the reasons. However, the Government had not reviewed the effectiveness as the number of applicants under the "Guangdong Scheme" decreased and the number of people opted out had increased on a yearly basis, it introduced the "Fujian Scheme" on 1 April. I do not know if Mr LEUNG Che-cheung is too hasty to recommend in the motion of "Cross-boundary elderly care" that the "Guangdong Scheme" and "Fujian Scheme" should be extended to other provinces on the Mainland. It is because the "Guangdong Scheme" and the "Fujian Scheme" have a lot of issues, including the absence of a comprehensive return mechanism, and so on. President, I believe Members will raise their views on health care and transport issues on the Mainland later on. For that reason, I wish to thank Mr LEUNG Che-cheung for proposing a well-intended motion, but I cannot support his motion. Nevertheless, I will support Mr Alvin YEUNG's amendment.

Thank you, President.

**MR LEUNG YIU-CHUNG** (in Cantonese): President, as mentioned by Mr SHIU Ka-chun earlier, since the Guangdong Scheme was launched by the Social Welfare Department since 2013, there were only a bit more than 17 000 participants as at March 2018, and the number has even dropped to 14 000-odd participants recently. The decreasing number has reflected another problem and that is, among the more than 1 million elderly people in Hong Kong, only less than 2% of the elderly population have chosen to spend their twilight years on the Mainland. As remarked by Mr SHIU Ka-chun, this has reflected that the attractiveness of cross-boundary elderly care is rather limited to the elderly people in Hong Kong, and that there may have many policy inadequacies and flaws in respect of this programme. I therefore think that the Government should conduct a comprehensive review instead of following the usual approach.

President, first of all, the present cross-boundary portability arrangements for various welfare subsidies, including the Comprehensive Social Security Assistance, the "fruit grant", allowances for residential places for the elderly, are basically limited to Guangdong Province. Some people suggest extending these welfare benefits to other Mainland cities so that more elderly people can move to other different places. This suggestion sounds nice but will meet not a few difficulties in actual implementation. For example, health care vouchers can only be used in one hospital on the Mainland, i.e. the University of Hong Kong-Shenzhen Hospital, and only two Hong Kong invested elderly homes on the Mainland are under the Government's Enhanced Bought Place Scheme. There are very limited choices for the elderly people who spend their retirement lives on the Mainland.

According to the result of the survey conducted earlier by the Hong Kong Jockey Club Shenzhen Society for Rehabilitation Yee Hong Heights, the inmates of the residential care homes in Hong Kong are most worried that after moving to the Mainland where the health care system is less comprehensive, it will be difficult for them to receive proper health care when they have serious health problems. Hence, in terms of cross-boundary elderly care, the question of medical welfare or health care is most worrying to the elderly people. In fact, on the front of medical welfare, when they fall ill and need to consult a doctor on the Mainland, the biggest problem is itemized charging which will pose a heavy burden on them. Many elderly people will therefore be worried about their financial ability to afford the medical expenses if they spend their twilight years on the Mainland.

In this connection, a colleague proposes to extend the application of health care vouchers to cover major hospitals or clinics on the Mainland with a view to resolving this problem. However, as we all know, since the introduction of health care vouchers, there have been many problems and contentious issues, especially the abuse of vouchers in making exorbitant medical payments, which is the most contentious of all. People always ask whether this will have the effect of subsidizing the clinics or hospitals, and whether the patients can receive proper and reasonable care and treatment. These are the questions that have to be resolved, and the Government has to think of a solution to them.

Since there are so many problems on the Mainland, why do we not consider providing better elderly services in Hong Kong? Although the health care vouchers scheme has been abused and has many problems, if the health care services or health care system can be improved, it may be unnecessary for the



elderly people to retire on the Mainland. I thus think that when discussing the issue of cross-boundary elderly care today, the Government should actually not mainly focus on finding a solution on the Mainland. On the contrary, can it inject more resources into Hong Kong in order to improve local health care services or elderly care services?

Mr SHIU Ka-chun just mentioned a very important point. In fact, the elderly problems do not suddenly appear today but were already taken seriously during the colonial era, and many people have been studying how to resolve them. It is very unfortunate that no substantial improvement has been made to the Residential Care Homes (Elderly Persons) Ordinance over these 20 years, and it was not until recently that people started studying how to gradually improve the situation. Concerning this issue, we think a lot of time has already been wasted or lost. And we find it regrettable that the proposed measures are still at the stage of discussing and have not been implemented.

Of course, the motion on "Cross-boundary elderly care" moved by Mr LEUNG Che-cheung today seeks, to a certain extent, to provide more options to the elderly people, and we have no objection from this perspective. But the problem actually lies in distribution of resources. Because if resources are only injected into cross-boundary elderly care services but not into local services, or vice versa, this will also be a kind of contradiction. Among these contradictions, how can we do a better job?

First of all, some elderly people really want to spend their twilight years on the Mainland, as they have some relatives and friends on the Mainland to take care of them. We cannot exclude this possibility and thus I think we also have to study improving this cross-boundary elderly care scheme. But at the same time, the Government cannot take this as an excuse for not injecting more resources into the elderly services of Hong Kong. We often ask to resolve the problem of ageing in place, to which the Government also agrees. But the Government only devotes very few resources to services for ageing in place, and recently in particular, there were many cases related to itemized charging (*The buzzer sounded*) ... the Government has failed to resolve the problem.

**PRESIDENT** (in Cantonese): Mr LEUNG Yiu-chung, please stop speaking.

**DR KWOK KA-KI** (in Cantonese): President, the motion on "Cross-boundary elderly care" reminds me of a popular movie screened in 1983 in Hong Kong, and Secretary Dr LAW Chi-kwong might have watched it too. That movie is called *The Ballad of Narayama*, and the background of this story is set in a place called Shinano Province in Japan a few hundred years ago where food was scarce and people were always starving. In winter, any elderly person who was 70 years old would be carried to the mountaintop by his children, and the only purpose was for him to die there so that more resources could be left for the younger generation.

I find our present discussion of cross-boundary elderly care absurd, if not pathetic. It is because many elderly people, who chose to come to Hong Kong when they were young, have toiled and laboured for the greater part of their lives, contributing their vitality and capacity to the Hong Kong society for many years.

In 2018, what problems do we need to face? I have to highlight to Members that in Hong Kong, the elderly care services are rather poor, universal retirement protection may not be realized in the foreseeable future, and the average waiting time for various elderly services, no matter residential care homes for the elderly, care and attention homes for the elderly or ageing in place services, is also very long. In 2017, 6 259 elderly people passed away while still waiting for the services in Hong Kong. At present, the Government is unable to resolve the many elderly problems. The Government has been taking a short-sighted, oblivious and uncompassionate attitude in dealing with the elderly care policy. After many years, it is still unable to resolve the elderly problems concerning day care services, care and attention homes for the elderly and the Enhanced Bought Place Scheme. It was at that time that some people came up with a better idea, and we can simply call it "out of sight, out of mind", which is to attract the elderly by all means to reside on the Mainland, but is actually driving the elderly to spend their twilight years on the Mainland.

This is not any new proposal, as about 10 to 20 years ago, the Hong Kong Jockey Club also operated some elderly care units on the Mainland. But according to the information, many elderly people returned to Hong Kong at the end due to various reasons. While some elderly people found that they have difficulties adapting to the lifestyle on the Mainland after moving to the units, some felt that certain undertakings failed to be realized or felt that they could not receive the services they deserved or expected due to some health care or elderly care problems on the Mainland discerned by them. However, there are still

some Members who, instead of pressing or urging the Government to do well in local elderly care services, try various means, like giving assistance or even fanning the flames, to persuade elderly people to leave Hong Kong. How interesting it is. Can this be regarded as a benevolent measure of the Government which is sitting on the reserves of \$3,000 billion and is spending a lot of money on the white elephant projects? This is absurd as well as pathetic indeed.

Either the Guangdong Scheme or the Fujian Scheme is fine for some elderly people who really have to choose residing there due to various reasons. However, the present situation is no longer like that. Many scholarly persons or government supporters in the community will say it is better to reside in the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area") and this is really a good place to live. While we are driving the elderly people away, we hope that more well-off people from the Bay Area can come to live in Hong Kong, because they are the only people who can afford the exorbitant prices of luxurious apartments in Hong Kong and can bring more wealth and knowledge to Hong Kong. In regard to the elderly who have contributed the good part of their lives and have accomplished the historical mission in Hong Kong, those people will tell them, "The door is over there. Please go to the Bay Area". Every one of us has a chance to reach retirement age. I really feel miserable when seeing that the Government is trying every means to rid itself of the elderly people rather than providing better services for them in Hong Kong.

Hence, instead of asking the Government to try all means to provide better cross-boundary elderly care, I think we should ask the Government to focus on its own duties and do better in the various elderly care services in Hong Kong, no matter in residential care homes for the elderly or ageing in place services, and not to drive the elderly into a corner and force them to spend their twilight years on the Mainland.

I recently bumped into a lady who used to provide cleaning service to my office. Not long ago, she moved to reside on the Mainland with her husband. Shortly after her husband died, she returned to Hong Kong. I asked her why she came back, and she said she did not want to reside on the Mainland because it was in lack of the services that she needed, especially health care and elderly care services. In Hong Kong, an elderly person can ask the ambulance to send him to the hospital within 20 minutes. But on the Mainland, a patient can only receive medical treatment if he has a lot of money, and will be denied of any medical care if he cannot afford it. After considering that she might be entrusting her own

life to a government which does not provide any protection, she finally decided to return to Hong Kong. I hope that the Government, especially Secretary Dr LAW Chi-kwong, can perform his own duties properly instead of engaging in any evil deeds.

I so submit. (*The buzzer sounded*)

**PRESIDENT** (in Cantonese): Dr KWOK Ka-ki, please stop speaking.

**MR GARY FAN** (in Cantonese): Andrew LEUNG, I speak in opposition to the original motion raised by Mr LEUNG Che-cheung. Elderly persons in Hong Kong have contributed to the territory with hard work throughout their younger years. They should be entitled to the option of staying in Hong Kong in their advanced years. It is the responsibility and duty of the Special Administrative Region ("SAR") Government to put in place, before anything else, proper elderly care service planning and retirement protection but not to provide more incentives for them to relocate to the Mainland instead. Less should the Government become complacent about the pathetic elderly care services currently on offer in Hong Kong or cut back the resources for elderly care services in the territory. With a fiscal surplus that stood at \$148.9 billion last year and a fiscal reserve of \$1,100 billion now, the SAR Government is fully equipped to increase public resources for elderly care services and retirement protection. Why does the Government not do this? It is a matter of commitment, but not of capability.

The latest figures from the Social Welfare Department show that more than 38 000 people are now waiting for subsidized residential care services for the elderly, at an average duration of about two years. But in 2016, more than 6 000 elderly persons passed away while counting the days. The slow growth of subsidized residential care homes reflects a downright lack of determination on the part of Secretary Dr LAW Chi-kwong and the SAR Government to ensure the quality of elderly care services in Hong Kong. They let elderly persons pass away during the long wait without offering to intervene, effecting the elimination of demand with time. Hence, if Mr LEUNG Che-cheung's motion gets carried today, it will in a way encourage the SAR Government to shift its responsibility elsewhere. By luring the elderly with Hong Kong public money to relocate to the Mainland where they are left all alone and unaided, the SAR Government is suppressing the demand for local elderly care services.

Actually, elderly persons should enjoy the right to choose where they spend their advanced years. If the Government is willing to provide for all their needs, I believe the great majority of elderly persons will choose to stay in Hong Kong contentedly for the rest of their years. Meanwhile, let us take a look at the Guangdong Scheme and the Fujian Scheme provided by the Government. The number of beneficiaries of the two schemes remains at a level of 10 000 or so, indicating a lukewarm response. There is even an upward trend for the Guangdong Scheme beneficiaries to return to Hong Kong. Many grass-root elderly persons told us that when they were sick and had to be hospitalized, the Guangdong Scheme could in no way help them pay for the huge medical bills. Very often, they are impelled to return to Hong Kong for treatment or hospitalization. The living standard on the Mainland, and especially in the major cities, is getting increasingly high. The Guangdong Scheme or the Fujian Scheme is far from adequate in ensuring the elderly an enjoyable level of living on the Mainland.

Therefore, I have to stress that a good elderly care programme and planning should address the emotional, spiritual, social and networking needs of elderly persons, apart from providing them with financial support. After relocated to the Mainland, Hong Kong elderly persons have to relinquish the lifestyles and social networks they have built up for years. Given the environment, culture and systems on the Mainland are different from those of Hong Kong, elderly persons will have a hard time adapting to the new habitat where they have no one to talk or grumble to as making new friends is not easy. Their children who work afar in Hong Kong for long hours every day cannot travel to the Mainland to visit them and spend time with them frequently or promptly. These elderly persons will then become awfully lonely, baffled and helpless. May I ask, who is willing to live one's advanced years as such a forlorn figure?

Therefore, I believe that the suggestion made in the original motion, which lures elderly persons to relocate to the Mainland, coincides with the Government's logic of eliminating demand with time and geography. It allows the Government to withhold, without inhibition, local public resources that help elderly persons to live their twilight years in Hong Kong contentedly. This is not a desirable development.

Some colleagues also say the SAR Government is now working hard to accommodate the Bay Area concept put forth by the Mainland Government in

many aspects of its governance, and perhaps even in a subservient way. The SAR Government has earlier proposed, on its own initiative, to the Central Government in Beijing the construction of hospitals and elderly care centres in the Bay Area. The suggestion has met with a promise of collaboration by the Hong Kong and Macao Affairs Office of the State Council. With such concerted efforts, the SAR Government is largely spared the burden of tackling the retirement, elderly care, accommodation and health care needs of the elderly. We also understand that a number of Mainland property developers have been crafting out "elderly care property projects" in the Bay Area and promoted them to Hong Kong elderly with tours purposely organized. These developers are indeed targeting the meagre welfare benefits of the Hong Kong elderly persons, hoping to turn them into real estate profits in the future.

If the SAR Government continues to proactively dovetail with the Mainland and provides Hong Kong elderly with economic incentives to relocate to the Bay Area, this in fact is tantamount to misappropriating Hong Kong taxpayers' money to subsidize those profit-driven schemes of Mainland property developers on a long-term basis. Hong Kong public money is not used properly if we let elderly persons patronize these unsupervised "elderly care property projects".

Therefore, I will vote against the original motion raised by Mr LEUNG Che-cheung and for Mr Alvin YEUNG's amendment, as it is stated clearly in the seventh point of the latter that the Government should "consider as a matter of priority injecting resources into elderly care services and planning in Hong Kong, including expeditiously effecting an increase in the number of service places for residential care and ageing in place so that elderly persons can spend their twilight years in Hong Kong or on the Mainland without worries." I reiterate that according the right priority to policies is an important aspect of governance. And prioritizing public elderly care service in Hong Kong is the rightful duty of the SAR Government and of Secretary Dr LAW Chi-kwong.

**DR FERNANDO CHEUNG** (in Cantonese): Andrew LEUNG, I speak in opposition to Mr LEUNG Che-cheung's motion on "Cross-boundary elderly care". I have just returned from below the Harbour Building where a protest is staged, by a group of Mainland-imported workers working for Wing Kwong Care Home for the Elderly alongside some unionists, to raise objection against the employer's unreasonable deduction of salaries. These workers work day after

day without taking any time off, except for the days they spend on the trip to the Mainland. They usually work 12 hours a day, or 24 hours when they are on consecutive shifts. The amount of placement fee they pay is stunning: RMB 21,000 paid on the Mainland and \$20,000 to the employer after coming to Hong Kong.

President, I find it strange that cross-boundary arrangement is such a staple in our elderly care policy. The protest action that I participated just now involves imported workers who cross the boundary to deal with our elderly problem. Meanwhile, the Government, LAM Ching-choi (chairman of the Elderly Commission), members of the Executive Council and LAW Chi-kwong have all joined in the chorus, saying we should import more foreign workers to tackle population ageing in Hong Kong and resolve our long-term shortage of health care staff, again a cross-boundary arrangement. Mr LEUNG Che-cheung today suggests sending elderly persons across the boundary and letting them spend their advanced years on the Mainland. Given the affluence of Hong Kong, why must we resort to cross-boundary arrangement whenever elderly care is discussed? We either ask someone outside of Hong Kong to take care of the elderly as we cannot tackle the problem ourselves; or we simply send the elderly back to the Mainland as we similarly cannot tackle the problem ourselves.

I do not mean to say no elderly person will choose to spend their advanced years across the boundary. I am not trying to exclude this possibility but the fact is that the great majority of elderly chooses not to live across the boundary. Why? YORK CHOW is a predecessor of Secretary LAW. CHOW seldom says anything right but I find a comment he made absolutely correct. He said two things were most important to an elderly person: health being one and family relation being the other. Family relation means having one's family living close by. I myself am ageing gradually and hence I understand we find our family all the more important as we age. Why do we call this "elderly care" when we send elderly persons away from their families and homes which are so intimate to them? What sort of "care" are we providing?

