OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 14 November 2018

The Council met at thirty-two minutes past Eleven o'clock

MEMBERS PRESENT:

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

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 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 FRANKIE YICK CHI-MING, S.B.S., J.P.

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, B.B.S., 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, S.B.S., 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.

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, J.P.

THE HONOURABLE CHEUNG KWOK-KWAN, J.P.

THE HONOURABLE HUI CHI-FUNG

THE HONOURABLE LUK CHUNG-HUNG, J.P.

THE HONOURABLE LAU KWOK-FAN, M.H.

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

DR THE HONOURABLE CHENG CHUNG-TAI

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.

MEMBERS ABSENT:

THE HONOURABLE JAMES TO KUN-SUN

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

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

THE HONOURABLE STEVEN HO CHUN-YIN, B.B.S.

THE HONOURABLE WU CHI-WAI, M.H.

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

THE HONOURABLE TANYA CHAN

THE HONOURABLE KWONG CHUN-YU

PUBLIC OFFICERS ATTENDING:

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

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

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

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

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

PROF THE HONOURABLE SOPHIA CHAN SIU-CHEE, J.P.
SECRETARY FOR FOOD AND HEALTH

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

THE HONOURABLE MICHAEL WONG WAI-LUN, J.P.
SECRETARY FOR DEVELOPMENT

THE HONOURABLE KEVIN YEUNG YUN-HUNG, J.P.
SECRETARY FOR EDUCATION

THE HONOURABLE PATRICK NIP TAK-KUEN, J.P.
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

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): The regular Council meeting of 14 November 2018 now commences.

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	*L.N. No.*
Merchant Shipping (Safety) (INF Cargo) Regulation	214/2018
Employment (Amendment) (No. 3) Ordinance 2018 (Commencement) Notice.....	215/2018

Other Papers

No. 22 — Customs and Excise Service Children's Education Trust Fund
Report by the Trustee, Financial statements and Report of the Director of Audit for the year 1 April 2017 to 31 March 2018

No. 23 — Customs and Excise Service Welfare Fund
Financial statements for the year ended 31 March 2018 and its summary, together with the Report of the Director of Audit

No. 24 — Environment and Conservation Fund
Trustee Report 2017-2018, Accounts and Report of the Director of Audit

No. 25 — Emergency Relief Fund
Annual Report by the Trustee for the year ended 31 March 2018

No. 26 — Supplemental Report of the Public Accounts Committee on Report No. 70 of the Director of Audit on the Results of Value for Money Audits (November 2018—P.A.C. Report No. 70A)

Report of the Bills Committee on Inland Revenue (Amendment) (No. 5) Bill 2018

Report of the Bills Committee on Ferry Services (Amendment) Bill 2018

Report of the Bills Committee on Private Healthcare Facilities Bill

ADDRESS

PRESIDENT (in Cantonese): Address. Mr Abraham SHEK will address the Council on the "Public Accounts Committee Report No. 70A".

Supplemental Report of the Public Accounts Committee on Report No. 70 of the Director of Audit on the Results of Value for Money Audits (November 2018—P.A.C. Report No. 70A)

MR ABRAHAM SHEK: President, on behalf of the Public Accounts Committee ("the Committee"), I have the honour to table Report No. 70A.

This report contains our conclusions and recommendations on Chapter 1 "Management of restored landfills" and Chapter 8 "Sha Tin Section of Route 8" covered in Report No. 70 of the Director of Audit. This is the Committee's second report on Report No. 70 of the Director of Audit, and the first report, which focused on the chapter "Integrated education", was tabled in this Council in July this year.

I will first briefly report the conclusions and recommendations on Chapter 1 "Management of restored landfills".

In Hong Kong, there are 13 closed landfills that were not designed with contemporary environmental standards and so require restoration efforts for an aftercare period spanning over 30 years. The Environmental Protection

Department ("EPD") is responsible for appointing contractors to design and construct restoration facilities and take up the aftercare work for these closed landfills. In view of various site constraints of such landfills, such as ground settlement and continuous generation of landfill gas which may cause environmental and safety problems to the surrounding areas, recreational use is the most suitable after use option.

The Committee expresses astonishment and grave concerns for EPD's failure of its important role to monitor a contractor's compliance with statutory and contractual requirements for operation of restoration facilities at Pillar Point Valley Landfill. The Committee finds such a failure on EPD's part unacceptable. EPD only came to know about the non-compliance after receiving complaints in 2016, some 10 years after the contractor took up the aftercare work of the landfill. The Committee also expresses grave concerns about the progress of the implementation of measures to strengthen EPD's monitoring of contractors' aftercare work in restored landfills, and urges the department to expedite the installation of advanced monitoring equipment.

The Committee expresses serious dismay for the delays and lack of effective coordination in the development of after use facilities in restored landfills, and finds them unacceptable. As revealed in the cases of Kwai Chung Park, Wan Po Road Pet Garden and Jordan Valley Park, there were project delays and cost overruns as a result of ineffective coordination among the Leisure and Cultural Services Department ("LCSD"), the Home Affairs Department, the Architectural Services Department and EPD.

For the case of Kwai Chung Park the restoration works of which were completed in 2000, only 8.4 hectares out of the total 25 hectares of the landfill has been allocated for a bicycle motorcross park and temporary cricket grounds in 2008 and 2016 respectively. Delays were encountered by LCSD in the planning of the site for the beneficial use of citizens. The Committee recommends that the relevant departments should take appropriate actions, such as forming a working group across the departments and, in view of various physical constraints and ground settlement in the closed landfills, hiring an external consultant to assist in identifying viable development options for these sites.

President, I shall now report on the chapter of "Sha Tin Section of Route 8". I will briefly report the Committee's concerns about this section of Route 8 ("Sha Tin Section").

Sha Tin Section which links Sha Tin and Cheung Sha Wan was built to alleviate traffic congestion between Kowloon and Sha Tin. The construction works of the project were implemented through awarding three works contracts. The Highways Department ("HyD") awarded the preparation of tender documents, and design and construction supervision work of Lai Chi Kok Viaduct and the Eagle's Nest Tunnel under the Sha Tin Section project, which were contained in two of the three works contracts, to a consultant.