In the last 20 years, the Guangdong Scheme has allowed elderly persons residing on the other side of the border to receive Old Age Allowance ("Fruit Money"). And for 21 years, the Comprehensive Social Security Assistance Scheme ("CSSA") has been portable across the boundary. But how many people are actually receiving these subsidies and aids? At the request of

Mr LEUNG Che-cheung, the Legislative Council Secretariat has made a study on the portability of welfare benefits in selected places. The findings show that in the last 10 years, the number of elderly recipients under the Portable Comprehensive Social Security Assistance Scheme has fallen cumulatively by 58%. In 2017, the relevant number dropped to 1 300 or so, making up less than 1% of all elderly CSSA recipients. The number of applications for cross-boundary "Fruit Money" and Old Age Living Allowance now merely stands at over 10 000, making up less than 3% of all recipients of "Fruit Money" and Old Age Living Allowance approximately.

Two bought-place residential care homes on the Mainland, one in Zhaoqing and the other in Yantian, are now available for Hong Kong elderly to choose. Any elderly person, including any one of those 6 000 elderly persons who stand a statistical chance of passing away in a year while waiting for a local residential care home place, can gain immediate admission into a bought-place cross-boundary residential care home on any day if he or she agrees. But what actually happens is that these cross-boundary residential care homes are largely vacant for an extended period, with only a few Hong Kong elderly persons residing there among hundreds of places on offer. How come this is the case? It is so because health care service there is less than satisfactory and because families of the elderly are miles away. If you insist to have the elderly relocated across the boundary, please note that those who choose cross-boundary elderly care are precious few. It would be better if you could tackle the local situation first.

Elderly persons queuing for local residential care home places often cannot get admitted before the day they pass away. In name, the elderly persons are "ageing in place" but in reality, the Government allocates virtually all resources to residential care homes. For every one dollar put into community care services, another \$7 is put into residential care homes, many of which are private. Private residential care homes now provide about 70% of the places. Running residential care home is a profit-driven business and this explains the extremely stingy attitude of these homes for the sake of cost saving. They have to rent premises from others but how can they carry on with their businesses when rents are so dear these days? And how can they make a profit out of the service? They must pinch every penny from their staff. And the way an employer treats the staff is certainly reflected in the way the staff treats the service users.



And you are advocating cross-boundary arrangements, suggesting the purchase of places from Mainland homes, the use of this and that vouchers while failing to regulate even those residential care homes within Hong Kong. What has the Social Work Department said earlier? They have to hire retired police officers and retired disciplined services staff to work at their Licensing and Regulation Branch. Are we actually investigating triad society now? Are we taking action against the gangsters? Do we need any emergency ambush unit then? Why do our residential care homes suffer from such degeneration? It precisely is because this is a profit-driven business operating in a lousy market. How can we introduce cross-boundary arrangements even before we are able to solve the problems within our own territory? How can we monitor the quality of residential care homes across the border? How should we tackle those possible offences? Are we empowered to enforce the law beyond the boundary? This idea is just a non-starter. Therefore, please could the Government work hard to fulfil its basic responsibilities? Would it care, for the sake of our elderly, to do good planning and build more residential care homes without delay? In the current land policy debate, how come I have not heard you suggest building many residential care homes and installing plenty of facilities for the aged or the handicapped? Why does the planning (*The buzzer sounded*) ...

**PRESIDENT** (in Cantonese): Dr Fernando CHEUNG, please stop speaking.

**DR FERNANDO CHEUNG** (in Cantonese): ... remain incomplete as at today?

**MR WU CHI-WAI** (in Cantonese): The core issue of the motion moved today is cross-boundary portability of various welfare arrangements. Nevertheless, before I go on to discuss this issue, I think members of the general public, many fellow colleagues in this Council and different political parties and groups have already made it clear that there is still much room to improve the elderly care services in Hong Kong. Some Members have already mentioned just now that there are currently 38 724 elderly persons waiting for residential care places, and on this basis, an astonishing number of residential care homes will have to be provided. We will not be able to tackle the problem by providing merely a few residential care homes every year, and some effective measures will have to be adopted.

However, it is always my opinion that cross-boundary portability of welfare arrangements refers mainly to the rights of elderly persons to make choices of their own free will, and I therefore fail to see any room in our policy today for mandatorily requiring elderly persons to choose the place where they will spend their retirement life. Hence, on this basis, since free choices of elderly care services are involved, I consider that as far as cross-boundary services are concerned, the arrangements made in resources utilization should essentially be the same, be such resources invested to provide services in Hong Kong or on the Mainland. In other words, there should be no increase or decrease in the resources we put in when some elderly persons have chosen to spend their twilight years on the Mainland, and as long as elderly persons continue to receive the Old Age Living Allowance in Hong Kong, they will still be able to get their due share of social welfare benefits here.

According to my experiences obtained in district work, elderly persons are often in good shape and surrounded by many relatives and friends when they move to the Mainland, but other problems will emerge with the passage of time and the deterioration of their physical strength and health condition. These problems include the medical needs of elderly persons, and the fact that they will become elderly persons living alone after their closest relatives and friends have passed away one after another. Therefore, they will be required to choose once again—I emphasize—to choose once again the place where they will spend their twilight years, and particularly, they will very often choose to return to Hong Kong where they can meet their medical needs with health care services provided here, because objectively speaking, services provided in Hong Kong are in fact of a more reassuring standard than those offered on the Mainland.

However, I think elderly persons should be allowed to choose among such retirement options according to their own free will. Yet, during the process, I must point out clearly that even though we can implement various cross-boundary elderly care arrangements successfully and attract some elderly persons to move outside Hong Kong, it will still be necessary for the Government to catch up with the demand for elderly care services in Hong Kong, because the supply here is lagging far behind the demand. According to Secretary Dr LAW Chi-kwong, even though we leave other elderly care policies aside, we still have to provide an additional 458 residential care homes for the elderly by 2030, when Hong Kong will be struck by the silver tsunami. Although other services will also be available to cope with the demand, this is still an alarmingly high figure, and how exactly can we cope with this demand? This is a problem that the Government

has to face even though we endorse various cross-boundary elderly care measures proposed today to allow elderly persons living on the Mainland to continue to enjoy different welfare arrangements.

Secondly, there is also another problem with cross-boundary elderly care and cross-boundary portability of welfare arrangements, and that is: Can these arrangements be extended to cover every single place? The relevant arrangements were initially applicable to Guangdong Province and later extended to Fujian Province, because in the population structure of Hong Kong, these two provinces are the native places of quite a large proportion of our residents here. If the arrangements applicable to Guangdong Province and Fujian Province are extended to other places such as Zhejiang or Heilongjiang, we will face the problem of whether there is any room for or possibility of extending their coverage infinitely. If their coverage can be extended infinitely, the next problem we have to face is: Why are they applicable only to the Mainland but not to overseas places? This is a very complicated issue, but I think having a free choice is still an important basis under the general principle.

Lastly, it is proposed in paragraph (8) of the original motion that "by drawing reference from the model of the University of Hong Kong-Shenzhen Hospital, [to] co-establish hospitals in major Mainland cities by Hong Kong and the Mainland", but I would like to point out that this actually involves two conditions. The proposal will have my support if it merely concerns the adoption of Hong Kong-style management to improve the health care management on the Mainland. However, if it involves the deployment of Hong Kong's limited health care personnel and talents to the Mainland for supporting the services provided there, we will then be faced with the same problem which I have mentioned before on the development of the Guangdong-Hong Kong-Macao Bay Area, and that is: Can Hong Kong afford the transference of our limited local health care personnel to the Mainland for meeting the medical needs there? I think the answer is very clear, and it is simply beyond our capability and impossible for us to do so.

It may thus be necessary for Mr LEUNG Che-cheung to explain later when giving his reply whether he is seeking to transfer our management mode or personnel to the Mainland. It may be easier to understand if he is actually talking about the adoption of Hong Kong's management mode, but it will be very worrying if the proposal involves also the transfer of our talents. The issue of

how to balance income and expenditure is of course a matter of concern, but the threat of brain drain is also a problem which I think we should face squarely and pay attention to.

We encourage or agree with the giving of a free choice to elderly persons, but with regard to the relevant arrangements, there are still many different supporting measures which we have to further consider. Finally, I totally agree that the SAR Government should fulfil its duty (*The buzzer sounded*) ... and provide Hong Kong people with better elderly care services. Thank you, President.

**PRESIDENT** (in Cantonese): Mr WU Chi-wai, please stop speaking.

**MR TOMMY CHEUNG** (in Cantonese): Earlier, when discussing long-term care issue in this Council, the Liberal Party pointed out that elderly services as well as care and attention homes in Hong Kong are now facing tremendous challenges.

First, Hong Kong's population has been ageing increasingly, leading to a surge in the demand for elderly services as well as care and attention homes. Second, the elderly care industry suffers from a severe manpower shortage as the size of local labour force diminishes, resulting in a fall in the service quality of residential care homes for the elderly in Hong Kong. Furthermore, the problem of land shortage in recent years has reined back the space available for care and attention home places seriously.

Therefore, the Liberal Party supports Hong Kong to develop health care and elderly services, among others, in the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area") in the long run, so as to develop the area into a "quality living circle" for Hong Kong people. In fact, the Chief Executive Mrs Carrie LAM stated publicly that the Central Government supported and approved of Hong Kong and Macao in making attempts to run projects such as hospitals, schools, integrated medical and elderly care service centres in the Bay Area. The objective conditions are evidently ripe for Hong Kong business people to run or co-run facilities such as hospitals or elderly care centres on the Mainland.

The Liberal Party agrees it is necessary for Hong Kong to provide more convenience in terms of policy and measure for cross-boundary elderly care, and in particular to facilitate Hong Kong elderly persons residing on the Mainland in enjoying Hong Kong Government-funded welfare provision while, so that they can spend their twilight years there contentedly.

As a matter of fact, Hong Kong has in the past promoted cross-boundary elderly care but the response was below expectation. The relevant plan has probably failed to address the actual needs of Hong Kong elderly persons in their daily lives. Therefore, the authorities should review the relevant policies and have them improved. For instance, more residential care places should be bought throughout the major cities on the Mainland and dedicated cross-boundary vehicles should be operated so as to provide elderly persons with more incentives to move to residential care homes for the elderly on the Mainland.

The Liberal Party agrees to most of the suggestions raised in the amendments today for the sake of encouraging elderly people to spend their advanced years across the border. However, some of these suggestions are quite hard to implement and therefore necessitating the authorities' provision of comprehensive ancillary support facilities and resolution of certain technical issues beforehand.

Let us begin with two of these suggestions. First, extending the application scope of Health Care Vouchers to the Mainland. Second, drawing reference from the Pilot Scheme on Community Care Service Voucher for the Elderly and conducting a study on providing elderly persons who have moved to the Mainland with support services for ageing in place.

The Liberal Party does not oppose these two suggestions in principle. But we must ask how these initiatives can be regulated. Please note that we are now talking about cross-boundary regulation. Without the power given by law, the relevant Hong Kong law enforcement officers will certainly meet a great deal of difficulties on the Mainland in terms of investigation, operation and adducing evidence.

As a matter of fact, the authorities have been criticized for poor regulation on the use of Health Care Vouchers in Hong Kong from time to time, as the abusive use of these vouchers is not uncommon, along with cases of fraud in which some elderly persons have been misled. When the regulation within

Hong Kong border has left much to be desired, it is even harder for people to be assured of the effectiveness of the cross-border regulation in question.

Therefore, the authorities must provide effective tracking and regulation measures to accompany the proposed initiative, such as restricting the use of these vouchers to services specified on a list. The Liberal Party agrees with amendments which suggest extending the scope of application of Health Care Vouchers to cover municipal hospitals and clinics in major Mainland cities. Indeed, the authorities should also consider putting in place a mechanism under which problematic service providers will be removed from the list once they are reported for offences such as abusive use or fraud. Anyway, the authorities must first relieve our doubts and ensure the regulation system is reliable.

Lastly, I would like to respond to a suggestion made by Mr WONG Kwok-kin on the provision of cross-region emergency ambulance services for elderly persons in need.

Actually a similar service is now available but it usually is not used in cases of emergency. Instead, the patient concerned is transported to an immigration control point such as Huanggang before being transferred to a Hong Kong ambulance which will take him or her to the nearest hospital for treatment. But Mr WONG's suggestion is specific to emergency cases and it involves cross-boundary transport. While no objection will be raised to the suggestion, the Liberal Party does have a lot of doubts and queries regarding its actual implementation.

First of all, the driver must have valid driving licence in both places. Most importantly, while travelling across the border, the vehicle must carry on it professional ambulance personnel who have qualifications recognized by the respective region. These personnel must be able to take up professional responsibilities and provide suitable ambulance services to the patient being escorted. A number of other technical issues will also arise during the process, especially in cases where speedy immigration clearance for the patient, ambulance personnel from both places and the driver are needed under emergency circumstances.

But then, a patient should logically be sent to the closest hospital under emergency circumstances. The hospital closest to a patient who suffers from an acute medical condition on Mainland should indeed be in vicinity, given there are

certainly more hospitals on the Mainland than in Hong Kong. In view of this, should we insist sending a patient under emergency medical condition across the boundary for treatment in a Hong Kong hospital? Or is it in better interest of the patient to wait till his or her health condition stabilizes before transferring this patient to Hong Kong for treatment? The Liberal Party thinks that it may be more appropriate for the authorities to deal with this medical issue first.

All in all, the major obstacle to cross-boundary elderly care probably comes from medical issues. Indeed, as Hong Kong elderly persons residing on the Mainland are not protected by medical insurance, they have to spend a lot when seeking treatment in Mainland hospitals. Many of them thus choose to spend their remaining days in Hong Kong eventually, for easier access to medical service.

Therefore, drawing reference from the successful example of the University of Hong Kong–Shenzhen Hospital, the authorities should explore the feasibility of running co-establish hospitals in the Bay Area, to provide convenience to those elderly persons residing on Mainland and to relieve them of the travel fatigue frequently experienced when shuttling between China and Hong Kong for medical treatment.

President, I so submit.

**MR MA FUNG-KWOK** (in Cantonese): President, population ageing is an irreversible trend in Hong Kong in the short run. According to statistics provided by the Census and Statistics Department, the number of elderly persons aged above 65 will increase to 2.37 million in 2036, contributing to about 31% of the total population in Hong Kong. There is a pressing need to make early planning for the elderly regarding lives in their advanced years. If I were an elderly person, ageing at home among our children and family is an ideal option. This also is a major theme of the Government's policy.

But then, restrained by the space at home or their own health conditions which necessitate extra care, many elderly persons have to live in residential care homes for the elderly. This has given rise to a shortage in residential care home places and added substantial pressure on the demand for land. According to the information from the Social Welfare Department, as at end-April this year, 38 000 persons are waiting for residential care homes. Given an average waiting time of 24 months, many elderly persons cannot get a place before he or she

passes away. Therefore, cross-boundary elderly care is widely discussed in the community in recent years and the Chief Executive Carrie LAM also commented on this earlier.

Indeed, the then Chief Executive introduced in 2014 the Pilot Residential Care Services Scheme in Guangdong. Under this scheme, places are bought from the Hong Kong Jockey Club at two of its residential care homes in Shenzhen and Zhaoqing, and these subsidized places are then made available to elderly persons on residential care home waiting list. Meanwhile, there are other welfare schemes for the elderly, such as the Guangdong Scheme which allows elderly persons to receive Old Age Allowance ("Fruit Money") while staying on the Mainland. Despite the good intention, the number of elderly benefiting from the policy is smaller than expected and the number of places open for application in these two residential care homes is substantial. Applicants for the Guangdong Scheme in fact has dropped gradually from 17 000 in 2014-2015 to 14 000 in 2016-2017, as many beneficiaries have chosen to quit and return to Hong Kong instead.

Judging from the effectiveness of the existing schemes, I think the authorities cannot draw elderly persons to northbound elderly care with a simple extension of local welfare schemes to the Mainland. Conversely, it is necessary to have more detailed and comprehensive consideration. Many elderly persons have indicated three major factors they have in considering northbound elderly care. First, portability of local welfare provision; second, health care provision for elderly persons after relocating to the Mainland; and third, availability of easy access for visiting friends and relatives.

First, about the portability of welfare provision. This is also a major policy concern of the Government now. Apart from the scheme mentioned a while ago, the Comprehensive Social Security Assistance Scheme is also portable and obtainable to the recipient after he or she has relocated to the Mainland. However, not all welfare provisions can be made available on the Mainland. Some colleagues therefore suggest in the original motion or its amendments today a number of directions for improving welfare portability. These include introducing cross-boundary portability arrangements for Old Age Living Allowance and Disability Allowance, in addition to abolishing the existing absence limit for various welfare benefits under the Social Security Allowance Scheme to facilitate northbound elderly care. I support all these suggestions.



Second, the health care issue which is the biggest concern among the elderly. Elderly persons have a greater need for medical treatment and whether the relevant issue can be tackled is the most crucial factor in considering northbound elderly care. Compared with its Hong Kong counterpart, health care system on the Mainland is less than optimal and its quality has yet to earn the trust of the elderly. Medical expenses on the Mainland are also unaffordable for some elderly persons. Therefore, making use of authentic Hong Kong health care services while on the Mainland is the best solution as it spares elderly persons the hassles of travelling between the Mainland and Hong Kong when seeking medical treatment.

As far as I know, the University of Hong Kong is now running in Shenzhen a hospital in which its elderly patients can enjoy the added advantage of using Health Care Vouchers. The problem is that the relevant service is not popular and is not found outside of Shenzhen. To help resolving the health care issue in northbound elderly care, the Administration may like to consider launching measures which encourage more local service providers to operate health care institutions on the Mainland, discussing with relevant Mainland departments to streamline the necessary procedures for local health care talents to practice on the Mainland and extending the application scope of Health Care Vouchers to these health care institutions. In addition, suggestions put forth by relevant stakeholders, such as medical record transfer, should also be put under study.

And third, about allowing easy access to visiting friends and relatives. The role of the Administration is relatively passive here. I believe that most of the elderly persons wish to have their children, friends and relatives living nearby for the sake of accessible care and companionship. The authorities cannot do much in this respect, apart from improving the transport network to shorten both the travel time and the distance concerned. Having that said, we can enjoy much more transport convenience after the commissioning of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge. The Government can also encourage elderly care service providers to build high-quality elderly care communities on the Mainland as much as possible, for the provision of comprehensive and user-friendly services. This is another direction that the Government can consider.

Furthermore, it is even more important for the authorities to set up regular channels for explaining to elderly persons northbound elderly care options and providing them with information on areas such as the living environment, welfare

and health care, thus allowing them to make informed choices about the appropriate arrangements for their advanced years.

Lastly, I would like to reiterate that on the issue of cross-boundary elderly care, the Government's role is to make good planning and improve the relevant complementary policies, so as to give the elderly one more option, instead of exerting any sort of pressure to drive elderly persons away from Hong Kong. Therefore, the authorities should be fully committed to taking care of the needs of those who decide to spend their advanced years in Hong Kong and continuing to improve the complementary policies for local elderly care, including offering more support services for ageing in place and increasing the number of residential care home places, and so on.

On some of the amendments raised by our colleagues, I do not see eye to eye with the juxtaposition of policies on cross-boundary elderly care arrangements and those on improving local elderly care as binary oppositions.

President, I so submit.

**MR HOLDEN CHOW** (in Cantonese): President, first of all, I thank Mr LEUNG Che-cheung from the Democratic Alliance for the Betterment and Progress of Hong Kong for moving such a wonderful motion on "Cross-boundary elderly care" today. Taking care of the elderly is in fact a due responsibility of society, and we of course cannot turn a blind eye to the problem of ageing population in Hong Kong. We see that Mr LEUNG has put forward many constructive suggestions in the motion so that the elderly have an additional option regarding elderly care in their retirement lives.

What I want to discuss in the first place is factors of consideration of the elderly who have chosen to spend their twilight years on the Mainland. As some colleagues already mentioned, when choosing a place to spend their twilight years, the elderly will surely consider firstly, whether it has comprehensive health care services, and secondly, whether the costs will be relatively lower. These are the factors of their consideration.

At present, in order to improve the options for the elderly people, we can consider the following ways: Firstly, I acknowledge that if the health care system of the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area") can be

operated under a model of collaboration between Hong Kong and the Mainland with the adoption of Hong Kong-style management, the confidence of the elderly can be boosted. In fact, we have a successful example. At present in Shenzhen, there is a hospital co-established by the University of Hong Kong and the Shenzhen authorities, where elderly health care vouchers can also be used since 2015. Of course, we know that this is only a pilot scheme, but we do not want it to stop there. It is our hope that more similar hospitals operating under a model of collaboration between Hong Kong and the Mainland can be established in the Mainland, especially in the Bay Area.

Nevertheless, I know some colleagues may query that Hong Kong will lose some management personnel or health care manpower to the hospitals co-established by Hong Kong and the Mainland. I believe we are not sending Hong Kong's health care manpower to the Mainland. On the contrary, we think that through our existing good management model, we should help train up the Mainland personnel so that they can set up a health care system in which people can have more confidence. In my view, Hong Kong will not suffer from a loss of health care personnel under this approach, and Pan-democratic Members should not exaggerate to that extent.

Secondly, concerning the arrangements of the health care system, as far as we know, the Mainland Government is very willing to employ some medical personnel with substantial health care experience or senior management professionals from Hong Kong so that they can share their experience with the Mainland hospitals. As the Mainland has been doing a lot to upgrade its health care system, we should look beyond the present situation. In the future when the health care system of the Mainland, especially the Bay Area, is further upgraded, the confidence of the elderly in cross-boundary elderly care will be boosted and they will be given more flexibility in making their choices.

President, according to statistics, less than 20 000 elderly people in Hong Kong have chosen to spend their twilight years on the Mainland, and they have applied for the cross-boundary portability arrangements for welfare benefits under either the Guangdong Scheme or the Fujian Scheme. Today, Mr LEUNG Che-cheung mentions in the motion about the existing absence limit for various welfare benefits under the Social Security Allowance Scheme for the elderly, and I also agree that it should be relaxed. To the elderly people who have chosen to reside on the Mainland, in order to observe the absence limit, they have to travel

back and forth between the Mainland and Hong Kong and this will cause inconvenience to their retirement lives. We have made reference to the situations of other regions, including Australia and Sweden where the elderly people are not subject to any absence limit when enjoying their elderly welfare benefits. Therefore, even if we are not replicating the practice of Australia and Sweden, for the convenience of the elderly people, we can also consider slightly relaxing the existing absence limit.

For my final point of view, I heard some Members from the opposition camp say deliberately today that the Government should use the resources to improve the services in Hong Kong before considering the arrangements of the Bay Area, but I beg to differ from this view, because I think a dual-track approach can be adopted. Frankly speaking, Hong Kong's efforts in improving elderly welfare and elderly care arrangements will not be contradictory to our cooperation with the Mainland in upgrading the overall elderly care arrangements and services in the Bay Area. I think they can proceed side by side. Under a multi-pronged approach, the elderly can have more options. If they like to stay in Hong Kong to enjoy local elderly care arrangements, they are of course welcome to do so. If they choose to retire in the Bay Area, we can try to provide the favourable conditions so that they can have a choice. We are opening one more door so that they can have more options, and I cannot see that the two directions are contradictory to each other.

Therefore, President, I support Mr LEUNG Che-cheung's motion on "Cross-boundary elderly care". I hope that through this motion today, the elderly can have more flexibility in choosing their retirement arrangements.

These are my remarks.

**DR CHENG CHUNG-TAI** (in Cantonese): Some wordings in Mr LEUNG Che-cheung's motion on "Cross-boundary elderly care" has left me feeling unsettled, and that is, "elderly persons in Hong Kong have chosen to spend their twilight years on the Mainland". The focus of the motion is the same as what Mr Holden CHOW has kept emphasizing just now. They want to give elderly persons an additional choice, so that they can choose to spend their old age on the Mainland.

But I do not think this is a choice. This is a way to force them to spend their old age on the Mainland. I have been listening to the motion debate. Why do I feel unsettled? Because I feel that both the Government and pro-establishment Members, while echoing that the present economic development of Hong Kong is made possible by the hard work of elderly people when they were young and agreeing that these elderly people have lived in Hong Kong for a long time, think that it is no big deal to ask these elderly people to spend their twilight years on the Mainland. Obviously, this has created a Hong Kong version of the cultural phenomenon of the movie *The Ballad of Narayama*.

There is a group of people whose age falls outside the wanted age for the economy of Hong Kong. In the eyes of the Government, they do not have obvious economic values and need help to remain viable. They cannot afford the present commodity prices in Hong Kong. They cannot pay the rent, not even the rent for a "subdivided unit". The Government tells these people, "How about I give you a choice? You go and live on the Mainland and enjoy your old age there."

In my eyes, or in the eye of the young fellas who, in my opinion, are relatively conscientious, this is the same as abandoning the elderly. This is a culture of abandoning the old. In the development of a community, there comes a stage when some people may not be able to find a role to directly contribute to the economy, or they may need other people to take care of their living. And at this juncture, the Government gives them a choice, like in *The Ballad of Narayama* of Japan, the old mother is taken to the Bay Area to spend her remaining years.

I am obliged to speak out my stance when I read the wordings of the original motion. First of all, the elderly policy that we need to handle today or in the future ... I would not use the word "handle" on old people and we should not "handle" them ... when it comes to elderly policies, we need to clearly grasp the difference between the elderly persons now and the elderly persons that we know from the past 10 or 20 years. The elderly persons now or in the coming 10 to 20 years are mostly born in the 1960s or 1950s. They gradually built up their business; they grew up in Hong Kong and they are truly born and raised up here.

Unlike the 1990s, 1979 was conceptually the year of reform and opening-up. Having weathered the Tiananmen Massacre in 1989, China seemed to have changed. Hence, in the 1990s, many people returned to the Mainland

for living because of the relatively low commodity prices and the low conversion rate of Renminbi. Some people thus thought that returning to the Mainland could give them a better living quality.

However, the first factor that is different when one considers returning to the Mainland or crossing the boundary to retire in the Bay Area now is that the economic incentive is not as big as in the past. The strengthening of the Renminbi and the weakening of the Hong Kong Dollars have prompted many people to think that it is no longer as value for money to live in the Mainland than it was in the past. The second and more critical point to consider is not economical in nature. To them, or this group of elderly persons that we will face, their root, their everyday network and their friends and community are in Hong Kong.

If you say, "You are getting old. Why don't you return to your hometown and live with your relatives there?" To the people of my mother's generation, they may only have a few people still living in their hometown. After decades of development, their hometown may have gone. Sending them to the Bay Area to spend their twilight years? Even if you send them to a luxurious residential care home, it is no big deal to them.

In the eyes of the elderly who, for example, have been living in Yuen Long, their place of residence may not have air-conditioning, and probably may not be as good as the luxurious residential care home in the Bay Area where they can play chess, etc. But at least this is the community where they were born and grew up. When they need help, they can just go down the street and find the help they need. The distant examples aside, the elderly persons who used to live in Ma Shi Po and rely on farming as a living were relocated to live in the city because of the New Territories North development a few years ago. They do not detest living in the city, but they still return to the community every morning where they used to live to look for their neighbours to have a chat because they used to live there.

So, this debate on "Cross-boundary elderly care" can only direct at the singleton elders who do not have the economic means and do not have any family or relatives in Hong Kong. The Population By-census Thematic Report on Older Persons published by the Census and Statistics Department of the Government in March 2018 shows an obvious increasing trend of older persons living alone. There were at least 150 000 older persons living alone.

In my opinion, when we talk about "Cross-boundary elderly care", we are focusing on this group of elderly persons because they do not have money. They have no choice because they cannot even afford to live in "sub-divided units". They cannot live in Hong Kong. They are either forced to return to the Mainland, or they are not strongly against this option because they have no one in Hong Kong, so they go to the Bay Area for retirement.

This is the sin, as described in *The Ballad of Narayama*, that our society as a whole has to bear. We have no reason to treat these elders like this at their old age. They have contribution here. They are the elderly of Hong Kong. Why do we have to send them to the Mainland? Of course, you may say that it is not like that. They are not strongly against going back. They certainly do not have strong views about that because they simply do not have a choice. Because of no choice, they have no views.

Hence, President, I do not think we need to discuss whether we have confidence in the medical care, food safety, education and elderly care in the Mainland. Simply because they are born and live here, I am against this motion ... (*The buzzer sounded*)

**PRESIDENT** (in Cantonese): Dr CHENG Chung-tai, please stop.

**DR CHENG CHUNG-TAI** (in Cantonese): I so submit.

**MR CHAN HAK-KAN** (in Cantonese): President, I thank Mr LEUNG Che-cheung in the first place for moving the motion on "Cross-boundary elderly care" today, bringing up the concept of "welfare portability" for discussion by this Council.

Actually, it is nothing new that Hong Kong people move to the Mainland and age there upon retirement for this has been quite common over the past two decades. Dr CHENG Chung-tai has accused us of "forcing" the elderly people to retire and age on the Mainland just now and described the act as "disposing of the elderly". I think his remarks are somewhat biased. In fact, we have been emphasizing that letting the elderly people spend their twilight years on the Mainland is one of the available options. If they are not willing to do so, we

definitely have to let them stay and age in Hong Kong. However, the Government should put in place relevant complementary welfare initiatives so that those elderly people who choose to spend their twilight years on the Mainland can also enjoy Hong Kong's welfare benefits, to which they are entitled, while living on the Mainland.

I often mention the point that in considering whether they should go to live on the Mainland and age there upon retirement, some elderly will usually have regard for whether they can continue to, while living on the Mainland, enjoy the welfare benefits that they are entitled to under the existing policy in Hong Kong. Therefore, as far as this is concerned, the elderly welfare policy may have certain degree of limiting effect on them who find it difficult to make a choice as they do not want to forego the elderly welfare benefits that they are entitled to while living in Hong Kong. Of course, there are many different reasons for their choosing to return to the Mainland, including economic reasons. However, some elderly people relayed to me that they could have bigger living space with better air quality if they spend their twilight years on the Mainland. Moreover, they could meet their old friends and schoolmates there. Thus, why not adjust the welfare policy appropriately to facilitate their needs if they choose to move to the Mainland upon retirement?

Hence, the Democratic Alliance for the Betterment and Progress of Hong Kong and I very much support the Guangdong Scheme and the Fujian Scheme currently put in place by the Government since the elderly welfare policy is made applicable to elderly people who move to the Mainland under both Schemes. Yet, such Schemes are still subject to various restrictions, such as the absence limit mentioned by some Members just now, which has already given rise to a lot of problems. For example, some elderly people having living on the Mainland for quite a long while are compelled to return to Hong Kong at regular intervals for reporting their presence to the authorities. I once received a case in which an elderly person who was 8 or 10 days late in reporting his presence to the authorities in Hong Kong because, you see, he had forgotten to do so as he was very old then and was disqualified by the Social Welfare Department for the cash allowance he used to receive as a result. This example helps illustrate the tremendous pressure generated by the absence limit on those who have moved to the Mainland upon retirement. But is it necessary to require frequent travelling between Hong Kong and the Mainland by the elderly people? I hope the Secretary will consider further relaxing the existing absence limit.



I certainly understand the government officials' stance of exercising prudence in spending public money and think it a good practice indeed, but excessive prudence will give us the impression that the Government does not have trust in the elderly people, as if those who have moved to the Mainland for good are meant to cheat the Government. That explains why the Government will have hesitations in implementing welfare policy and it turns out that some arrangements are portable while others are not. Maybe the Government considers it necessary to be more stringent in monitoring the recipients of Old Age Allowance and Disability Allowance for these are means-tested benefits. It will be impossible to monitor the situation then if the elderly recipients are living on the Mainland which is so far away from Hong Kong. Yet, it is far from true. Actually, is it possible for the Government to make use of the latest technology with the help of offices of the Hong Kong Government on the Mainland to provide assistance to those elderly people assistance so as to avoid subjecting those elderly people to additional risks associated with travelling? Given that they wish to live on the Mainland upon retirement, why not relax the welfare policy a bit to facilitate their such needs?

As regards Elderly Health Care Vouchers, I am not sure if the Government's not making any attempt to seek collaboration with Mainland medical institutions on Elderly Health Care Vouchers is due to the complexity of the many details involved. However, will the Government consider collaborating with Mainland's government medical institutions so that elderly people from Hong Kong can use the Elderly Health Care Vouchers when using services provided in these medical institutions? Or consider running a pilot programme at the University of Hong Kong-Shenzhen Hospital in this regard? We all know that non-Mainland residents seeking medical consultation on the Mainland have to pay exorbitant fees. Therefore, those elderly people requiring long-term medication or feeling unwell may choose to return to Hong Kong for medical consultation and thus have to engage in cross-boundary trips. This is definitely not a proper way to treat our senior citizens. Hence, we can facilitate their needs if they are allowed the Elderly Health Care Vouchers when seeking services at Mainland's medical institutions. It is for sure that the Government is concerned about abuse of public money. Having regard for this, it had better consider taking the "early and pilot implementation" approach to implement what I have proposed just now, namely to run a pilot programme at the University of Hong Kong-Shenzhen Hospital. It should first look at the outcome before deciding on the way forward.

Now, President, I revert to the Guangdong Scheme and the Fujian Scheme that I have mentioned just now. These are also what I have been fighting for all along. There are altogether 20 000 people participating in the two Schemes only, and even if the number is doubled, only 40 000 people will benefit from the relaxation of the portability of Disability Allowance and Old Age Allowance under these Schemes. Taking into account the facts mentioned above, Secretary, can you tell us why doing so is not possible? Despite the significant surplus recorded as at present, the Government still has no intention of spending any money in this regard. But why does it not consider treating the elderly people more generously then?

As a matter of fact, the Government should take on board the above recommendations instead of pondering too much due to the fear of being cheated and losing all public money in the end. Actually, the Government may make use of the current technology with the help of Hong Kong Government offices on the Mainland to conduct vetting against fraudulent cases. Hence, I hope the Government will, after listening to Members' speeches on today's motion, proactively improve the relevant policies to the effect that those elderly people who have moved to live on the Mainland upon retirement are also entitled to the social welfare benefits currently available in Hong Kong.

Thank you, President.

**MR WILSON OR** (in Cantonese): President, I would first of all like to thank Mr LEUNG Che-cheung for proposing this motion on "Cross-boundary elderly care", so that we can have a chance to debate on the issue. In fact, the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") fully agrees that elderly persons should be encouraged to spend their twilight years in Hong Kong, but I think this motion can offer them one more choice. I often stress that "if you want to be the boss, you must have the right to choose", and the SAR Government should strive to implement enhanced measures to facilitate more elderly persons to live their retirement life on the Mainland.