As it is common for government works departments to engage consultants in major public works, the Committee strongly reminds these departments that unsatisfactory performance of consultants will have significant impact on the progress of relevant works. This may cause long delays and give rise to the need for subsequent rectification works, which will incur additional costs substantially. The relevant works departments should bear an ultimate responsibility and role to monitor the unsatisfactory performance of some of these consultants.

The Committee expresses astonishment and grave concerns for HyD's failure to properly vet the output and monitor the performance of a consultant in the Sha Tin Section project. The Committee finds such a failure unacceptable. Omissions and discrepancies were found in the tender documents and drawings prepared by the consultant. The Committee strongly demands the works departments to review the existing mechanism for vetting the tender documents and consultants' output. The use of the latest and advanced information technology should be explored to assist the preparation and vetting process.

Report No. 70 of the Director of Audit reveals that an extra-contractual settlement sum of $273 million on a "without admission of liability" basis was agreed between HyD and a contractor in 2012 under one of the three contracts. A similar extra-contractual settlement sum of $133 million was agreed between the Administration and a consultant under the same contract. The Committee considers it inexplicable and unacceptable that the Legislative Council has no effective means to monitor such claims and extra-contractual settlements between the relevant works departments and the contractors/consultants for public works projects. For the present case, the Legislative Council only learnt about such extra-contractual settlements in Report No. 70 of the Director of Audit. The Committee strongly demands the Administration to explore setting up a reporting mechanism to the Legislative Council for similar cases.

Lastly, I wish to record my appreciation of the contributions made by members of the Committee. Our gratitude also goes to the witnesses who attended the hearings held by the Committee. I would like to express our gratitude to the Director of Audit and his colleagues for their unfailing support. Last but not least, I would like to thank the Secretariat for their hard work.

Thank you.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Reorganizing the duties of the Development Bureau and the Transport and Housing Bureau

1. **MR DENNIS KWOK** (in Cantonese): *President, some members of the public have relayed that policy blunders, ineffective monitoring and perfunctory implementation on the part of the Government in the areas of transport and housing are not uncommon in recent years. For example, road transport was paralyzed on the day after the onslaught of super typhoon Mangkhut in Hong Kong, railway construction works were found to be non-compliant and have caused settlement to the buildings in the vicinity, housing and land supply were in severe shortage making it difficult for members of the public to purchase homes and the waiting time for public rental housing hitting record high time and again. Such members of the public consider that it is difficult for the Transport and Housing Bureau to handle the two major policy areas of transport and housing, and that it is unreasonable for the two closely related policy areas of housing and land to be under the charge of two bureaux. In this connection, will the Government inform this Council whether it will consider afresh reorganizing the duties of the Development Bureau and the Transport and Housing Bureau?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, the Hong Kong Special Administrative Region ("HKSAR") Government keeps an open mind in principle towards reorganization of the government structure. Over the years, in view of socio-economic changes, the Government underwent reorganization from time to time to better support the policy objectives of the Chief Executive and enhance overall operational efficiency.

In fact, within more than one year after the current-term Government has taken office, we have already completed two organizational changes in the Government by transferring the Efficiency Unit to the Information and Technology Bureau and the Legal Aid Department to the Chief Secretary for Administration's Office. In her Policy Address announced last month, the Chief Executive notes that there have been a considerable amount of views suggesting that the Transport and Housing Bureau is overburdened and should be split into two, with the establishment of a new Policy Bureau to coordinate housing and land policies. The Chief Executive generally agrees that there is such a need and will further consider how to implement the suggestion.

In recent years, some members of the public have put forward various suggestions on the respective roles and cooperation between the Transport and Housing Bureau and the Development Bureau with the intention of enabling the Government to focus and consolidate its resources on taking forward various policies and initiatives relating to transport, land and housing. The Government recognizes that the division of responsibilities between the two Policy Bureaux may have attracted attention owing to public concerns over the aforesaid subjects. In this regard, ever since the current-term Government assumed office, the Government has adopted an innovative mindset in coming up with various concrete, feasible and practicable initiatives that seek to make Hong Kong a more well-connected and liveable city.

For example, in the Policy Address announced last month, the Government has proposed exempting the tolls charged on or paying the tolls for franchised buses for using government and franchised tunnels and roads. Coupled with the non-means-tested Public Transport Fare Subsidy Scheme to be implemented from 1 January 2019, the fare burden of commuters can be relieved. We have also put forward a specific toll adjustment proposal for the rationalization of traffic among the three road harbour crossings, with a view to addressing cross-harbour traffic congestion that has bothered our community for a long time. The Transport and Housing Bureau had also worked very hard to take forward the smooth commissioning of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") as well as the Hong Kong-Zhuhai-Macao Bridge ("HZMB"). These two pieces of iconic cross-boundary infrastructure were commissioned in September and October respectively, marking a new era for Hong Kong.

The housing problem always tops the priorities of the current-term Government. We endeavour to enrich the housing ladder and provide adequate

and affordable housing to families in different income brackets to enable them to have comfortable homes and improve their living environment. The Government announced the revision of the pricing mechanism for the Home Ownership Scheme ("HOS") flats in June this year. The new mechanism revises the test for assessing affordability, so that the selling prices of HOS flats are no longer linked to the market prices of private flats and ensuring that at least 75% of flats in every sale exercise are affordable to families with income at the median monthly household income of non-owner occupier households. The community is generally positive on this initiative. Balloting for the first batch of HOS flats under the new pricing mechanism will be conducted this month and flat selection will commence in February next year. Regarding the affordable "Starter Homes" for Hong Kong middle-class families, the pre-sale of the first project located at Ma Tau Wai Road will be launched next month. It is evident that we are proactively responding to community aspirations, with some of these new measures and initiatives already put into practice and the rest expected to be rolled out gradually.

With an aim of providing steady and sufficient land resources to meet various development needs of Hong Kong, the Development Bureau has been adopting a multi-pronged land supply strategy. Increasing land supply for housing is amongst the Development Bureau's priorities. In recent years, the Development Bureau endeavours to rezone some 210 sites with potential for housing development. It has also been taking forward various New Development Area and New Town Extension projects at full steam, including conducting studies, statutory planning work, seeking funding for the projects, enhancing the compensation and rehousing arrangements, etc. In order to forge a greater consensus on land supply options in society, the Chief Executive appointed the Task Force on Land Supply last September to facilitate collaborative deliberation with the public through a very extensive public engagement exercise. This year's Policy Address has also put forward a number of ideas on increasing land supply. The Development Bureau will continue its efforts on increasing land supply in a bid to break the current stalemate on land shortage and provide sufficient land to meet the needs of housing, community facilities and economic development.

I would like to briefly respond to two points made in Mr Dennis KWOK's question.

First, the HKSAR Government has all along been working as a team and, with such concerted efforts, it strives to take forward its work in various policy areas in an efficient and effective manner. In addition to the regular coordination and collaborative mechanisms at different levels within the Government, there are also well-established communication platforms among bureaux/departments. The Government operates as a whole regardless of the organizational structure and division of responsibilities among Policy Bureaux. Relevant bureaux/departments shall continue to work together on specific issues through inter-departmental platforms where necessary.

Second, in the course of public administration, it is inevitable that we encounter unexpected challenges and difficulties. In dealing with these severe situations, the Government has been responding in a swift and decisive manner. Serious follow-up actions have also been taken against any situations involving suspected irregularities. The organization and division of responsibilities among Policy Bureaux do not affect the usual steadfastness and resolve of the Government in handling various problems. We will continue to listen carefully and humbly to public comments and criticisms on the performance of the Government. Nonetheless, we do not consider it necessary to suggest any causal relationship between individual controversies and proposals for the reorganization of Policy Bureaux.

The Government will continue to listen to voices from all sectors and further consider implementing the suggestion of reorganizing Policy Bureaux in a timely manner.

MR DENNIS KWOK (in Cantonese): *The problem is that despite the reply made at length by the Chief Secretary, it is still useless. What members of the public have seen is that the waiting time for allocation of public housing exceeds five years; all kinds of problems of the Shatin to Central Link ("SCL") which should not have happened did occur one after another in Hong Kong; upon the onslaught of typhoon Mangkhut, traffic was completely paralysed and the Mass Transit Railway ("MTR") services on all the four rail lines were disrupted. These were the situations seen by members of the public. Despite such a reply made by the Chief Secretary, members of the public are indeed greatly disappointed with the Government's transport and housing policies.*

I have this supplementary question. Will the Chief Secretary immediately deal with the proposal of reorganization so as to restore public confidence in the transport and housing policies?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I thank the Honourable Member for his supplementary question. Earlier on, the Chief Executive has stated that she agrees with this direction, especially with regard to the proposal of splitting the Policy Bureau. We will proactively follow it up in due course in response to public aspirations.

MR JEREMY TAM (in Cantonese): *President, transport and housing are two very large domains different from each other. Even if this position was not held by Secretary Frank CHAN today, other Directors of Bureaux would also find it hard to cope in this position.*

As mentioned by Mr Dennis KWOK just now, be it the settlement problem of the MTR Corporation Limited, paralysed services of the four MTR rail lines, XRL or HZMB, such problems cannot be handled by one person alone. Hence, I totally subscribe to the remarks made by Mr Dennis KWOK just now. Yet I would like to raise a point. I think actually we should not simply set up an additional Policy Bureau. Matters relating to railways should be placed under the charge of a Railway Department. Apart from a Policy Bureau, a Railway Department should also be established.

My supplementary question is very simple. Despite the Chief Secretary stating in his reply that the Government has already made some changes such as those concerning the Efficiency Unit and the Legal Aid Department, these are actually relatively minor changes. I very much hope that the Chief Secretary can reply whether there is in fact any timetable for the structural reorganization mentioned just now. It may not take place this year or the next, but will it happen within the tenure of the current-term Government? I hope the Government will at least have a timetable, rather than merely repeating that it will accept and listen to people's views.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese):President, we will definitely take forward the relevant work, kick-start a study and explore the whole direction and best proposal for reorganization within the tenure of the current-term Government. The current-term Government will definitely deal with this matter because this is the direction with which the incumbent Chief Executive agrees as she has clearly stated. The question is we have to identify an appropriate time to take forward this task.

During this process, we will also consider the distribution of departments. Is there a need to set up some additional departments? Because the entire reorganization exercise will involve not simply the structure. Division of responsibilities among the supporting departments will also be taken into account and handled by us.

MR CHUNG KWOK-PAN (in Cantonese): *President, we certainly know that now the Transport and Housing Bureau …*

PRESIDENT (in Cantonese): Mr Charles Peter MOK, what is your point?

(Mr Charles Peter MOK indicated that he did not have any point to raise)

PRESIDENT (in Cantonese): Mr CHUNG Kwok-pan, please continue.

MR CHUNG KWOK-PAN (in Cantonese): *President, we certainly know that now the Transport and Housing Bureau has a heavy workload, but I think problems have also arisen in the whole government structure presently. If a reorganization will be conducted, a number of Policy Bureaux in the overall government structure should be reorganized, too.*

As we can see, some Policy Bureaux such as the Environment Bureau and the Civil Service Bureau are only responsible for a single policy area, whereas other Policy Bureaux such as the Development Bureau and the Commerce and Economic Development Bureau are responsible for nine. The distribution of resources is in fact unfair. Some Directors of Bureaux may merely need to attend banquets without doing other work. There are also some Directors of Bureaux whose duties are relatively simple without many duties. For this

reason, may I ask the Secretary whether the overall government structure, rather than that of the Transport and Housing Bureau alone, should be reviewed if a review will be conducted?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I thank the Honourable Member for his supplementary question. A comprehensive review is a large project. Now we have many government initiatives and policies on hand pending. They will be implemented according to their respective priorities.

Therefore, we think that we should first focus on the Transport and Housing Bureau because as Members all know, the colleagues in the Transport and Housing Bureau have endured immense pressure over the past period. Moreover, many unforeseen incidents have happened, keeping them constantly on the run. Nevertheless, all the colleagues have exerted their best and will not give up their work owing to such pressure. We must stand firm in our positions to serve the public. This is the Government's traditional spirit.