As we all know, Hong Kong is a small and densely populated city with a relatively high living standard, and the costs of providing elderly care services here are extremely high. On the contrary, with a vast territory, resources can be appropriately provided to elderly persons on the Mainland in order to ensure that they can have a comfortable living environment. Many elderly persons have

thus indicated to me that they would very much like to spend their twilight years on the Mainland, and as many of them have their ancestral home in China, they would also be able to enjoy a happier retirement life if they could live in the same community with their fellow townsmen who share the same language and culture with them. I therefore consider it the Government's benevolent measure to introduce the Guangdong Scheme and the Fujian Scheme.

However, there are after all a few long-standing issues that concern elderly persons most, and the first of which is the medical problem. As mentioned just now by my fellow party member Mr CHAN Hak-kan, the issue of medical arrangements has become a major challenge facing elderly persons, and the crux of the whole issue lies in the provision of suitable health care services to elderly persons in a good environment. There is currently no way for elderly persons to use Health Care Vouchers on the Mainland, and I wonder if the Administration can seriously consider relaxing the conditions of use of Health Care Vouchers, so that quality services may be provided to Hong Kong elderly persons by some major organizations on the Mainland or the University of Hong Kong-Shenzhen Hospital mentioned just now, thereby resolving the problem concerning the difficulties in obtaining health care services on the Mainland, which elderly persons have all along been complaining about.

Secondly, the Government should make persistent efforts to introduce flexible arrangements other than the Guangdong Scheme and the Fujian Scheme, so that such schemes would be extended to other provinces on the Mainland, thus benefiting also elderly persons living in these provinces. There are now many elderly persons coming from such places as Shanghai and Hangzhou, but they cannot join the relevant schemes, and is it possible for the Government to consider introducing schemes in addition to the Guangdong Scheme and the Fujian Scheme to benefit these elderly persons? I do not know whether the Government has considered doing so, but if it does has such an intention, it should strive for expeditious implementation of its plan in a comprehensive manner so that elderly persons would be provided with the appropriate services.

Thirdly, Hong Kong elderly persons who are living on the Mainland may now, as usual, receive the Old Age Allowance at a rate of \$1,345 per month, but as far as financial support for elderly persons is concerned, has the Government ever considered replacing the Old Age Allowance with the Old Age Living Allowance? By doing so, they will be given more different resources on the Mainland, and may thus handle their financial matters flexibly. This is also the

hope of many elderly persons, who have previously indicated their wish to make more effective arrangements for enjoying their twilight years on the Mainland.

President, I have already touched on the medical problem and the financial issue, but the keen demand for residential care places for the elderly is another crucial factor, and it is brought about by the problem of an ageing population in Hong Kong. According to the figures of the Social Welfare Department ("SWD"), as at 30 April this year, there were 38 063 elderly persons waiting for residential care places, and we all know that the longest waiting time is three years. As I have often emphasized, cross-boundary elderly care is one of the options for addressing the needs of elderly persons in this respect.

To my knowledge, SWD has launched in 2014 the Pilot Residential Care Services Scheme in Guangdong, under which welfare organizations in Hong Kong, such as the Hong Kong Society for Rehabilitation and the Helping Hand, can purchase subsidized residential care places in Shenzhen and Zhaoqing for application by the elderly in Hong Kong. However, I wonder if the Government can assume a more active role in promoting work in this area and interacting with different parties, so that more welfare organizations in Hong Kong can achieve better development of industries on the Mainland with a view to providing elderly persons with more appropriate services. I think more detailed consideration can be further given by the Government in this respect.

In addition, I suggest that the Government should optimize the existing Pilot Residential Care Services Scheme in Guangdong, and consider allocating more resources for purchasing residential care places for persons with disabilities from Mainland residential care homes, thereby providing more quality elderly care services in more major cities on the Mainland. This is also an issue brought up by a lot of elderly persons when we paid regular visits to districts. They opined that having resolved the medical problem and the financial issue, it will be equally important for them to maintain effective communication with their fellow clansmen or receive suitable residential care services, so that they can really enjoy their retirement life there.

As I often emphasize, in order to relieve the problem of an ageing population in Hong Kong and the increased pressure brought about by the need to provide support to our elderly population, I sincerely hope that the Government, especially the current-term Government, will demonstrate greater courage and commitment in endeavouring to introduce more schemes, and further exploring

and examining the possibility of implementing other cross-boundary welfare measures, thereby creating more favourable conditions for leading a retirement life on the Mainland, so that elderly persons can genuinely achieve ageing in place or enjoy their twilight years on the Mainland.

I emphasize once again that DAB and I myself fully agree that elderly persons should be encouraged to spend their twilight years in Hong Kong, but it has come to my attention that many elderly persons in the community really hope that they will be given one more choice, so that consideration can be given to its feasibility. I therefore hope to reflect to the Government with this debate held today that it is expected to demonstrate greater courage and commitment, and consider going one step further to introduce additional new measures, with a view to enhancing the effectiveness of elderly care services provided in Hong Kong.

President, I so submit.

**MR CHAN KIN-POR** (in Cantonese): President, Hong Kong is facing the problem of an ageing population. People born in the 1950s and 1960s will be approaching their retirement ages. It is thus necessary for us to properly prepare for population ageing. Ageing in place is definitely a better choice and the direction for the allocation of more Government resources than the construction of more residential care homes of the elderly ("RCHEs"), taking into account of the demand for land sites and the manpower supply. However, due to the exorbitant property prices and high living standard, it will barely be affordable for the middle class to enjoy their twilight years in Hong Kong. Life is really not easy for the poor grass-roots people even with subsidies from the Government.

We frequently hear people talking about the hardship of elderly singletons. The living environment of some RCHE residents is also far from satisfactory as quite a number of local RCHEs have come under fire for their poor conditions. I am sure that some elderly persons will be happy to retire on the Mainland if we can provide better environment, more care personnel, and professional support services to them. For those who have kept in contact with compatriots in their hometowns after they moved to Hong Kong at a young age, they will have stronger desire to settle on the Mainland. I think many elderly persons somehow have connections in their hometowns, and they will surely opt to settle on the Mainland after retirement.

So far, a large number of elderly persons have settled on the Mainland after retirement. The Government has also launched a number of initiatives in support of cross-boundary elderly care. With the aids of such schemes as the Guangdong Scheme, the Fujian Scheme, the Pilot Residential Care Services Scheme in Guangdong, and the Portable Comprehensive Social Security Assistance Scheme, many elderly persons have been able to reside on the Mainland after retirement. The number has reached nearly 20 000 now.

In real life, however, there are many difficulties hindering the development of cross-boundary elderly care and discouraging a majority of elderly people from settling on the Mainland. According to analysis, the long distance between Hong Kong and the Mainland is one of the two major worries of elderly persons, making them hesitate to retire on the Mainland. Generally speaking, it will take two to three hours for them to return to Hong Kong from the Mainland. Elderly persons will suffer from greater inconvenience if they need follow-up medical consultations in Hong Kong. Their children may also find it inconvenient to visit them. Another worry is the availability of medical services. Elderly persons are more prone to illnesses. If they are not covered by any medical insurance schemes on the Mainland, they will need to return to Hong Kong for the treatment of illnesses aside regular follow-up consultations. This will be very troublesome. Hence, to promote cross-boundary elderly care, we will first need to overcome these two hurdles.

The development of the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area") is well underway, while the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link will soon commence operation. The shortened journey time will lessen the worry of elderly persons over the long distance between the two places. This is favourable to the development of cross-boundary elderly care. The second problem we have to deal with is the provision of medical services. Today, we have proposed ways to improve the medical services for elderly persons residing on the Mainland in the original motion and some amendments to the motion. There are calls for extending the scope of application of Hong Kong's Health Care Vouchers ("HCVs") to cover major hospitals and clinics on the Mainland; allowing for the transfer of medical records of elderly persons who have moved to the Mainland to Mainland hospitals; and taking out Urban Resident Basic Medical Insurance for elderly persons who have moved to the Mainland. These proposals are worth our consideration. At present, Hong Kong elderly persons can basically use HCVs in the University of Hong Kong-Shenzhen Hospital, and this approach is proven to be feasible. Hence, the Government should consider

further extending the scope of application of HCVs to cover large-scale medical institutions on the Mainland. I trust the Government will discuss the cooperation plan on the use of HCVs with Mainland hospitals in due course. Hopefully, elderly persons can use their HCVs on the Mainland in the near future.

Besides, the residence rule under the Old Age Living Allowance ("OALA") has made it difficult for some 400 000 elderly persons to opt for cross-boundary retirement. I think the Government should make reference to the Guangdong Scheme and relax the residence rule to allow OALA recipients to move to the Mainland. As the amounts of allowance under OALA are higher than those under the Guangdong Scheme, OALA recipients should be able to cope with their retirement life on the Mainland. With the provision of proper medical support, I believe more elderly persons are willing to retire on the Mainland.

Indeed, apart from the grass roots, many middle-class elderly persons are also interested in cross-boundary elderly care services to enjoy quality services and good environment at more affordable costs. Modelling on their overseas counterparts, some Mainland RCHEs not only offer high-quality services as well as better environment and facilities, but they also provide basic medical support services, making them considerably attractive to middle-class elderly. However, without any Government subsidy, middle-class elderly in Hong Kong may feel worried about the long-term financial pressure of living in the quality Mainland RCHEs. I have time and again called on the Government to make better use of the insurance-based model to help address the problem of population ageing. Some examples are the Voluntary Health Insurance Scheme, the Mandatory Provident Fund Schemes, and the HKMC Annuity Plan. An insurance-based scheme may be helpful to address the cross-boundary care need of middle-class elderly.

Recently, the insurance industry has proactively examined the development prospect in the Bay Area. I have received a proposal from the industry which advocates the development of cross-boundary insurance products for seniors to further facilitate Hong Kong elderly persons to retire on the Mainland. The proposal also calls on the insurance industry to engage in discussion with Governments of the two places, encourage insurers to participate and invest in the development of elderly facilities in the Bay Area to build quality RCHEs there, and to provide insurance products for seniors. The proposal is preliminary and its feasibility requires further studies. Yet, I find the proposal very constructive and conducive to the achievement of an all-win situation: the development of a

new model of cross-boundary elderly care for the middle-class; the provision of a solution to population ageing in society; the exploration of a new development direction for the insurance industry, and the forging of a sound cooperation model for the Bay Area development. I have asked the Hong Kong Federation of Insurers to thoroughly study the feasibility of the proposal for further discussion with the Government. I hope that when the concrete proposal is in place, it can obtain expeditious approval from Governments of the two places to let the public benefit from it as soon as possible.

Thank you, President. I so submit.

**DR ELIZABETH QUAT** (in Cantonese): President, given that the population in Hong Kong has been ageing rapidly, to care for the elderly has become the biggest and most serious social issue facing Hong Kong.

We all understand that Hong Kong is a small place with a huge population and this has made the issue of elderly care even more complicated and difficult to tackle. The residential care homes for the elderly ("RCHEs") throughout the territory is so crowded where the living environment is so appalling that many elderly people are not willing to live in. As sons and daughters of their elderly parents, many people actually regard it a regret if they have to send their parents to live in the RCHEs. Besides, they are afraid of being blamed for maltreating their own parents. Thus, insufficient space in RCHEs has added to the problem involving care for the elderly. I have talked to various charitable organizations operating RCHEs and learned that they actually wish to construct more sizeable RCHEs but no suitable sites can be identified. Although land has been zoned by the Government for construction of RCHEs, but they must go through complicated procedures before the construction of RCHEs can be materialized. Some charitable organizations may even have to operate their own fund-raising events for the sake of construction of RCHEs. Even though there will be financial support for this purpose according to the Government, it seems that the initiative has yet to be implemented.

Moreover, there is also the problem of acute manpower shortage in the RCHEs that needs to be addressed. I have told repeatedly of my purposeful visits to some RCHEs and learned that for many private elderly homes, it is just impossible for them to arrange admission of the elderly in need even though they have vacancies due to manpower shortage. Ninety percent of the private elderly



homes have the problem of manpower shortage and 20% of the majority of other RCHEs also said that they have the same problem. In other words, even with the presence of "hardware", most elderly homes do not have sufficient manpower to take care of the elderly. We have worries and wonder if reliance on importation of workers to work in RCHEs is a solution to the problem of manpower shortage.

A lot of citizens wish to age in place, but the point is: Are their homes suitable for this purpose? Will their family members take care of them? Can the care service for people ageing in place cater for their such needs? We do not expect that these issues can be duly addressed in the short term. At present, there are 38 000 people waiting for vacancies in the RCHEs, and according to the Secretary, we need 458 RCHEs in the future (i.e. from 2037 to 2047) to resolve the problem. But actually, how are we supposed to resolve the problem within this period?

Before the problem can be properly dealt with, people may opt for cross-boundary elderly care in fact. Hence, I am really grateful towards Mr LEUNG Che-cheung for moving the motion today so that we can discuss what we can do to help those elderly people who wish to spend their twilight years on the Mainland. This is initially a very constructive motion but regrettably, I heard various Members who have spoken just now use negative wording in their speeches, such as "throwing" the elderly people back to the Mainland, leaving them on their own and their families never care if they live or perish. Those Members also made negative remarks such as "Hong Kong should not take advantage of the Mainland before they have properly dealt with the issue". Also, they accused us of "compelling" the elderly people to go back to the Mainland and age there. Undoubtedly, elderly care is a crucial social issue. Do Members belonging to the opposition camp really mean to act against China on all occasions, including the arrangements for elderly care, so as to politicize all issues on an extensive scale and oppose for opposition's sake? I regard this a real regret indeed.

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

Thus, I had better revert to the issue of cross-boundary elderly care. Actually, cross-boundary elderly care is a viable option for a lot of elderly people today. It is because the sons and daughters of some elderly people do not have

the time to look after them, but their relatives on the Mainland can help take care of their parents. And if sufficient complementary initiatives are put in place, they will be more than happy to move to the Mainland where they can spend their twilight years in a more spacious and cosy environment. It goes without saying that the biggest issue involved here is the portability of welfare benefits as raised in Mr LEUNG Che-cheung's motion. Thus, Mr LEUNG mentioned in his motion the portability of the Old Age Living Allowance, Disability Allowance, medical records and Health Care vouchers. We wish to bring all these to the Government's attention, urging it to implement in an expeditious manner our recommendations so as to put the elderly people's mind at ease.

Another issue more frequently mentioned by Members being the health care infrastructure, which is also something the elderly people really worry about. In the long run, the Government should consider ways to help more medical institutions to set up their bases in the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area"). Actually, quite a large number of health care groups and medical institutions wish to seek development on the Mainland, but it is not that easy for them to build clinics or hospitals there. Thus, for the time being, our Government may come up with plans of launching early and pilot programmes in the Bay Area. We are indeed in a position to enhance our efforts in this regard in hopes of helping more local medical institutions to set up their bases on the Mainland, in particular the Bay Area. By doing so, services can be provided not only to the elderly people but also to those Hong Kong people residing on the Mainland. In addition, we certainly have to consider putting in more efforts to train the trainers in order to provide training to a lot more Mainland health care staff to work under management of Hong Kong style. This will allow more elderly people enjoy Hong Kong style health care services on the Mainland.

Deputy President, I now revert to my area of expertise, namely "smart elderly care". Previously, during the debate on the Policy Address, I also mentioned in my speech that a lot of places and cities (e.g. Singapore and Britain) have taken forward the construction of a series of facilities utilizing technologies to take care of the elderly people. Given that it is not possible for us to complete the construction of various Hong Kong style clinics and hospitals in the Bay Area overnight, building certain facilities to facilitate the provision of smart elderly care will actually offer a great direction for development.

Of the various aspects covered by smart elderly care, the setting up of a telecare system is the most simple and straightforward option. Deputy

President, Mr Secretary, I trust that by putting in place a sound telecare system, it will be made possible that some of those ageing in place on the Mainland can continue to be treated by their attending doctors in Hong Kong and use Hong Kong's complementary health care facilities and services. Besides, the system will help them with disease prevention while providing treatment for minor ailments. In the long run, however, it is a must that we build more Hong Kong style hospitals on the Mainland to serve their needs.

Deputy President, I have all along been advocating the initiative of promoting the establishment of a platform for cooperation among the Government, the business sector, the academic sector and the community in the Bay Area, including the setting up of a Hong Kong style health care system, corporate scientific research institutes and communities that offer innovative smart elderly care. Nowadays, in the age of artificial intelligence and big data, elderly care technologies are available for providing quality services to the elderly people living in different places who are able to enjoy Hong Kong style health care services. I hope we can make good use of technologies to help more elderly people by providing them with more and better quality options, including the choice between spending their twilight years in Hong Kong or on the Mainland. Certainly, we do not mean to compel the elderly people to move to the Mainland to age in place. We hope the Government will scale up investment in developing local smart elderly care business in order that those elderly people who wish to stay in Hong Kong to age in place can also enjoy their twilight years here.

Deputy President, I so submit.

**MR CHU HOI-DICK** (in Cantonese): Deputy President, I wish to discuss one point as the preamble of my speech. Just now, a Member asserted that Mr Alvin YEUNG's amendment shifted the theme to elderly care problems in Hong Kong, saying that this did not seem to be alright. In this regard, I wish to point out that his amendment is actually appropriate because the primary theme can still be distinguished from the secondary theme. The primary theme of his amendment is cross-boundary elderly care. But at the same time, it also reminds the Government that it should not put the cart before the horse and forget its responsibility for elderly care problems in Hong Kong. Instead, I have noticed more than once that even though the amendments proposed by royalist Members

run completely counter to the theme of an original motion, the President still allows them to propose their amendments. This is rather in greater need of our attention.