Just now the Member asked whether some Policy Bureaux need to be reorganized. In my view, we should deal with the Transport and Housing Bureau as a start. A reorganization of a Policy Bureau is by no means simple because it warrants legislative amendments. During the process, we also need to examine the staff establishment, etc. It is not that a reorganization can be carried out simply because we say so. It involves corresponding legislation, procedures of the Legislative Council, etc. However, we will certainly work on the easier ones first and the more difficult ones later, according priority to the Transport and Housing Bureau. It is definitely our wish to take forward the review and draw up a proposal as soon as possible.

MS ALICE MAK (in Cantonese): *President, I am quite disappointed with the Chief Secretary's reply. In fact, this is not about how competent a Director of Bureau is or how soundly the governing team operates. We know they are not Supermen. Even Superman will doze off sometimes. Can he concurrently attend to such major public concerns as sea, land and air transport as well as housing?*

The Chief Secretary's reply seems to suggest that now there is still no plan to examine how to reorganize the Policy Bureaux—we are not saying that the performance of his Policy Bureau is poor, so we want him to split it up. Rather,

we hope that his Policy Bureau can perform better, addressing public concerns with precision and in a focused manner.

Will the Chief Secretary start to conduct a study on splitting these Policy Bureaux or division of responsibilities so that public concerns can be addressed with precision?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I thank Ms MAK for her supplementary question. As I clearly pointed out in the main reply just now, we will proactively take forward this task later. We will also look into the direction in which we should go and which proposal is the most appropriate. We will make an effort and it will not take too long.

MR LEUNG CHE-CHEUNG (in Cantonese): *President, actually this question raised by Mr Dennis KWOK did not come about only today or this year. The last-term Government had long mentioned the need to reorganize the duties of the Transport and Housing Bureau and the Development Bureau. However, as we all know, Honourable colleagues in the opposition camp would make things personal. Eventually, the proposal of reorganization was delayed and ended in smoke. I believe that now the Government seems to have the intention of effecting a reorganization again, so it is revisiting this subject.*

However, I wish to ask the Chief Secretary whether the Government has assessed the resistance if a reorganization of the Development Bureau and the Transport and Housing Bureau will indeed be conducted. Is he worried that the Government will fail to conduct a reorganization again just like the last occasion?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I thank Mr LEUNG for his view. I believe this time around our reorganization will command higher acceptance in society because all of us can see that the Transport and Housing Bureau is really overburdened. In the past period, as we all know, there were indeed a lot of unforeseen incidents. Hence, I believe there should not be much controversy over a split of the Transport and Housing Bureau. We also see a practical need. I believe there will be greater acceptance from members of the public and Members in this respect.

MR ABRAHAM SHEK (in Cantonese): *President, the past 70 Director of Audit's reports have already pointed out that the question does not lie with whether there will be a reorganization or otherwise. This is in fact a problem of communication within the whole government structure. It can also be described as a problem of bureaucracy. If a reorganization will be conducted in the long term, have the authorities considered, before the reorganization, resolving the prevalent problem of how to improve and streamline the existing system to facilitate the departments in serving the public, rather than implementing the reorganization in a bureaucratic manner?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I thank Mr SHEK for his supplementary question. We fully understand the public aspirations. People-oriented, we endeavour to serve the public. Hence, even though the structure is yet to be reorganized, it does not mean our work cannot be taken forward. The various Policy Bureaux will definitely continue to operate. It is only that after the reorganization, the operation will be smoother with higher efficiency. During this process, we will put in place a series of measures. For example, should any unforeseen incident happen, we will strengthen coordination and enhance synergy, rather than having fragmentary responsibilities among government departments, each minding its own business. In this regard, we will make more efforts at consolidation and respond to community aspirations deftly and flexibly. In particular, should any problem arise, we will deal with it promptly.

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

MR ABRAHAM SHEK (in Cantonese): *I think we should be fair to Secretary Frank CHAN. Under the existing system, he has already done a great job. But there are many things which he can hardly control, such as problems of the railway and those in various aspects. In this respect, he has already exerted his best …*

PRESIDENT (in Cantonese): Mr SHEK, what you have raised is not a follow-up question. Please sit down.

DR KWOK KA-KI (in Cantonese): *President, the two policies which the people of Hong Kong find the most disappointing are related to housing and transport. I wonder if this boils down to the problem with Secretary Frank CHAN. But I am quite sure that within this year since the current-term Government assumed office, we have seen that the waiting time for allocation of public housing has reached a record high of 5.5 years, while the situation of transport is a mess.*

Just now the Chief Secretary told us to wait patiently. The current-term Government may give us an answer later. Does he wish to keep all members of the public suffering for four more years so that the current-term Government can take the time to figure out what it should do? Or should it not boldly and resolutely start a reorganization now so that no more dwellers of subdivided units and applicants waiting for allocation of public housing will continue to suffer?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): As I clearly pointed out just now, we will expeditiously commence the whole study and explore in which direction we should go. We will not procrastinate because this is an undertaking made by the current-term Government. We hope to complete the entire task. But the fact that a reorganization has yet to be conducted does not mean our work will come to a standstill. The colleagues led by Secretary Frank CHAN will keep doing the work in hand properly with relentless efforts.

As Members all know, just over the past year or so, various large-scale infrastructural projects have commenced in tandem with each other. It is in fact a tall challenge. Now that such large-scale infrastructural facilities as XRL and HZMB have been commissioned, will there be time to do other work? This is a matter of priority. On the one hand, we will strive for time and space to do the reorganization work properly. On the other, we will continue to deal with the existing problems. We cannot neglect other tasks owing to the reorganization. We will continue to make our best efforts and deal with problems with a two-pronged approach.

PRESIDENT (in Cantonese): Dr KWOK Ka-ki, which part of your supplementary question has not been answered?

DR KWOK KA-KI (in Cantonese): *My question is very clear. Should the Government not boldly and resolutely start the reorganization now?*

PRESIDENT (in Cantonese): Dr KWOK, I heard the Chief Secretary for Administration answer your supplementary question already.