I wonder if Mr Holden CHOW was "talking in his sleep" just now. These days, he often mentions the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area") and expresses the hope that the Bay Area can foster health care reform and progress. Mr LEUNG Che-cheung's original motion proposes to extend the Guangdong Scheme and the Fujian Scheme to other provinces. I wonder if Mr Holden CHOW meant to say that elderly people living in Fujian should be entitled to further or upgraded health care services when seeking medical treatment in the Bay Area, and those who do so in Fujian should continue to receive deplorable services. I hope this is not what he meant.

Deputy President, I think the crux of the entire debate lies in the word "choice". Mr LEUNG Che-cheung and various Members who have put forth amendments have repeatedly mentioned the word "choice" in their speeches. In my view, we need to draw a distinction here. Do they mean genuine choice or passive arrangements? This is how I distinguish the two. "Genuine choice" is a relative concept applicable only to elderly people with self-care abilities. Such elderly people may have already begun to buy Mainland properties since the 1990s. And, they may also have relatives and friends in their hometowns, just as various royalist Members have said. Whichever the case may be, they may choose to move to the Mainland and live in their self-owned properties, rented properties or residential care homes with their means. The Hong Kong Government should provide more flexible arrangements for such elderly people, so that they can truly experience freedom. I have no objection to this.

But I am concerned that if things develop in this direction, we may impose the word "choice" on those elderly people without a choice, including those without any self-care abilities or persons with mobility disabilities. If Members think that Dr CHENG Chung-tai's earlier speech about *The Ballad of Narayama* sounds unpleasant and want to avoid such cases and the feeling of misery among elderly people who spend their final years on the Mainland, we must honestly draw a distinction. The Government may provide greater convenience for those elderly people with self-care abilities who want to spend their final years on the Mainland under their own arrangements. But in the case of those without any self-care abilities, I think the responsibility is rested with the SAR Government after all. The authorities should enable such elderly people to live happily in

Hong Kong during their twilight years and encourage their children and relatives to visit them more often. I think this is rather reasonable.

Besides, I have also noticed a related viewpoint. When proposing to abolish the limit on absence from Hong Kong under the existing welfare system, Mr LEUNG Che-cheung said that the Government might have taken account of the social concern about the use of public money when setting the limit on absence from Hong Kong. But I must point out that the limit on absence from Hong Kong may likewise dovetail with the genuine choice I discussed earlier. What does this mean? If an elderly person has even lost the ability to return to Hong Kong within a certain time frame, then I dare say that he has actually lost his right to choose. Therefore, the rash abolition of the limit on absence from Hong Kong may lead to the result that more elderly people without self-care abilities and the right to choose will be sent to the Mainland by their families and plunged into a state of indignation and self-pity. Therefore, I cannot agree to Mr LEUNG Che-cheung's proposal on the limit on absence from Hong Kong.

As for Mr Alvin YEUNG's amendment, I certainly agree to its point (7), and it states that the authorities should "consider as a matter of priority injecting resources into elderly care services and planning in Hong Kong". But point (4) in Mr Alvin YEUNG's amendment expresses support for the Government's enhancement of its service on purchasing places from residential care homes, including those for persons with disabilities and the elderly. Since this is not in line with the "genuine choice" I mentioned a moment ago and my thoughts, I will abstain from voting on Mr Alvin YEUNG's amendment.

I so submit.

**MR HO KAI-MING** (in Cantonese): Deputy President, Hong Kong is a migrant city. Many elderly people of the previous generation came from various places of China. Just now, many opposition Members raised objection to cross-boundary elderly care. They think that the authorities should first improve elderly care measures in Hong Kong. Certainly, we strongly agree that the authorities should first improve elderly care measures in Hong Kong; but then we think that living in hometowns during twilight years is also an option for people from different places of origin. When discussing the idea of sending elderly people to the Mainland, some Members showed a sinophobic or anti-Chinese sentiment. They can arrange "bogus refugees" to Hong Kong. Why can't we

make arrangements for elderly people to spend their final years in their hometowns? I do not think this sounds reasonable.

Besides, we notice that only the Secretary for Labour and Welfare among all government officials is now present. This is proof that in this regard, the Government puts the emphasis on elderly care. But we are now discussing a cross-boundary issue involving the Mainland. The Constitutional and Mainland Affairs Bureau also plays an important role. Even young people will encounter many difficulties if they move to the Mainland, to speak less of elderly people who are unable to get to know more about new technologies and the pulse of the entire community. Actually, they may face even bigger problems. Therefore, I am disappointed to see that the Secretary for Constitutional and Mainland Affairs is not present here to listen to our views.

Is the Mainland a better place for retirement than Hong Kong? In my view, living on the Mainland may be better than in Hong Kong because the living conditions there are better than here in Hong Kong, to say the very least. The Mainland covers a vast area with much space. As elderly people may also have relatives and friends on the Mainland, spending their final years on the Mainland may not be a bad choice for them. Particularly, the country is now developing the Guangzhou-Hong Kong-Macao Bay Area ("the Bay Area"). With proper arrangements, it may be even better for them to live in their hometowns during their final years. The Hong Kong Government may hold more discussions with the Mainland Government on the provision of support facilities for elderly care. I think the Government should have the power and duty to strive for this on behalf of elderly people. As the relevant measures should involve cross-departmental and cross-Bureau efforts, I think the Government should deal with it at a higher level.

Mr WONG Kwok-kin from the Hong Kong Federation of Trade Unions ("FTU") has been striving to extend the portability of some welfare measures in Hong Kong to the Mainland. Some argue that extending the portability of Hong Kong's welfare measures to the Mainland will do a disservice to elderly people. I think this cannot stand to reason at all, and I can hardly understand it. The standard of living on the Mainland is now very high. The subsidy of some \$1,000 under the Guangdong Scheme is actually not enough to cover the living expenses on the Mainland. Therefore, we think that Hong Kong should extend the Old Age Living Allowance to the Mainland, so that elderly people can live more comfortably on the Mainland.

As for health care vouchers, they are applicable only to a hospital operated by the University of Hong Kong ("HKU") in Futian. Even in the Bay Area ... Let me put aside some remote regions such as Futian and other places for the time being. It already takes a long time to travel from, for example, Shaoguan or Guangzhou to that hospital operated by HKU. Therefore, we propose that the authorities should match up with Grade-A hospitals in various cities or even assist elderly people in acquiring basic medical insurance covering their hometown cities, so as to enable them to receive appropriate medical protection on the Mainland. I think the Government can strive for these reasonable arrangements on their behalf.

At present, only two Hong Kong-owned residential care homes for the elderly participate in the relevant bought-place scheme. The authorities should buy more places from residential care homes for the elderly on the Mainland to provide accommodation for Hong Kong elderly people. This can alleviate the burden on Hong Kong elderly people in need of accommodation in Hong Kong's residential care homes. The Mainland Centre under FTU has received many related cases. I am also aware that it is difficult to induce elderly people to move into residential care homes for the elderly in Shaoguan probably because of the latters' remote locations. How to improve health care support measures on the Mainland? How to enhance the health care system of the Mainland, so that elderly people with illnesses need not return to Hong Kong for medical treatment? Many elderly people may not have much confidence in receiving a drip during medical treatment. But we know that the Mainland is now undertaking reform and has begun to prescribe pills. And they are not much different from Hong Kong. For these reasons, speaking of cultural transfer, I hope the Government can put forth some proposals to give more elderly people confidence in the services of Mainland hospitals, especially Grade-A hospitals. I think this is possible.

The Mainland likewise offers fare concessions for their elderly people. I remember that a Legislative Council Member compiled a table back then setting out the fare concessions offered by various major cities. A survey conducted by the Mainland Centre under FTU has found that much information is false. Why? The reason is that an elderly person must hold a permit of residence in the local community before he can enjoy fare concessions on the Mainland. Many elderly people have sought our assistance after hitting a snag. We suggest that they approach FTU's Mainland Centres in case of doubts. But this matter should be handled by the Hong Kong Government. I believe that enabling elderly people living in various Mainland cities to travel around at concessionary

fares or even free of charge is likewise an incentive to encourage them to spend their twilight years on the Mainland. I hope the Government can pay attention to this and offer assistance to elderly people in living on the Mainland during their twilight years.

Another issue concerns taxation. Coincidentally, it is now the tax season, and Mr Jimmy NG has already discussed many cross-boundary taxation issues. One example is that the provision of machinery for use on the Mainland is not tax deductible. If elderly people live in their hometowns during their twilight years, their children working in Hong Kong are not entitled to any tax deductions. I wonder if Members notice one thing when filing their tax returns. There is a requirement for the dependent parent allowance: The parents must reside in Hong Kong on a long-term basis. Secretary, the dependent brother or dependent sister allowance is not bound by such requirement. Is this requirement targeted at elderly people, one which requires them to stay in Hong Kong in order to fulfil the meaning of "dependent"? I do not think this is necessarily so. Therefore, I hope the Secretary can handle and discuss this with other Policy Bureaux, so as to alleviate the burden on children working in Hong Kong in supporting their parents who spend their twilight years on the Mainland.

We must stress that living on the Mainland in the twilight years is a choice for Hong Kong people. Many opposition Members have distorted this point, saying that the purpose is to integrate with the Mainland. But what I have in mind is how to proceed with this task properly and give more choices to Hong Kong people. I think this is something we should do and is also a good choice for Hong Kong people. I hope the Government, especially the Secretary, can communicate and coordinate with Mainland departments, so that Hong Kong elderly people can enjoy basic livelihood facilities and welfare benefits which are the same as those for Mainland residents. I think Hong Kong elderly people will be eager to see this.

Deputy President, I so submit.

**MR TONY TSE** (in Cantonese): Deputy President, Hong Kong owns several number one status, one of which is about average lifespans. The average lifespan of Hong Kong people has exceeded that of the people in Japan over the recent years and become world number one. Longevity is certainly a blessing, but an ageing population also brings many challenges to the Hong Kong society.



The cost of living in Hong Kong is very high and is probably among the few tops of the world. The costs of clothing, food, living and transport are expensive. The per capita living space is small. Inadequate elderly care facilities, coupled with the fast tempo of life, have prompted some Hong Kong people, especially the elders, to opt for returning to their hometown or other Mainland cities after retirement, in order to live better, eat better and be happier in their twilight years.

According to a survey conducted by the Census and Statistics Department of the Government in 2011, about 80 000 Hong Kong elderly persons aged 65 or above permanently or frequently resided on the Mainland, accounting for about 8% of the total elderly population of Hong Kong. This was the number seven years ago and the latest number is definitely more than this number.

With the launch of the planning of the Guangdong-Hong Kong-Macao Bay Area, our country has progressively offered "national treatments" to Hong Kong and Macao residents living on the Mainland in respect of housing, medical care, social welfare and retirement protection. We believe more and more Hong Kong elderly people will choose to retire on the Mainland. The SAR Government has the responsibility to provide assistance to these people for the past efforts they made for Hong Kong. They have contributed a lot to the prosperity of Hong Kong.

Hence, I support the original motion proposed by Mr LEUNG Che-cheung and the amendments proposed by Dr Priscilla LEUNG and Mr WONG Kwok-kin to request the Hong Kong Government to implement more cross-boundary portability arrangements for welfare benefits, introduce more measures to facilitate Hong Kong elderly people to seek medical consultations and live in residential care homes on the Mainland.

Since Mr Alvin YEUNG has deleted some important content of the original motion in his amendment, I am afraid I cannot support his amendment. However, I agree that while developing cross-boundary elderly care services on the Mainland, the Government should also consider injecting more resources into elderly care services and planning in Hong Kong.

At present, housing units and supporting facilities for the elderly in Hong Kong lack a policy and planning. Many elderly persons aged over 65 in Hong Kong are still very healthy. With housing designs that are tailored to their

needs, and sufficient community facilities and use of technology, elderly persons can enhance their self-care ability, and they can save themselves from, or delay the need of living in residential care homes and truly achieve ageing in place.

Deputy President, in my tenure as Member of the last Legislative Council, I, together with several professionals of the sector, formed a working group to look into elderly-friendly housing and related support facilities. We arrived at several recommendations in early 2016, including requesting the Government to require and urge private property developers to provide a fixed quantity of elderly-friendly housing units by means of adding conditions in new land leases, or providing development area concessions; adding elderly-friendly designs within housing units and in common areas, such as relatively large and wide corridors and bathrooms, etc.; and using technologies like motion sensors to ensure the safety of elderly persons at home.

The Hong Kong Institute of Surveyors put forth four major proposals on the elderly housing policy in December last year. The proposals include launching an elderly housing scheme the housing units of which are for rent and not for sale; laying down land sale conditions to require compulsory provision of elderly-friendly designs in part of the construction area; amending the Hong Kong Planning Standards and Guidelines to include requirements on elderly housing and elderly service designs; and setting up a panel on the elderly or an elderly affairs bureau.

I hope that instead of unilaterally asking the elderly in Hong Kong to live or retire on the Mainland or live in Mainland residential care homes because Hong Kong does not having adequate housing and residential care homes for them, the Government will truly listen to the voices of the sector and treasure the recommendations of the professionals, and make speedy response, so as to work with the sector to improve the living environment of the Hong Kong elderly.

Deputy President, I so submit.

**MR CHAN HAN-PAN** (in Cantonese): Deputy President, we have often been told by many elderly persons that although they wish to return and settle in their hometown, caution has to be taken in working out the permitted duration of absence from Hong Kong, because under the permissible limit of absence, they will no longer be eligible for "fruit grant" if they fail to meet the minimum

residence period. As a matter of fact, we should respect elderly persons' right to choose the place they live, so that they can make their own choice. Instead of compulsorily imposing the absence limit on elderly persons, the motion moved by Mr LEUNG Che-cheung seeks to give them one more choice so that they can retire in their hometown. After all, leaving Hong Kong is also a right to which elderly persons are entitled, but as recipients of "fruit grant", they have been deprived of such a choice.

I wonder if I have got it right, but it is very puzzling to me when Mr CHU Hoi-dick indicated just now that there should be a "genuine choice", just like the remarks he made previously to support "genuine universal suffrage". However, the so-called "genuine choice" is actually a retrogressive proposal, because as suggested by Mr Alvin YEUNG in his amendment, the Government should consider maintaining the absence limit. With regard to our proposals to introduce cross-boundary portability arrangements for welfare measures and implement a scheme for the transfer of medical records, he suggests that the Government should only give consideration to doing so. Yet, this retrogressive proposal is described as a "genuine choice" by Mr CHU Hoi-dick, and I really do not know on what basis can he say so. Has he become so obsessed with his anti-China stance, or is it part of his anti-China conspiracy to sacrifice the interests of elderly persons?

He said he was afraid that elderly persons could not return to Hong Kong after they have moved to the Mainland, and would thus be deprived of the choice to move back to Hong Kong. However, I would like to tell him that many elderly persons currently living on the Mainland are not even provided with the option of receiving health care services on the Mainland when they are not feeling well, or using Health Care Vouchers as we propose to cover medical costs thus incurred. Worst still, it is simply impossible for some elderly persons who are seriously ill on the Mainland to return to Hong Kong, and they really have no choice since they can find no way to receive subsidized health care services of Hong Kong when they are living on the Mainland. Hence, what is the meaning of a "genuine choice"? It means that elderly persons should be able to make their own choice, no matter they are physically in Hong Kong or on the Mainland.

In the meantime, with regard to the two issues of elderly persons retiring in their hometown and enhancing elderly care services in Hong Kong, many Members of the opposition camp have tried to make them mutually exclusive, but no one ever has such an intention. We should of course strive to improve

elderly care services in Hong Kong, but efforts should also be made to facilitate elderly persons to spend their twilight years in their hometown, and no one has ever indicated that once elderly persons have chosen to return and settle in their hometown, we can give up or quit enhancing our elderly care services. It is therefore really puzzling to me that whenever a suggestion is made to retire, start a business or do anything on the Mainland, they will express some very peculiar and special opposition views. Mr Alvin YEUNG proposes in his amendment that the Government should consider doing this and that, but I think it is nothing but a retrogressive proposal.

Mr LEUNG Che-cheung has already explained very clearly, and his proposal in paragraph (7) of the original motion to "conduct a study on extending the scope of application of Hong Kong's Health Care Vouchers to cover major hospitals and clinics on the Mainland" is also very agreeable to me. As a matter of fact, the existing cooperation model of the University of Hong Kong-Shenzhen Hospital has already set a rather good example, and many years of experiences have already been accumulated. If the relevant arrangements can be extended to offer one more choice to elderly persons who have returned and settled on the Mainland, they will be able to enjoy the same support and services as if they are in Hong Kong when they are in fact physically on the Mainland. For many elderly persons who have returned and settled on the Mainland, the provision of health care services is what they worry most because as non-local people, they may be required to pay more expensive medical expenses. However, with the proposed extension of the scope of application, elderly persons will be given more choices and may truly enjoy their twilight years on the Mainland.

We can of course hardly regard \$1,000 odd as a considerable amount of money in Hong Kong, but in certain remote places, elderly person can rest assured that they will be able to lead quite a good life with this sum of money, and this is the reason why Mr LEUNG Che-cheung has proposed to extend the arrangements of the Guangdong Scheme and the Fujian Scheme to other places. Why is it only possible for us to implement the Guangdong Scheme and the Fujian Scheme? Why can we not introduce a Shanghai Scheme for elderly persons who are Shanghaiese? Mr LEUNG Che-cheung's proposal is actually put forward from the perspective of showing respect for elderly persons, so that no matter what their native place is and where do they live, they can be given one more choice. I would like to tell Mr CHU Hoi-dick that this exactly is a "genuine choice" for elderly persons. The "genuine choice" he referred to will totally deprive elderly persons of an option they can enjoy, force them to stay in

Hong Kong to live their retirement life, make it impossible for them to choose to return and settle on the Mainland, and this is actually a "false choice".

I do not know why he introduced such a bizarre and far-fetched logic, and perhaps he should give a clearer explanation when an opportunity arises. He should not chant the slogan of fighting for elderly welfare when running his election campaign, but try to turn all measures we propose into issues that warrant further consideration only when a debate is held on the subject, and insist on adding "genuine" before the word "choice" to make the whole thing a matter of "genuine choice". This is actually quite an interesting approach, when the word "genuine" is added before the term "universal suffrage" to become "genuine universal suffrage", while "genuine" can also be added before "election" to become "genuine election". Yet, I hope he will turn into a "genuine Member" who voice for more choices for elderly persons, rather than becoming so obsessed with his anti-China stance and sacrificing the interests of elderly persons for this.

Deputy President, I so submit.

**DR HELENA WONG** (in Cantonese): Deputy President, no matter the elderly are choosing retirement in Hong Kong or cross-boundary retirement on the Mainland, the Democratic Party still cares very much about the elderly care issue. With the reunification of Hong Kong, we cannot avoid discussing the topic of cross-boundary portability of welfare benefits. After reunification, we also see that the Government of the Special Administrative Region ("SAR") has been gradually rolling out related facilitating measures for the public. The Democratic Party thinks that if the cross-boundary portability programme for welfare benefits can meet the following objectives, we will give it our support. Firstly, a majority of the elderly who choose cross-boundary retirement can be benefited in a convenient manner. Secondly, it has to ensure not putting the cart before the horse, and avoid further tightening of the already scanty health care, welfare and education manpower and resources in Hong Kong.

(THE PRESIDENT resumed the Chair)

On this premise, in regard to the original motion and its amendments, we think item (7) of Mr Alvin YEUNG's amendment is very important. This suggestion is actually to remind the SAR Government that we have to consider as a matter of priority improving and injecting resources into elderly care services

and planning in Hong Kong before developing cross-boundary elderly care services according to the capacity of Hong Kong. If we do not set our priorities, we may be in great troubles, despite our good intentions. Bearing in mind of how big our mother country is and how small the Hong Kong SAR is, we have to act in accordance with our capacity when implementing the cross-boundary portability programme for welfare benefits.

Next, I would like to talk about Mr WONG Kwok-kin's amendment which the Democratic Party opposes. Although we think that item (7) of his amendment, which is about extending the scope of application of Hong Kong's health care vouchers to cover major municipal hospitals and clinics on the Mainland in major Mainland cities, can be considered and is a good suggestion, we cannot support his amendment. Let us look at items (11), (12) and (13) of his amendment, which are rather worrying. For item (11), it is to "take out Urban Resident Basic Medical Insurance for elderly persons who have moved to the Mainland so that they can receive appropriate health care protection on the Mainland". The problem is that if we ask the SAR Government to take out Urban Resident Basic Medical Insurance for elderly persons who have moved to the Mainland, should the Government take out medical insurance for local residents living in Hong Kong and residents retiring in Hong Kong? If the Government only takes out medical insurance for elderly persons who have moved to the Mainland but not for the residents retiring in Hong Kong, it will really have to face great troubles and this measure will be rendered improper due to misplaced priorities. In the context of Hong Kong, we are only considering to offer a tax deduction for the premiums under the Voluntary Health Protection Scheme. Hence, we think that this suggestion from Mr WONG Kwok-kin is not realistic.

In item (12) of Mr WONG Kwok-kin's amendment, it is to "introduce cross-regional ambulance services", so that in case of any incident, the elderly persons who have moved to the Mainland can dial 999 to call an ambulance which will then travel from Hong Kong to a certain Mainland city, any one of the cities like Dongguan, Zhongshan, Xiamen, Fujian or Sichuan, Chengdu. In respect to such a cross-boundary portability arrangement for this welfare of calling a Hong Kong ambulance by dialling 999, which will then go all the way immediately to any place on the Mainland where there are Hong Kong people living in retirement, I have no idea whether the Hong Kong ambulances are really allowed to do this or can undertake to reach the city concerned on the Mainland within eight hours, for example. Therefore, is this idea not too realistic?

Item (13) is to "set up one-stop consultation and support centres on the Mainland". I believe it is a good idea to set up such centres, but the amendment does not mention how many such centres should be set up on the Mainland in order to be considered sufficient, or how much manpower and how many resources should be used. We thus cannot support such a vague suggestion.

Coming back to the theme, if we are concerned about elderly care on the Mainland, health care services are our top priority. In regard to Mr LEUNG Che-cheung's motion, we think that most of the suggestions can be considered, except for item (8) that worries the Democratic Party. By item (8), it is to "by drawing reference from the model of the University of Hong Kong-Shenzhen Hospital, co-establish hospitals in major Mainland cities by Hong Kong and the Mainland and adopt Hong Kong-style management to jointly provide quality health care services to elderly persons who have moved to the Mainland". Because of this, I deliberately took a trip to visit this hospital operated by the University of Hong Kong ("HKU") and based on Hong Kong model. I think it is also nice if HKU has the capacity to introduce the management style of Hong Kong hospitals into the Mainland. But this can only be considered as a pilot scheme. If such hospitals are established in major Mainland cities as mentioned by Mr LEUNG Che-cheung, I will have to raise my concern again of whether he is overestimating Hong Kong's capability and resources.

In fact, only a limited number of universities in Hong Kong have established a medical school. HKU has already set up a hospital in Shenzhen. Does The Chinese University of Hong Kong ("CUHK") also need to follow suit? CUHK actually also has some projects on the Mainland. Besides, do you know who the Hospital Chief Executive of the University of Hong Kong-Shenzhen Hospital is? He is Prof LO Chung-Mau, Head of the Department of Surgery at HKU and also an internationally renowned liver transplant specialist. When HKU is now operating a hospital in Shenzhen, a liver transplant specialist from HKU has to be deployed to Shenzhen to be in charge of the hospital affairs. Prof LO has lofty sentiments and aspirations. He said he could establish within five years a hospital in Shenzhen whose scale could be on a par with Queen Mary Hospital which has a history of 80 years. But do you know how hard he has been working? The University of Hong Kong-Shenzhen Hospital is basically unable to balance the books. After operating for four years, it has already owed HKU \$600 million, and we believe that it is unable to clear the debt within a short period of time.

Moreover, the most serious problem does not lie in money but in manpower. We can imagine that when Prof LO Chung-Mau, a liver transplant specialist, was pioneering in Shenzhen, the only liver transplant centre of Hong Kong which is at the Queen Mary Hospital was in short of the best specialist, and thus has to hire a part-time surgeon, Dr Kelvin NG, from a private hospital to supervise the liver transplant surgeries. We do feel the pinch of staff shortage. Hence, before proposing the cross-boundary portability arrangements for welfare benefits with good intentions, we should clearly consider the amount of resources and manpower that Hong Kong possesses. Otherwise, our people will suffer when Hong Kong is completely drained by the arrangements at the end.

Therefore, I think the whole point is that we have to act according to our capabilities and take focused actions on this front, instead of presuming that Hong Kong can be expanded infinitely so as to support the entire China. It is impossible that we can do this.

**MR MARTIN LIAO** (in Cantonese): President, I have changed my mind. I do not intend to speak.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak? Mr CHAN Chi-chuen, please speak.

**MR CHAN CHI-CHUEN** (in Cantonese): President, I originally do not have a strong view on this subject because it is one's free will to spend their twilight years across the boundary. If an elderly person cannot afford to retire in Hong Kong, or cannot afford the elderly care services here, and chooses to live in a distant place where the living area is spacious, the food is cheap and the cost of living is low, it is the decision of the elderly person and his family as consumers to do so. But when the Government formulates this measure as a form of policy intervention, does it seek to respond to public aspirations or simply wish to shirk its responsibility? Is it really because the Government cannot provide elderly care services in Hong Kong that it has to provide incentives for elderly persons to spend their twilight years on the Mainland? These are very important questions.

I seemed to hear Dr CHENG Chung-tai mention the movie *The Ballad of Narayama* when he spoke just now. I think he has overstated the situation. One cannot say that those Hong Kong people who take their parents or elders in



the family to reside in the Mainland are totally irresponsible. But Secretary, this is indeed a kind of abandonment. Let me share a real experience of mine with Members. It is very difficult to find a residential care place in Hong Kong. Even if one can afford the expenses, it is still very difficult to find a qualified care home with a better environment.

In the past, I often debated with the then Secretary for Labour and Welfare Matthew CHEUNG. He said that the residential care service vouchers can enable the users to choose the services they need. In other words, it will be decided by the market. And I said to him that elderly persons might not feel free to choose unless they were compelled by circumstances. Take my mother as an example. She would rather stay put in the same aged home than moving out, despite being wronged, not until she was beaten in the care home.

I have been very practical and have already lowered my standard of care homes in Hong Kong. I am already not asking for a standard level of hygiene. When you walk in a care home, you can often smell a stink or the smell of excrement. The care home that my mother lives in is already an acceptable care home in terms of services and the sense of responsibility of its staff; but still, it has a stink. But I have lowered my standard and accepted it.

The Secretary says that the environment and the air in Mainland residential care homes are very good and refreshing. But still, before we urge the Government to put in place a policy on cross-boundary elderly care, we should first discuss the elderly care policy in Hong Kong, rather than discussing the ways to alleviate the pressure on residential care places. If more and more people choose to spend their old age on the Mainland or overseas, such as Canada, New Zealand and Australia, it is a realistic choice they make.

The experience I want to share is that after I transfer my mother to another residential care home in Tuen Mun, my sister and I can only take turns to visit her on every other week, since the time on travelling is longer than the time on accompanying her. If it only takes half an hour to go there, I can go visit her every week, and I can go and see her at once if anything happens to her. The high-speed rail can take us to residential care homes in the Bay Area or in Huizhou or Zhaoqing; those are forest cities with very fresh air, a much bigger area with abundant manpower. But what will an elderly person have to sacrifice if he or she chooses to live in residential care homes there? Is it more important for them to have more room, better services, or remain close to their family?

Sometimes, the elderly find it hard to speak to their children. I often get angry whenever I talk about dental services. I often asked the former Secretary Dr KO Wing-man or the incumbent Secretary Prof Sophia CHAN to provide dental services vouchers for the elderly. Elderly people know that dental problems will not cost their lives but health problems will, so they are unwilling to use the health care vouchers on dental services. They do not want to increase the burden of their children, so they would grin and accept unwillingly if their children suggest moving them to care homes on the Mainland. If elderly people have moved to care homes in Huizhou, Dongguan or Zhaoqing, frankly, how often can their children come to visit them? No matter how advanced the high-speed rail is, will their children come and see them every week? How long does it take for every visit? Or should the children take it as a weekly tour to go there? These are very practical questions.

Hence, we can urge the Government to formulate desirable proposals, so that there will be more options on the market. But if things are genuinely decided by the free market, theoretically speaking, elderly people should be allowed to spend their twilight years in Hong Kong. They should be allowed to choose among ageing in place, in residential care homes here or on the Mainland. Those with the means can even choose to buy a residential care place overseas. Hong Kong can transfer the demand for residential care services abroad. Hong Kong has nothing but money. If residential care homes are not built fast enough, we can go abroad and look for overseas residential care homes.

However, I truly do not want to give any opportunity for the Government to shirk its responsibility in this regard. Certainly, the Secretary has been saying that there has been such demands all along because there are not enough residential care homes and qualified manpower. Secretary, have you ever watched the movie *A Simple Life* and paid attention to the price list of the residential care home for the elderly in the movie? The prices for escorting an elderly person to medical consultations by a Hong Kong worker and an illegal worker are different. This is a realistic issue existed in Hong Kong. There is case received by the Public Complaints Office. The complainant says that a residential care home casually found a person on the street to wear its uniform and pretended to be a staff member of the care home when the authorities came for a surprise inspection.

So, when it comes to cross-boundary elderly care, I hope the Government can provide dual services in Hong Kong and on the Mainland if there is no clash between the two and the services will not affect the use of resources, so that Hong

Kong people, or the elderly, can have more options. But this should not become the excuse for the Government not to provide qualified elderly care services with quality in Hong Kong.

I so submit.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Mr LEUNG Che-cheung, you may now speak on the amendments. The time limit is five minutes.

**MR LEUNG CHE-CHEUNG** (in Cantonese): President, I must first thank the 23 Members for their views on this motion entitled "Cross-boundary elderly care".

Some Members, especially Mr WU Chi-wai, have expressed a concern, saying that cross-boundary health care arrangements may lead to manpower shortage in Hong Kong's health care system. Actually, Hong Kong's insurance companies have agreed to include some Grade-A Mainland hospitals, and they can accept the arrangements for premium payments. So technically, there is no problem at all, only that we consider it necessary for hospitals to instead adopt Hong Kong-style management, so as to gain the approval of more Hong Kong people. In this regard, I hope this will not reduce the manpower for Hong Kong's health care system.

A point raised by Dr CHENG Chung-tai sounds quite ridiculous to me. He dismissed "cross-boundary elderly care" as "cross-boundary abandoning of elderly people". As Members all know, at present ...

**PRESIDENT** (in Cantonese): Mr LEUNG Che-chung, you should only speak on the various amendments now. You may discuss the contents of other Members' speeches when you speak in reply later on.

**MR LEUNG CHE-CHEUNG** (in Cantonese): Alright. President.

I will support the amendments of Dr Priscilla LEUNG and Mr WONG Kwok-kin and oppose Mr Alvin YEUNG's amendment. The reason is that he has merely brought up various considerations without putting forth any insightful proposals on the concrete arrangements. Therefore, I will oppose it.

Thank you, President.

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, I would like to thank Mr LEUNG Che-cheung for moving the original motion and Dr Priscilla LEUNG, Mr WONG Kwok-kin and Mr Alvin YEUNG for proposing the amendments. Altogether 25 Members have spoken on this motion, showing that all of us are very concerned about how to provide further support to the Hong Kong elderly who choose to live their twilight years in the Mainland.

There are several points I wish to emphasize. First, in respect of the policy principles, "choice" is actually the keyword regarding the issue of cross-boundary elderly care. You may also say that we neither entice nor encourage them to return to the Mainland. But when there are elderly persons who have so chosen, we will have to think about how to support them. More importantly, we are not forcing or moving the elderly persons to the Mainland as some Members suggested. This is simply not our policy direction.

As regards the provision of appropriate assistance to the Hong Kong elderly living their twilight years in the Mainland, the Government shares the same goal with Members who have expressed their views. The schemes launched in recent years, for example, the Guangdong Scheme, the Fujian Scheme, the Pilot Residential Care Services Scheme in Guangdong and the Pilot Scheme for Use of Elderly Health Care Voucher at the University of Hong Kong-Shenzhen Hospital are some good examples. However, before launching any new measures, the Government needs to carefully examine the feasibility and expected outcome and ensure proper use of public funds. That is why the Government remains prudent about this issue.

In the debate today, totally 15 recommendations, the original motion and the amendments included, have been put forward. While feeling obliged to respond to each one of them, I wish to focus on four aspects, namely cash

assistance, elderly care services, medical support and other facilitation measures, in my reply to Members' speeches.

As for cash assistance, the original motion suggests an extension of the portability arrangements of the Old Age Allowance ("OAA") under the Guangdong Scheme and the Fujian Scheme to other provinces in the Mainland. So far as this is concerned, I must stress that the existing social security system in Hong Kong is non-contributory and wholly funded by the Government's general revenue. Given the substantial public funds involved, the relevant cash assistance should only be provided for Hong Kong residents who have a long-term connection with Hong Kong, in order to ensure the sustainability of the social security system in the long run.

The Guangdong Scheme and the Fujian Scheme only cover eligible elderly persons residing in Guangdong and Fujian Provinces. The main reason is that there are relatively more Hong Kong residents settling in these two provinces. In terms of geographical proximity and community bonding, elderly persons moving to Guangdong and Fujian not only can maintain a close connection with their relatives and friends in Hong Kong, but also can obtain support more readily. What is more, the two provinces are uniquely and closely connected with Hong Kong on the social, economic and transport fronts. Taking into account the above considerations, the Government does not plan to extend the portability arrangements of OAA to other provinces.

Apart from geographical extension, the original motion also suggests extending the portability arrangements to other social security payments, that is Old Age Living Allowance ("OALA") and Disability Allowance ("DA"). Here, I really wish to stress again that the considerations relating to the extension of OAA to places outside Hong Kong as mentioned just now (social, economic, transportation fronts included) apply equally to other social security schemes. Moreover, we must also consider the design of individual allowances. I, therefore, would like to take this opportunity to reiterate the Government's position.