MRS REGINA IP (in Cantonese): *President, Mr Dennis KWOK's main question only proposes splitting the Transport and Housing Bureau, rather than conducting a large-scale reorganization of the Government. Actually, Members of different political affiliations have expressed their support. The Chief Secretary for Administration has also indicated his approval. May I ask what difficulties there are? Is the Government unable to find suitable candidates? If so, what are the reasons? Is it because the relevant persons consider the remuneration low and the pressure immense, or is there any other reason?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I thank Mrs IP for her supplementary question. Frankly, we have not officially commenced the study yet. Once the study has commenced, it probably will not take too long because we will practically look into the overall arrangement. Shall we set up a Housing Bureau or what? We will not simply consider transport and housing matters. In respect of housing, there are also issues of land planning. Once the study has commenced, I believe it will not take too long. As I said just now, the Chief Executive has made such an undertaking, hoping that the current-term Government can kick-start this task and complete it within this term.

PRESIDENT (in Cantonese): Mrs IP, which part of your supplementary question has not been answered?

MRS REGINA IP (in Cantonese): *President, I wish to ask the Chief Secretary whether there is any timetable.*

PRESIDENT (in Cantonese): Mrs IP, the Chief Secretary has already answered your supplementary question. Let me see if he has anything to add.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I believe it will not take too long. If all the procedures go smoothly, a proposal will be submitted to the Legislative Council. I believe the current-term Government should be able to compile the whole report and realize the split.

MR GARY FAN (in Cantonese): *President, exceptionally, I agree with the Chief Secretary's remark that there is no definite causal relationship between individual policies and proposals for reorganization of Policy Bureaux. Hong Kong as a city with a population of more than 7 million people is similar to many communities and countries in the world which also have a population of 7 million people. Their policy bureaux and government structures are similar to those in Hong Kong. Additional Policy Bureaux may thus result in duplicated efforts.*

However, Chief Secretary, there is something with which I disagree. According to examination, problems relating to SCL, XRL and housing emerged because in the past, the Government's administration …

PRESIDENT (in Cantonese): Mr FAN, this is not a debate session. Please ask your supplementary question.

MR GARY FAN (in Cantonese): *I am coming to my supplementary question now. Repeated emergence of problems relating to SCL, XRL, housing, etc. was caused by the wrong focus of government policies, or negligence and dereliction of duties by Secretaries and Policy Bureaux in the past. For this reason, the supplementary question I wish to ask is whether the Government will adjust the focus of administration. Those "white elephant" projects of cross-boundary infrastructure blindly seeking integration between Hong Kong and the Mainland have emptied Hong Kong's coffers. Resources were not injected into such areas as elderly care and health care, thus giving rise to the present chaos and the issue mentioned in the main question. Will the Government strike out a new path and stop implementing such "white elephant" projects of cross-boundary infrastructure?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Mr FAN, first, I need to emphasize that all our policies are focused. We will not do anything irrelevant to our proper duties, so to speak. A most simple illustration

is the resources injected into elderly care and health care mentioned by him just now. Presently, of every $100 of the Government's recurrent expenditure, $20.8 is injected into education, $19.7, welfare, and $17.5, health care. They are the three major livelihood items.

Second, we must look at Hong Kong's infrastructural projects in a forward-looking manner with foresight. We cannot be short-sighted. Simply put, had MTR not been built 40 years ago, how would Hong Kong have turned out today? If, 20 years ago, the so-called "Rose Garden Project" was not carried out, the Chek Lap Kok airport not built and all the flights continued to land at the Kai Tak Airport today, how would Hong Kong have turned out? Hence, we cannot look at infrastructure from the present angle. We should make far-sighted efforts for the next generation and long-term development of Hong Kong. We have been working unremittingly, but Hong Kong must have a solid foundation before it can move forward.

PRESIDENT (in Cantonese): Second question.

Enhancing information security and the protection for privacy of personal data

2. **MR CHARLES PETER MOK** (in Cantonese): *In recent years, incidents involving massive leakage of personal data by government departments and private organizations have occurred frequently. Not until half a year after learning of the leakage of the data of about 9.4 million passengers did an airline announced it last month. In addition, in less than a month after the launch of the Faster Payment System, a number of fraud cases occurred in which the fraudsters committed crimes by making use of the personal data of members of the public and taking advantage of the loopholes in the process of setting up direct debit authorization by electronic wallets users, thereby causing financial losses to the members of the public. On enhancing information security and the protection for privacy of personal data, will the Government inform this Council:*

(1) whether it will, by making reference to the General Data Protection Regulation of the European Union, study prescribing in the Personal Data (Privacy) Ordinance the obligations of data processors, and that data users are required, in the event of data leakage incidents,

to notify the Office of the Privacy Commissioner for Personal Data and the data subjects within specified time limits; and

(2) whether it will comprehensively assess the information security risks currently faced by government departments, industries such as finance and telecommunications as well as public utilities, formulate a cross-sector information security strategy, and step up the training for information security talents (e.g. by setting up a specialized college)?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, regarding the respective parts of the main question raised by Mr Charles Peter MOK on enhancing the protection of personal data privacy and capability of responding to information security risks, our reply in consultation with the Innovation and Technology Bureau and the Security Bureau is as follows:

(1) The Personal Data (Privacy) Ordinance ("the Ordinance") was enacted in 1995 and has been in operation since 1996. Subsequent to the public consultation on the Ordinance and the relevant legislative amendment proposals conducted by the Government between 2009 and 2010, the Personal Data (Privacy) (Amendment) Bill was presented to the Legislative Council in 2011 and was passed by the Legislative Council in June 2012.

During the above mentioned consultation exercise on the Ordinance, one of the issues for consultation was the personal data breach notification system. The primary consideration on the issue back then was whether a notification system should be instituted to require the relevant organizations to notify the Office of the Privacy Commissioner for Personal Data ("PCPD") and the affected individuals in the event of a personal data leakage, so that they could take measures to mitigate the risks posed by the personal data leakage, and whether the notification system should be voluntary or mandatory. Of the public views received, about half were in support of a voluntary notification system, while around one quarter favoured a mandatory notification system. Respondents who supported a voluntary system considered that a mandatory system

would impose an undue burden on data users. Taking into consideration the possible impact of implementing a mandatory notification system, the Government decided to start with a voluntary notification system back then. To assist data users in giving data breach notifications, PCPD issued the "Guidance on Data Breach Handling and the Giving of Breach Notifications" ("Guidance") in June 2010, and subsequently made amendments to the Guidance in October 2015. The Guidance issued by PCPD provides guidance and assistance to data users on the steps to be taken in handling data breaches. A data breach notification form is also attached to the Guidance to make it more convenient for data users to give notifications.

The Government and PCPD noted that in the light of the development and wide use of technology in recent years, the processing of personal data has become massive and digitalized, resulting in higher risks posed to data users and owners as the amount of data involved in personal data leakage incidents has increased. There are also views that this Cathay Pacific incident has revealed that there is room for refining and enhancing the Ordinance. In this connection, the Constitutional and Mainland Affairs Bureau will keep a close watch on PCPD's investigation results and recommendations regarding the incident. Meanwhile, we have started a review in collaboration with PCPD of the stipulations and penalties under the Ordinance. While noting that there are views calling for the requirement for data users to give timely notification in data breach incidents, we are also aware of the concerns in some quarters about how "data breach" should be defined, as well as the compliance capability and operational costs of enterprises. We will examine carefully how the regulation of data protection and the notification arrangements could be enhanced.

(2) To protect the Government's information systems and data assets, having drawn reference from international standards, the Office of the Government Chief Information Officer ("OGCIO") has formulated a comprehensive set of "Government IT Security Policy and Guidelines" ("Policy & Guidelines") which covers many different aspects including security requirements for information security management framework and human resources, protection

and encryption requirements for information systems and data assets, connection and access control, network and outsourcing service security as well as incident response and recovery. OGCIO will conduct regular audits to ensure that all departments strictly comply with Policy & Guidelines, as well as review and update Policy & Guidelines from time to time to address the ever-changing cyber threats.

For infrastructure facilities owned by key industries and organizations and those not owned by the Government, the relevant regulatory bodies will formulate regulatory measures. In view of their unique business nature, the information security strategy as well as the incident response and business recovery arrangements formulated by different industries vary. Industries can draw reference from Policy & Guidelines available at OGCIO's website in developing information security policies and measures that meet their needs. When necessary, OGCIO will also exchange views with the relevant regulatory bodies and give advice.

Furthermore, OGCIO, the Cyber Security and Technology Crime Bureau ("CSTCB") under the Hong Kong Police Force and the Hong Kong Computer Emergency Response Team Coordination Centre ("HKCERT") work closely to provide cyber security-related information and support to different stakeholders including government departments, key industries and organizations, and the general public, as well as publish information on major incidents and recommend preventive and remedial measures. To prevent and combat technology crimes, CSTCB has been dedicated to helping enhance critical infrastructure operators' awareness of cyber security and their capability in handling cyber security incidents, and conducting timely cyber threat audits and analyses so as to prevent and detect cyber attacks on critical infrastructure facilities.

For the industries, HKCERT works with industry associations to promote cyber security awareness and best practices in different sectors, as well as provide local public and private organizations and the public with news on information security incidents, guidelines for defence against cyber threats and support services. OGCIO also implements the cross-sector "Cyber Security Information Sharing

Collaborative Platform" to exchange information with public and private organizations as well as cyber security experts, and share risk mitigation measures, so as to more effectively enhance the overall cyber security in Hong Kong. CSTCB has also been hosting quarterly cyber security seminars to strengthen the overall defensive capabilities of such service sectors as banking and finance, transport and aviation, communications, public utility and government services in handling cyber security incidents.

Since 2014, CSTCB has been conducting various types of cyber security drills together with industry stakeholders and local critical infrastructure organizations. Through various simulated incident scenarios, cyber security drills test the capabilities of incident analysis, the standing incident response procedures and the communication protocol of the participants. The simulated cyber attack incidents include the common scenarios with profound impacts, such as distributed denial-of-service attacks, web defacement, intrusion of network and information systems, ransomware, malware and sensitive data breaches. In addition, CSTCB co-organized in January 2018 the second "Inter-departmental Cyber Security Drill" with HKCERT, in which 40 government bureaux and departments, through different scenarios of simulated cyber attacks, strengthened their cooperation in cyber security and capabilities in emergency response.

On education work, OGCIO and CSTCB also join hands with HKCERT to proactively promote the nurturing of cyber security professionals, and co-organize activities with different organizations, such as the "Cyber Security Professionals Awards", cloud security professional certification seminars and "Information Security Summit" to enhance the information security knowledge and skills of information technology ("IT") practitioners. The Government also encourages tertiary institutions to strengthen information security modules in their IT-related programmes, and promotes information security education in primary and secondary schools to cultivate the youth's interest in and concern about information security.

MR CHARLES PETER MOK (in Cantonese): *President, at the meeting of the Panel on Security this morning, the Secretary should have heard the strong voices of Members and the public calling for enhanced law enforcement and regulation. But his reply seems to have tried to cover all bases. In the consultation exercise a decade ago, I already supported mandatory notification. I believe if an opinion survey is conducted again to solicit views of the public now, they will see things in a way entirely different from that a decade ago because the world has changed, so has technology. There are still a number of important issues that require consultation, such as sensitive data, the implementation date of section 33 and the power of the Commissioner to, among others, investigate cases and enforce the law, standards of penalization mechanisms and statutory compensation …*

PRESIDENT (in Cantonese): Mr MOK, please ask your supplementary question.

MR CHARLES PETER MOK (in Cantonese): *President, I am going to do so. The latest issue is, with an increasing number of such legislation enforced on a global scale as the General Data Protection Regulation, the allowances made by the Government for Hong Kong organizations out of goodwill by refraining from strengthening the legislation has actually done them a disservice instead.*

I therefore have this question. Could you state your specific considerations now and provide a timetable for consultation in respect of such an apparently obsolete law of ours, so that members of the public will know when they will be afforded due protection?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I thank Mr MOK for his supplementary question. As I said in the joint Panel meeting this morning, first, the public consultation on the relevant legislative amendment proposals was conducted back then between 2009 and 2010. At that time, an in-depth discussion was actually held on whether the notification system should be made mandatory. Given the conditions and circumstances of the time, it was decided that we should start with a voluntary notification system after taking various factors into account. This is history.

Today, particularly after the occurrence of such incidents, it is clear that there are views in the community that there is room for amending the Ordinance. In principle, I share this view.

Nevertheless, as to the question of how we should proceed with the amendments specifically, we must liaise with stakeholders and set out the scope, direction and concrete proposals for such amendments. The SAR Government maintains an open mind on this. But we will not wait until PCPD has completed its compliance investigation into the recent incident involving Cathay Pacific Airways to commence our work. In fact, we have now started a review in collaboration with PCPD of the relevant stipulations and penalties under the Ordinance, including the need to establish a mandatory breach notification system. This is the second point.