Concerning DA, there is no means test for this allowance as it aims at helping Hong Kong residents with severe disabilities to meet special needs arising from their severe disabling conditions. A DA applicant must be assessed to be severely disabled, as a result require substantial help from others to cope with daily life, and his/her severe disabling condition will persist for at least six

months. In general, medical assessment for DA must be conducted by doctors of the Department of Health or the Hospital Authority ("HA"). Currently, most DA recipients are subject to regular medical assessments. Due to differences in professional training and clinical protocols, it is difficult to ensure the standard and quality of medical assessments conducted by doctors outside Hong Kong. There is therefore no arrangement for DA recipients to receive medical assessments outside Hong Kong, and it is unlikely that such a mechanism will be established in near future. At this juncture, the Government has no plan to extend DA's portability to cover places outside Hong Kong.

As for OALA, the Normal OALA which currently stands at a monthly rate of HK\$2,600 was launched in 2013. As of late April 2018, there are over 480 000 elderly recipients of Normal OALA and it is the social security payment scheme with the most elderly applicants. On the other hand, the Higher OALA which provides a monthly allowance of HK\$3,485 has been launched since the 1<sup>st</sup> of this month. As the Higher OALA has only commenced for 20 days, we still do not have a full picture of the number of beneficiaries.

OALA mentioned just now is around two to three times of the OAA which provides recipients HK\$1,345 per month. In view of factors such as the amount of the allowance and its number of applicants in Hong Kong, we think that there must be careful consideration if any amendment is to be made to this allowance scheme, so as to ensure proper use of public funds.

Apart from the views Members expressed on portable social security payment, the original motion has also voiced an opinion about the residence requirement during receipt of various allowances under the Social Security Allowance Scheme.

Just as I pointed out earlier, social security payments should only be granted to Hong Kong residents who have a long-term connection with Hong Kong, in order to ensure the sustainability of the system in the long run. For this reason, various schemes of social security payments have set down residence requirements during receipt of payments. Nonetheless, having regard to some social security recipients' needs for temporary absence from Hong Kong during receipt of payments (e.g. seeking medical treatment or visiting families), permissible absence limits are put in place under various schemes. Take Social Security Allowance Scheme as an example, the permissible absence limit for the recipients under this scheme is 305 days per year. In other words, recipients may receive full-year allowance as long as they have resided in Hong Kong for

not less than 60 days per year. The permissible absence limits concerned are also applicable to recipients under the Guangdong Scheme and the Fujian Scheme, so as to take care of their needs for temporary absence from Guangdong or Fujian Province. And actually, some of them are coming back to Hong Kong. We think that the above arrangements have struck a balance between effective allocation of public resources and taking care of the needs of the elderly recipients.

We have also noted that the original motion proposes facilitation of continuous collection of benefits under the Guangdong Scheme and the Fujian Scheme to obviate the need for elderly persons who have moved to the Mainland to return to Hong Kong every year for going through the relevant formalities. In this regard, Members can rest assured that under the existing arrangements, the elderly recipients residing in Guangdong or Fujian Provinces need not return to Hong Kong for going through the formalities for continuous collection of the benefits. The Social Welfare Department has appointed an agent to assist in implementing the Guangdong Scheme and the Fujian Scheme. Its duties include conducting regular case reviews to follow up the conditions of the recipients and answering their queries about the schemes.

Let us turn to the issue of elderly care services. President, having responded to Members' views on cash assistance, we have to talk about cross-boundary elderly care services. As proposed in the original motion, the Government may purchase from Mainland residential care homes residential care places for persons with disabilities and for the elderly on the basis of the Pilot Residential Care Services Scheme in Guangdong ("the Pilot Scheme"). Moreover, the motion suggests conducting a study on providing elderly persons who have moved to the Mainland with support services for ageing in place by drawing reference from the Pilot Scheme on Community Care Service Voucher for the Elderly.

The Government has completed a review on the Pilot Scheme. On the whole, the Pilot Scheme has been operating smoothly since its introduction. The elderly residing in the two residential care homes under the Pilot Scheme are generally satisfied with the living environment and services provided and they are willing to remain in the Mainland to spend their twilight years. The Government will continue to review the operation of the Pilot Scheme, but at present, we have no plan to purchase residential care places from places outside Hong Kong or to provide support services for ageing in place.

In addition, it is noted that some Members think that resources should be injected into elderly care services and planning in Hong Kong before developing cross-boundary elderly care services. We believe there is no conflict between these two ideas. While developing cross-boundary elderly care services, the Government will continue with its effort in strengthening elderly care services in Hong Kong, especially community care service, so as to encourage ageing in place.

Next comes the issue of medical support. President, earlier I was explaining matters within the purview of the Labour and Welfare Bureau, so I hope you would allow me to speak on behalf of other bureaux about the measures they introduced to support the Hong Kong elderly living their twilight years in the Mainland.

Concerning measures for medical support, the original motion proposes conducting a study on extending the scope of application of the Elderly Health Care Voucher from the University of Hong Kong-Shenzhen Hospital to major hospitals and clinics in the Mainland.

Based on the information provided by the Food and Health Bureau, the University of Hong Kong-Shenzhen Hospital is the first service point allowing eligible elderly persons to use Health Care Voucher outside Hong Kong. That being the case, the Government will closely monitor the implementation of the Pilot Scheme at the University of Hong Kong-Shenzhen Hospital and take into account the experience gained to explore the feasibility of extending the coverage of the Elderly Health Care Voucher Scheme to the Mainland. The factors that we will need to consider include the quality of health care services, clinical governance structure, administrative procedures, financial arrangement, operation environment, skills of staff of the health care institutions and units, and also the views of other stakeholders (health care professionals and institutions in Hong Kong included) towards extending the coverage of the Elderly Health Care Voucher Scheme to the Mainland.

The Government also notices that Members have expounded their views about the mechanism for the transfer of medical records of Hong Kong residents (including elderly persons) between hospitals in Hong Kong and in the Mainland. The original motion proposes conducting a study on the implementation of a scheme for the transfer of medical records of Hong Kong residents under which,



with the consent of the elderly persons who have moved to the Mainland, their medical records will be transferred to designated Mainland hospitals so that they can seek medical consultation conveniently.

According to the Food and Health Bureau, since March 2011, the Hospital Authority has been collaborating with the Population and Family Planning Commission of Shenzhen Municipality in implementing a pilot project which allows the transfer of medical records of Hong Kong residents from designated hospitals in Shenzhen to designated hospitals in Hong Kong. This project has established a mechanism for prior notification and communication. Through this mechanism, Hong Kong residents staying at designated hospitals in Shenzhen may transfer their medical records to designed public hospitals in Hong Kong, as long as they are clinically stable for transfer and voluntarily participate in the project. In this way, they can receive medical treatment conveniently when they return to Hong Kong. For Shenzhen, designated hospitals participating in this pilot project includes Peking University Shenzhen Hospital and the Shenzhen Nanshan People's Hospital. As for Hong Kong, the participating public hospitals are North District Hospital and Tuen Mun Hospital.

For Hong Kong residents staying in designated hospitals in Shenzhen, they can request a transfer of their medical records to Hong Kong, provided that they are clinically stable. Upon receipt of such request, the hospitals in Shenzhen will send the information and medical records of the relevant patients to designated hospitals in Hong Kong so that the cases can be followed up easily. And when necessary, hospitals of the two places will further liaise with each other. On the basis of the above pilot project, the Hospital Authority will consider the feasibility of extending the project further.

While the original motion suggests transferring medical records between Hong Kong and the Mainland, an amendment proposes introducing cross-regional emergency ambulance services. According to the information from the Food and Health Bureau, cross-boundary emergency ambulance services and non-emergency patient transport service involves the key issue of patient safety and also other complicated issues relating to regulation, such as qualifications and training of the health care personnel providing the services, vehicle specifications of the ambulance and road safety, regulation of equipment for emergency services and service quality, etc. The Government is discussing with relevant authorities of Guangdong Province about starting a pilot project for non-emergency patient transport by land, and at the same time, the Government will continue to closely

monitor the demand for cross-boundary patient transport service and explore in detail any feasible model and arrangements for the provision of such services.

To provide elderly persons moving to the Mainland with quality medical services, the original motion advocates drawing reference from the model of the University of Hong Kong-Shenzhen Hospital to co-establish hospitals in major Mainland cities by Hong Kong and the Mainland and adopt Hong Kong-style management. The Government supports private hospitals and the private health care sector in their development in the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area"), with a view to tie in with the direction for regional cooperation—fostering establishment of medical institutions in Pearl River Delta by service providers from Hong Kong and Macao in sole proprietorship, joint venture or cooperative mode, thereby developing a regional medical coalition and regional medical centre.

Concerning other measures for facilitating elderly persons to live in the Mainland, apart from the above cross-boundary measures, the amendments also put forward a number of recommendations about facilitating elderly persons to live in the Mainland. According to the information from the Constitutional and Mainland Affairs Bureau, since August 2017, the Hong Kong and Macao Affairs Office of the State Council has successively announced two batches of policy measures introduced to facilitate Hong Kong people pursuing development in the Mainland. Those measures cover education, employment, business start-ups, and daily life matters. The Mainland Offices of the HKSAR Government have been disseminating relevant information through various channels including websites, WeChat public accounts, emails, gatherings of Hong Kong people, etc.

An amendment puts forward the proposal that the Government should discuss with the relevant departments of the Mainland the feasibility of implementing all-inclusive fare concessions for the Hong Kong elderly in the Mainland. As the information provided by the Constitutional and Mainland Affairs Bureau shows, various cities in Guangdong Province, such as Zhuhai, Dongguan, Huizhou and Jiangmen, are currently providing free ride offer to elderly persons from Hong Kong. The SAR Government will continue to collect views from Hong Kong people to aptly reflect to the relevant departments of the Mainland, seeking for more policies and measures on facilitating the development and daily living of Hong Kong people in the Mainland.

Another amendment suggests taking out Urban Resident Basic Medical Insurance for elderly persons who have moved to the Mainland. As the Hong Kong and Macao Affairs Office of the State Council announced in August 2017, the Ministry of Human Resources and Social Security is stepping up its effort in studying the issue of allowing residents of Hong Kong and Macao to join the social insurance scheme in the Mainland. The SAR Government will keep the development in view and gather relevant information for timely dissemination.

There is also an amendment recommending establishment of one-stop consultation and support centres in the Mainland to provide information and consultation services in respect of daily life, welfare, health care, etc. As stated in the information provided by the Constitutional and Mainland Affairs Bureau, in order to support Hong Kong people living in the Mainland, the Mainland Offices of the SAR Government have all along been collecting practical information relating to Hong Kong people's daily living in the Mainland. Such information covers various aspects including medical care, education and legal services etc. The Mainland Offices will then compile the information to publish booklets for distribution and to publicize on the offices' websites. They will also update the information from time to time so as to assist Hong Kong people in adapting to the local living. In fact, the Mainland Offices of the HKSAR Government maintain regular and close liaisons with the organizations of Hong Kong people, chambers of commerce, enterprises and student organizations in the Mainland to find out the conditions of Hong Kong people working, studying and living there, and provide appropriate assistance when required. Under each of the five Mainland Offices, there is an immigration division providing assistance to Hong Kong residents in distress in the Mainland.

Furthermore, the Hong Kong and Macao Affairs Offices of the People's Governments of some provinces (e.g. Sichuan Province) have set up websites, setting out the measures introduced to give convenience to Hong Kong people and the implementation of the relevant measures. Those websites also provide the means for consultation. The Mainland Offices of the SAR Government will continuously give pertinent suggestions to other provinces.

Some Members also propose in their amendments that the SAR Government should collaborate with the Mainland Government in conducting a study on building new development areas that allows elderly persons in Hong Kong to move in for a leisurely retirement life in the Mainland (including the Bay Area). The SAR Government agrees that Bay Area development can open up new areas of economic growth for Hong Kong, and foster economic

diversification. Also, it will turn the Bay Area into a quality living circle, broadening the living space for Hong Kong people, including the elderly persons.

The SAR Government will grasp the opportunity of Bay Area development. With policy innovation and breakthrough, we will strengthen inter-city connectivity within the Bay Area, and promote the quick and smooth flows of production factors (such as personnel, goods, capitals and information) between Hong Kong and other cities in the Bay Area. Also, within the framework of Bay Area development, the SAR Government will strive for more convenience for Hong Kong people in their living in the Bay Area and in other aspects, including facilitation measures for the Hong Kong elderly choosing to retire in the Bay Area.

Here, I wish to add one point. Though the topic today is about elderly persons choosing to settle in the Mainland, I wish to highlight to Members that at present, over 70 000 Hong Kong residents aged 65 or above are permanently residing in Guangdong Province. In the light of this, the Government concurs with Members that further support should be given to the Hong Kong elderly who choose to move to the Mainland, and of course, those who have already settled in the Mainland should also be included. In this connection, the Government is willing to keep exploring feasible measures with various stakeholders.

I so submit. Thank you.

**PRESIDENT** (in Cantonese): I now call upon Dr Priscilla LEUNG to move an amendment.

**DR PRISCILLA LEUNG** (in Cantonese): President, I move that Mr LEUNG Che-cheung's motion be amended.

**The amendment moved by Dr Priscilla LEUNG (See the marked-up version at Annex 1)**

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr Priscilla LEUNG to Mr LEUNG Che-cheung'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.

(Members raised their hands)

Mr Gary FAN rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Gary FAN has claimed a division. The division bell will ring for five minutes.

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

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

Functional Constituencies:

Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr WONG Ting-kwong, Ms Starry LEE, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Christopher CHEUNG, Mr Martin LIAO, Mr POON Siu-ping, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan, Mr HO Kai-ming, Mr Holden CHOW, Mr SHIU Ka-fai, Dr Pierre CHAN, Mr CHAN Chun-ying, Mr LAU Kwok-fan and Mr Tony TSE voted for the amendment.

Mr James TO, Mr LEUNG Yiu-chung, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK, Mr IP Kin-yuen, Mr SHIU Ka-chun and Mr KWONG Chun-yu voted against the amendment.

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

Geographical Constituencies:

Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Ms Alice MAK, Mr KWOK Wai-keung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan, Dr Junius HO, Mr Wilson OR, Mr CHEUNG Kwok-kwan and Mr Vincent CHENG voted for the amendment.

Mr WU Chi-wai, Mr CHAN Chi-chuen, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Dr Helena WONG, Mr Alvin YEUNG, Mr Andrew WAN, Mr CHU Hoi-dick, Mr LAM Cheuk-ting, Ms Tanya CHAN, Dr CHENG Chung-tai, Mr Jeremy TAM, Mr Gary FAN and Mr AU Nok-hin voted against the amendment.

Mrs Regina IP, Mr Michael TIEN and Ms YUNG Hoi-yan abstained.

THE PRESIDENT announced that among the Members returned by functional constituencies, 29 were present, 20 were in favour of the amendment and 8 against it; while among the Members returned by geographical constituencies through direct elections, 30 were present, 13 were in favour of the amendment, 14 against it and 3 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**MS STARRY LEE** (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion of "Cross-boundary elderly care" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Starry LEE 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 motion passed.

I order that in the event of further divisions being claimed in respect of the motion of "Cross-boundary elderly care" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): Mr WONG Kwok-kin, you may move your amendment.

**MR WONG KWOK-KIN** (in Cantonese): President, I move that Mr LEUNG Che-cheung's motion be amended.

**The amendment moved by Mr WONG Kwok-kin (See the marked-up version at Annex 2)**

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr WONG Kwok-kin to Mr LEUNG Che-cheung'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.

(Members raised their hands)

Mr Gary FAN rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Gary FAN has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr WONG Ting-kwong, Ms Starry LEE, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Christopher CHEUNG, Mr Martin LIAO, Mr POON Siu-ping, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan, Mr HO Kai-ming, Mr Holden CHOW, Mr SHIU Ka-fai, Mr CHAN Chun-ying, Mr LAU Kwok-fan and Mr Tony TSE voted for the amendment.

Mr James TO, Mr LEUNG Yiu-chung, Prof Joseph LEE, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK, Mr IP Kin-yuen and Mr KWONG Chun-yu voted against the amendment.

Mr SHIU Ka-chun and Dr Pierre CHAN abstained.



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

Geographical Constituencies:

Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Ms Alice MAK, Mr KWOK Wai-keung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan, Dr Junius HO, Mr Wilson OR, Mr CHEUNG Kwok-kwan and Mr Vincent CHENG voted for the amendment.

Mr WU Chi-wai, Mr CHAN Chi-chuen, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Dr Helena WONG, Mr Alvin YEUNG, Mr Andrew WAN, Mr CHU Hoi-dick, Mr LAM Cheuk-ting, Ms Tanya CHAN, Dr CHENG Chung-tai, Mr Jeremy TAM, Mr Gary FAN and Mr AU Nok-hin voted against the amendment.

Mrs Regina IP, Mr Michael TIEN and Ms YUNG Hoi-yan abstained.

THE PRESIDENT announced that among the Members returned by functional constituencies, 30 were present, 19 were in favour of the amendment, 8 against it and 2 abstained; while among the Members returned by geographical constituencies through direct elections, 30 were present, 13 were in favour of the amendment, 14 against it and 3 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**PRESIDENT** (in Cantonese): Mr Alvin YEUNG, you may move your amendment.