Third, the situation today is different from what it was last time when we conducted the consultation between 2009 and 2010 because the processing of personal data has become massive and digitalized given the development and wide use of technology in recent years. Under such circumstances, a timely data breach notification system has become all the more important. Nevertheless, apart from this, we are certainly aware that any legislative amendment or proposal to establish a mandatory breach notification system must take into consideration or account the compliance capability of enterprises—not only large enterprises, but also small and medium enterprises as well as microenterprises. Such circumstances must be considered.

Hence, we are now reviewing the Ordinance on the one hand, and on the other hand, PCPD is conducting a compliance investigation into the incident of Cathay Pacific Airways. With the findings of the investigation and our efforts, we will then be able to set out the scope and direction of the amendments to the Ordinance for a thorough discussion with the relevant stakeholders. For this reason, we agree that we should head in the direction of carrying out a legislative amendment exercise, and we have also commenced our work on it.

MR CHARLES PETER MOK (in Cantonese): *The Secretary has not answered my question on the timetable. Can it be done within the current term of the Government?*

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

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): At this moment, President, I am certainly unable to tell when the bill can eventually be passed because after all, it has to be presented to the Legislative Council for consideration. But as I said earlier, judging from the work in progress now, I expect to put forward proposals relating to the scope and direction of the amendments to the Ordinance in the first half of next year, and liaise with various stakeholders on this issue before proceeding to the next step.

MS YUNG HOI-YAN (in Cantonese): *President, I notice that personal data breaches involve significant public interests, and in fact, the main question also asks about whether the Government will comprehensively assess the information security risks currently faced by government departments and industries such as finance and telecommunications and formulate a security strategy, as well as the department responsible for policymaking and monitoring. We see that such issues are currently handled by separate government departments and systems. So, which government department is responsible for monitoring the security issues of various departments?*

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): President, I thank Ms YUNG for her supplementary question. As stated by Secretary Patrick Nip earlier, various departments, including the Security Bureau, OGCIO and other organizations such as HKCERT, actually work jointly instead of separately. On the part of the Government, I wish to tell Ms YUNG that the Government attaches great importance to the security of all government infrastructure, and under the internal guidelines of the Government, the details of all security incidents must be reported in full within a short time frame (48 hours), and must be reported to OGCIO within two hours so that it may take immediate action. The Government has set a time limit internally.

Moreover, we are now striving to provide cyber security training for other departments in a regular and timely manner. The Government trained 2 000 in-house staff members in 2017-2018, and this year, it has also trained more than 1 000 members so far. In addition to security training in various aspects, we have also briefed various departments on the new definition of security awareness

to enhance the security of the Government. Externally, as stated by Secretary Patrick Nip earlier, we have implemented a new initiative known as the "Cyber Security Information Sharing Collaborative Platform". While it has been in place for just a month or so, almost 100 public and private organizations have participated. We will continue to invite more organizations from different sectors to participate in this platform, hoping that we may improve cyber security through information sharing and continued communication.

Meanwhile, we have noticed the new programmes on cyber security offered by tertiary institutions, a point also mentioned by Secretary Patrick Nip earlier. On attracting high quality talent, we have identified cyber security as one of the seven key areas which require talent. We hope to enhance cyber security in Hong Kong through implementing various initiatives. As we all know, no single bureau can offer a blanket solution to all issues.

In addition, according to the information of the Security Bureau, the Law Reform Commission ("LRC") has plans to review the laws in relation to cyber crimes, and manpower has been deployed to commence the relevant preparatory work. Upon the completion of the review, the relevant bureaux and departments will study the recommendations of LRC, and examine the need to introduce amendments to the existing legislation as appropriate.

MR DENNIS KWOK (in Cantonese): *I wonder if the Secretary is aware that section 33 of the Ordinance (Cap. 486) was enacted in 1996, but it has not yet come into force. The provision stipulates that transfer of personal data to places outside Hong Kong is prohibited. While it has been more than 20 years since the enactment of the provision, why has it not come into force? Is there any difficulty or secret about which we are kept in the dark? Is there a timetable? When will the provision be implemented? Is there any concrete timetable and plan?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I thank Mr KWOK for his supplementary question. Section 33 of the Ordinance has yet to be implemented because bringing it into force will impose more stringent regulation on cross-border data transfers in different sectors, which requires preparation on multiple fronts. The Government is working closely with PCPD on the tasks entailed, including

commissioning a consultant to look into the compliance measures required of data users to meet the requirements of the provision and studying the relevant practices of other jurisdictions for compliance with such requirements and law enforcement. As the industries raised quite a number of practical issues relating to the implementation of section 33, including such implementation details as the arrangement for reviewing the list of specified places during the business impact assessment conducted by the consultant, PCPD will further study such issues, and has been undertaking preparatory work for the study. The Government will decide on the way forward based on the findings of PCPD's study. Such preparatory work seeks to ensure that the conditions necessary for implementing the provision are in place. We will also closely monitor the actual situation of and feedback from the industries in their voluntary compliance with the Guidance on Personal Data Protection in Cross-border Data Transfer issued by PCPD.

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

MR DENNIS KWOK (in Cantonese): *The Secretary has not answered my supplementary question. I asked him whether there was a timetable. Having studied it for some 20 years, does the Government have a timetable?*

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

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I answered it already just now. As the study is now underway, we will map out the way forward based on the findings upon completion of the study. A concrete timetable is not available for the time being.

IR DR LO WAI-KWOK (in Cantonese): *President, I think the Government will just focus on privacy every time it comes across an issue on information security. But this issue goes beyond privacy. In the cyber world of the 21st century, the entire order and such aspects as security are basically punctuated with loopholes unknown to us. When it comes to urban safety, for the various natural and*

man-made disasters we face—man-made disasters certainly include IT crimes—it seems to me that the Government has actually not given them due weight. I therefore have this supplementary question. Facing the new changes and challenges to urban security that may emerge in the 21st century, will the SAR Government set up a high-level structure, such as an urban security committee, to seriously examine the issue and take appropriate precautions?