**MR ALVIN YEUNG** (in Cantonese): President, I move that Mr LEUNG Che-cheung's motion be amended.

**The amendment moved by Mr Alvin YEUNG (See the marked-up version at Annex 3)**

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Alvin YEUNG to Mr LEUNG Che-cheung'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.

(Members raised their hands)

Mr Alvin YEUNG rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Alvin YEUNG has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Mr James TO, Mr LEUNG Yiu-chung, Mr Tommy CHEUNG, Prof Joseph LEE, Mr Frankie YICK, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK, Mr IP Kin-yuen, Mr CHUNG Kwok-pan, Mr SHIU Ka-fai, Mr SHIU Ka-chun, Dr Pierre CHAN and Mr KWONG Chun-yu voted for the amendment.

Mr Jeffrey LAM, Mr WONG Ting-kwong, Ms Starry LEE, Mr Steven HO, Mr MA Fung-kwok, Mr Christopher CHEUNG, Mr POON Siu-ping, Mr Dr LO

Wai-kwok, Mr HO Kai-ming, Mr Holden CHOW and Mr LAU Kwok-fan voted against the amendment.

Mr YIU Si-wing, Mr Martin LIAO, Mr CHAN Chun-ying and Mr Tony TSE abstained.

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

Geographical Constituencies:

Mrs Regina IP, Mr Michael TIEN, Mr WU Chi-wai, Dr KWOK Ka-ki, Dr Helena WONG, Mr Alvin YEUNG, Mr Andrew WAN, Mr LAM Cheuk-ting, Ms YUNG Hoi-yan, Ms Tanya CHAN, Mr Jeremy TAM and Mr Gary FAN voted for the amendment.

Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Ms Alice MAK, Mr KWOK Wai-keung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan, Dr Junius HO, Mr Wilson OR, Mr CHEUNG Kwok-kwan and Mr Vincent CHENG voted against the amendment.

Mr CHAN Chi-chuen, Dr Fernando CHEUNG, Mr CHU Hoi-dick, Dr CHENG Chung-tai and Mr AU Nok-hin abstained.

THE PRESIDENT announced that among the Members returned by functional constituencies, 30 were present, 14 were in favour of the amendment, 11 against it and 4 abstained; while among the Members returned by geographical constituencies through direct elections, 30 were present, 12 were in favour of the amendment, 13 against it and 5 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**PRESIDENT** (in Cantonese): Mr LEUNG Che-cheung, you still have 1 minute 25 seconds to reply. Then, the debate will come to a close.

**MR LEUNG CHE-CHEUNG** (in Cantonese): President, some 20 000 elderly people are now enjoying cross-boundary elderly care on the Mainland. But I am unable to convince those Members who oppose this motion today because they raise opposition just for the sake of opposition.

Nevertheless, I hope Members who intend to cast an abstention vote or people who still have some concern can understand that at present, the Mainland's health care and also its development in various respects are already able to meet the needs of elderly people living there. Therefore, I request Members to give an opportunity to those elderly people who agree to live on the Mainland and let them make their choices.

Thank you, President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LEUNG Che-cheung be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Dr Fernando CHEUNG rose to claim a division.

**PRESIDENT** (in Cantonese): Dr Fernando CHEUNG has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr WONG Ting-kwong, Ms Starry LEE, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Christopher CHEUNG, Mr Martin LIAO, Mr POON Siu-ping, Mr Dr LO Wai-kwok, Mr CHUNG Kwok-pan, Mr HO Kai-ming, Mr Holden CHOW, Mr SHIU Ka-fai, Mr CHAN Chun-ying, Mr LAU Kwok-fan and Mr Tony TSE voted for the motion.

Mr LEUNG Yiu-chung, Mr Charles Peter MOK and Mr Dennis KWOK voted against the motion.

Mr James TO, Prof Joseph LEE, Mr Kenneth LEUNG, Mr IP Kin-yuen, Mr SHIU Ka-chun, Dr Pierre CHAN and Mr KWONG Chun-yu abstained.

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

Geographical Constituencies:

Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Ms Alice MAK, Mr KWOK Wai-keung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan, Dr Junius HO, Mr Wilson OR, Mr CHEUNG Kwok-kwan and Mr Vincent CHENG voted for the motion.

Mr CHAN Chi-chuen, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr Alvin YEUNG, Mr CHU Hoi-dick, Ms Tanya CHAN, Dr CHENG Chung-tai, Mr Jeremy TAM, Mr Gary FAN and Mr AU Nok-hin voted against the motion.

Mrs Regina IP, Mr Michael TIEN, Mr WU Chi-wai, Dr Helena WONG, Mr Andrew WAN, Mr LAM Cheuk-ting and Ms YUNG Hoi-yan abstained.

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, 20 were in favour of the motion, 3 against it and 7 abstained; while among the Members returned by geographical constituencies through direct elections, 30 were present, 13 were in favour of the motion, 10 against it and 7 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion was negatived.

#### **SUSPENSION OF MEETING**

**PRESIDENT** (in Cantonese): I now suspend the meeting until 9:00 am tomorrow.

*Suspended accordingly at 6:47 pm.*

**Annex I**

## Inland Revenue (Amendment) (No. 2) Bill 2018

**Committee Stage**Amendment moved by the Secretary for Commerce and Economic DevelopmentClauseAmendment Proposed

- 5(2) In the proposed section 16EA(6)(bb), in the Chinese text, by deleting “(拓樸圖)權利仍” and substituting “仍”.

## Annex 1

**The marked-up version of the amendment moved by Dr Priscilla LEUNG (Translation)**

That, *although* all along, quite a number of elderly persons in Hong Kong have chosen to spend their twilight years on the Mainland, ~~but~~ the current cross-boundary portability arrangements for welfare benefits made by the SAR Government have a very narrow scope, benefiting only eligible elderly persons who are receiving the Comprehensive Social Security Assistance payments or the Old Age Allowance and have moved to reside in Guangdong or Fujian Province on the Mainland; to facilitate more elderly persons in spending their twilight years on the Mainland, this Council urges the SAR Government to:

- (1) extend the arrangements of the Guangdong Scheme and the Fujian Scheme to other provinces on the Mainland;
- (2) introduce cross-boundary portability arrangements for the Old Age Living Allowance to support eligible elderly persons who are receiving the allowance and have moved to the Mainland;
- (3) abolish the existing absence limit for various welfare benefits under the Social Security Allowance Scheme, and conduct a study on developing an identity verification system with the relevant Mainland departments to obviate the need for elderly persons who have moved to the Mainland to return to Hong Kong for making applications for continuous collection of such benefits on a yearly basis;
- (4) introduce cross-boundary portability arrangements for the Disability Allowance such that eligible elderly persons with disabilities aged 65 or above can choose to reside on the Mainland;
- (5) optimize the existing Pilot Residential Care Services Scheme in Guangdong by, for example, purchasing residential care places for persons with disabilities from Mainland residential care homes, and purchasing more quality residential care places for the elderly in various major cities on the Mainland, as well as providing needy elderly persons who choose to reside on the Mainland with one-stop escort arrangements for travelling to and from Hong Kong;



- (6) *regarding the problem of ageing population arising from the post-war baby boom generation advancing into retirement age in Hong Kong, cooperating with the Mainland Government to conduct a study on planning and building new development areas that can facilitate leisurely retirement life on the Mainland, especially in the Guangdong-Hong Kong-Macao Bay Area, so as to attract elderly persons in Hong Kong to move to these areas to enjoy quality retirement life and even develop their second career in life;*
- ~~(6)~~(7) conduct a study on the implementation of a scheme for the transfer of medical records of Hong Kong residents under which, with the consent of the elderly persons who have moved to the Mainland, their medical records will be transferred to designated Mainland hospitals so that they can seek medical consultation conveniently;
- ~~(7)~~(8) conduct a study on extending the scope of application of Hong Kong's Health Care Vouchers to cover major hospitals and clinics on the Mainland, with a view to alleviating the burden of medical expenses on elderly persons who have moved to the Mainland;
- ~~(8)~~(9) by drawing reference from the model of the University of Hong Kong-Shenzhen Hospital, co-establish hospitals in major Mainland cities by Hong Kong and the Mainland and adopt Hong Kong-style management to jointly provide quality healthcare services to elderly persons who have moved to the Mainland; and
- ~~(9)~~(10) by drawing reference from the Pilot Scheme on Community Care Service Voucher for the Elderly, conduct a study on providing elderly persons who have moved to the Mainland with support services for ageing in place.

Note: Dr Priscilla LEUNG's amendment is marked in ***bold and italic type*** or with deletion line.

## Annex 2

**The marked-up version of the amendment moved by Mr WONG Kwok-kin (Translation)**

That, ~~all along, quite~~ *facing the trend of ageing population*, a number of elderly persons in Hong Kong have chosen to spend their twilight years on the Mainland, but the current cross-boundary portability arrangements for welfare benefits made by the SAR Government have a very narrow scope, benefiting only eligible elderly persons who are receiving the Comprehensive Social Security Assistance payments or the Old Age Allowance and have moved to reside in Guangdong or Fujian Province on the Mainland; to facilitate more elderly persons in spending their twilight years on the Mainland, this Council urges the SAR Government to:

- (1) extend the arrangements of the Guangdong Scheme and the Fujian Scheme to other provinces on the Mainland;
- (2) *expeditiously* introduce cross-boundary portability arrangements for the Old Age Living Allowance to support eligible elderly persons who are receiving the allowance and have moved to the Mainland;
- (3) abolish the existing absence limit for various welfare benefits under the Social Security Allowance Scheme, and conduct a study on developing an identity verification system with the relevant Mainland departments to obviate the need for elderly persons who have moved to the Mainland to return to Hong Kong for making applications for continuous collection of such benefits on a yearly basis;
- (4) introduce cross-boundary portability arrangements for the Disability Allowance such that eligible elderly persons with disabilities aged 65 or above can choose to reside on the Mainland;
- (5) optimize the existing Pilot Residential Care Services Scheme in Guangdong by, for example, purchasing residential care places for persons with disabilities from Mainland residential care homes, and purchasing more quality residential care places for the elderly in various major cities on the Mainland, as well as providing needy elderly persons who choose to reside on the Mainland with one-stop escort arrangements for travelling to and from Hong Kong;
- (6) conduct a study on the implementation of a scheme for the transfer of medical records of Hong Kong residents under which, with the consent of the elderly persons who have moved to the Mainland,

their medical records will be transferred to designated Mainland hospitals so that they can seek medical consultation conveniently;

- (7) conduct a study on extending the scope of application of Hong Kong's Health Care Vouchers to cover ~~major~~ ***municipal*** hospitals and clinics ~~on the Mainland~~ ***in major Mainland cities***, with a view to alleviating the burden of medical expenses on elderly persons who have moved to the Mainland;
- (8) by drawing reference from the model of the University of Hong Kong-Shenzhen Hospital, co-establish hospitals in major Mainland cities by Hong Kong and the Mainland and adopt Hong Kong-style management to jointly provide quality healthcare services to elderly persons who have moved to the Mainland; ~~and~~
- (9) by drawing reference from the Pilot Scheme on Community Care Service Voucher for the Elderly, conduct a study on providing elderly persons who have moved to the Mainland with support services for ageing in place;
- (10) ***discuss with relevant departments of the Mainland the feasibility of implementing comprehensive fare concessions for Hong Kong elderly persons on the Mainland;***
- (11) ***take out Urban Resident Basic Medical Insurance for elderly persons who have moved to the Mainland so that they can receive appropriate healthcare protection on the Mainland;***
- (12) ***introduce cross-regional ambulance services to provide cross-regional emergency ambulance services for needy elderly persons; and***
- (13) ***set up one-stop consultation and support centres on the Mainland to provide elderly persons who have moved to the Mainland with information and consultation services in respect of daily life, welfare, healthcare, etc., and such centres can also provide needy elderly persons with support, including assisting them in returning to Hong Kong when necessary and their expeditious access to the social welfare services in Hong Kong so that they can enjoy cross-boundary elderly care without worries.***

Note: Mr WONG Kwok-kin's amendment is marked in ***bold and italic type*** or with deletion line.

## Annex 3

**The marked-up version of the amendment moved by Mr Alvin YEUNG (Translation)**

That, ~~all along,~~ *it is projected that Hong Kong will reach the peak of ageing population in about 2030; since resources for local elderly care services are persistently inadequate, it takes much time for the elderly in Hong Kong to wait for such services, causing* quite a number of elderly persons in Hong Kong ~~have chosen~~ *to choose* to spend their twilight years on the Mainland, but the current cross-boundary portability arrangements for welfare benefits made by the SAR Government have a very narrow scope, benefiting only eligible elderly persons who are receiving the Comprehensive Social Security Assistance payments or the Old Age Allowance and have moved to reside in Guangdong or Fujian Province on the Mainland; *hence, after meeting the needs of the elderly persons for spending their twilight years in Hong Kong, the SAR Government should also find ways* to facilitate more elderly persons in spending their twilight years on the Mainland, this Council urges the SAR Government to:

- (1) ~~extend~~ *consider extending* the arrangements of the Guangdong Scheme and the Fujian Scheme to other provinces on the Mainland;
- (2) ~~introduce cross boundary portability arrangements for the Old Age Living Allowance to support eligible elderly persons who are receiving the allowance and have moved to the Mainland;~~
- (3) ~~abolish~~ *before considering abolishing* the existing absence limit for various welfare benefits under the Social Security Allowance Scheme, ~~and~~ conduct a study on developing ~~an identity verification~~ *a system with the relevant Mainland departments for verification of the identity and physical and mental health conditions of the elderly persons for confirmation by the Social Welfare Department,* *so as* to obviate the need for elderly persons who have moved to the Mainland to return to Hong Kong for making applications for continuous collection of such benefits on a yearly basis;
- (4)(3) ~~introduce~~ *consider introducing* cross-boundary portability arrangements for the Disability Allowance such that eligible elderly persons with disabilities aged 65 or above can choose to reside on the Mainland;

- ~~(5)(4)~~ *optimize* ***consider optimizing*** the existing Pilot Residential Care Services Scheme in Guangdong by, for example, purchasing residential care places for persons with disabilities ~~from Mainland~~ ***or the elderly persons from relevant*** residential care homes, ~~and purchasing more quality residential care places for the elderly in various major cities on the Mainland, as well as providing needy elderly persons who choose to reside on the Mainland with one stop escort arrangements for travelling to and from Hong Kong~~ ***when such residential care homes meet the requirements prescribed by the Social Welfare Department in respect of the Residential Care Homes (Elderly Persons) Ordinance;***
- ~~(6)(5)~~ ~~conduct~~ ***consider conducting*** a study on the implementation of a scheme for the transfer of medical records of Hong Kong residents under which, with the consent of the elderly persons who have moved to the Mainland, their medical records will be transferred to designated Mainland hospitals so that they can seek medical consultation conveniently;
- ~~(7)~~ ~~conduct a study on extending the scope of application of Hong Kong's Health Care Vouchers to cover major hospitals and clinics on the Mainland, with a view to alleviating the burden of medical expenses on elderly persons who have moved to the Mainland;~~
- ~~(8)(6)~~ by drawing reference from the model of the University of Hong Kong-Shenzhen Hospital, co-establish hospitals in major Mainland cities by Hong Kong and the Mainland and adopt Hong Kong-style management to jointly provide quality healthcare services to elderly persons who have moved to the Mainland; and
- ~~(9)~~ ~~by drawing reference from the Pilot Scheme on Community Care Service Voucher for the Elderly, conduct a study on providing elderly persons who have moved to the Mainland with support services for ageing in place~~
- ~~(7)~~ ***in the long term, before developing cross-boundary elderly care services on the Mainland, consider as a matter of priority injecting resources into elderly care services and planning in Hong Kong, including expeditiously effecting an increase in the number of***

*service places for residential care and ageing in place so that elderly persons can spend their twilight years in Hong Kong or on the Mainland without worries.*

Note: Mr Alvin YEUNG's amendment is marked in *bold and italic type* or with deletion line.

## Appendix I

## WRITTEN ANSWER

**Written answer by the Secretary for Innovation and Technology to Mr Jimmy NG's supplementary question to Question 3**

Persons admitted into Hong Kong under the various admission schemes can enter and leave Hong Kong freely during the permitted period of stay. Persons admitted into Hong Kong under the Technology Talent Admission Scheme will also have the freedom of entry and exit to meet their personal and business needs. The Government will collate statistics on the employment period of persons admitted under the Technology Talent Admission Scheme.

According to the information provided by the Immigration Department, in the past three years, statistics on applicants approved for admission into Hong Kong for employment under the General Employment Policy ("GEP") and the Admission Scheme for Mainland Talents and Professionals ("ASMTP"), with a breakdown by the employment period, are as follows:

## GEP

<i>Employment period</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018 (January to May)</i>
Short-term employment <sup>*</sup>	17 073	18 805	25 355	9 878
Long-term employment <sup>#</sup>	17 330	17 192	14 597	6 960
Total	34 403	35 997	39 952	16 838

## ASMTP

<i>Employment period</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018 (January to May)</i>
Short-term employment <sup>*</sup>	5 191	6 080	7 853	3 215
Long-term employment <sup>#</sup>	4 038	4 324	4 528	1 999
Total	9 229	10 404	12 381	5 214

Notes:

\* Short-term employment refers to applications with an employment period of less than 12 months.

# Long-term employment refers to applications with an employment period of 12 months or more.