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): I thank Ir Dr LO for his supplementary question. As I briefly mentioned earlier, according to the information of the Security Bureau, we are currently reviewing the laws in relation to such crimes as a priority. In the meanwhile, we will also review from time to time the tasks that require inter-departmental efforts. But Ir Dr LO made a very good point just now because as the saying goes, "it takes constant vigilance to keep threats at bay". We must maintain good communication within all government departments and with the industries in order to know how we may work on it properly. For example, before the launch of 5G, we have to consider the security measures to be taken. Moreover, the Innovation and Technology Bureau will provide information on technological development. If necessary, I will also give my views at the Steering Committee on Innovation and Technology ("Steering Committee") chaired by the Chief Executive, hoping to address the issues raised by Ir Dr LO just now with our latest information and technology.

PRESIDENT (in Cantonese): Ir Dr LO Wai-kwok, which part of your supplementary question has not been answered?

IR DR LO WAI-KWOK (in Cantonese): *The Secretary has not responded to my supplementary question because my supplementary question clearly asked about whether a higher-level structure can be set up to address the issue, not the tasks already in progress as mentioned by the Secretary just now.*

SECRETARY FOR INNOVATION AND TECHNOLOGY (in Cantonese): I thank Ir Dr LO for his supplementary question. The Steering Committee mentioned by me just now is personally chaired by the Chief Executive, which may be seen as the top level. That was why I said just now I would give my views on IT on behalf of the Innovation and Technology Bureau. If I see such a

risk associated with technological development, I will definitely raise it at the Steering Committee for consideration by the Chief Executive because smart city is one of the items for discussion of the Steering Committee. In the development of a smart city, I think it can hardly be "smart" when its security is questionable.

PRESIDENT (in Cantonese): Third question.

Measures to increase land supply

3. **DR KWOK KA-KI** (in Cantonese): *President, upon the completion of all the development projects under the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" ("Hong Kong 2030+") published in 2016, Hong Kong can accommodate 9 million people. This figure is about 800 000 higher than Hong Kong's projected peak population of 8 220 000 in 2043, i.e. providing a 10% buffer. One of the proposed development projects in Hong Kong 2030+ is the construction of artificial islands with an area of 1 000 hectares in the Central Waters to accommodate 400 000 to 700 000 people. On the other hand, the Policy Address delivered last month put forward the Lantau Tomorrow Vision, proposing the construction of artificial islands with an area of about 1 700 hectares in the Central Waters to accommodate 700 000 to 1 100 000 people. In this connection, will the Government inform this Council:*

(1) of the various items of estimated construction costs in relation to the artificial islands mentioned in the Policy Address, including reclamation, external transport facilities and the public facilities on the islands;

(2) of the rationale for setting the buffer population in Hong Kong 2030+ at 800 000; the reasons why the Government has, after a lapse of two years, proposed to increase the reclamation area in the Central Waters by 700 hectares to accommodate additional 300 000 to 400 000 people; and

(3) given that the Government may invoke the Lands Resumption Ordinance to resume private land for "public purposes", whether the Government will consider, as a replacement for the reclamation

plans in the Central Waters, invoking the Ordinance expeditiously to resume sufficient land (including brownfield sites) for the "public purposes" of developing public housing, other public facilities, etc., so that irreversible damage to the environment can be avoided?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the discussions over Lantau Tomorrow in the past few weeks have helped us better understand the community's concerns over various issues such as costs and benefits of the works, environmental conservation and impact of climate change, reclamation techniques and materials, land use and transport connection. The Government understands these concerns and plans to seek the funding approval of the Legislative Council in the first or second quarter next year, so as to commence the planning and engineering studies to look into various relevant aspects in a comprehensive and in-depth manner, so that society can discuss and make trade-offs based on objective, scientific and robust findings of the studies.

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

(1) Lantau Tomorrow proposed in the Policy Address is a vision spanning two to three decades. At this stage, we are planning to conduct detailed studies and therefore there is yet formal estimate on the costs for reclamation works and transport infrastructure. As the average water-depth of Kau Yi Chau is at about 7 m, and in light of the recent experience on reclamations in Tung Chung, our preliminary cost estimate from reclamations for the artificial islands is at about $13,000 to $15,000 per square metre, which is similar to the cost of resuming private agricultural land at $14,500 per sq m. As regards transport infrastructure, as Kau Yi Chau artificial islands would only be about 10 km away from Central/Sheung Wan, whereas New Territories North ("NTN") is some 30 km from the metro core, the costs for providing transport infrastructure for the artificial islands should be no more than that for supporting a new development area ("NDA") of similar scale in NTN.

On the other hand, the Kau Yi Chau artificial islands will bring benefits to Hong Kong. Apart from the revenue arising from the sale of private residential and commercial land, developing the artificial islands will also create substantial social and economic

benefits, coming mainly from the 105 000 to around 180 000 public housing units; 200 000 diversified, high-end and high value-added job opportunities; business opportunities emanating from the third Core Business District ("CBD3") of which the scale is equivalent to 80% of Central; a liveable city in Kau Yi Chau with holistic planning; comprehensive provision of community facilities; and the land development potential to be unleashed by an expanded transport infrastructure network, etc. In formulating the implementation strategy, the Government will carry out detailed financial assessments and fiscal risk management by taking into account relevant factors like fiscal sustainability to ensure that the project expenditure is financially affordable.

(2) Under the estimate of "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" ("Hong Kong 2030+"), with the full implementation of all planned development projects as well as the two strategic growth areas namely the East Lantau Metropolis ("ELM") and NTN, the maximum housing capacity would be about 9 million people. However, this is not our population target. It is just a projection based on a host of assumptions to allow society to grasp more easily the potential development capacity of land in overall terms. In other words, the 800 000 people on top of the population peak of 8.22 million in 2043 is not a buffer population as claimed by Dr KWOK Ka-ki; this figure also does not imply that the Government intends to bring in this amount of additional population. It barely reflects the assumptions under the Hong Kong 2030+ estimation that society needs a certain amount of land as buffer capacity, enabling us to have more room for planning and greater flexibility, so as to prepare for the changing circumstances and to improve the existing planning standards, thereby making Hong Kong more liveable.

Hong Kong 2030+ estimates that we are short of at least 1 200 hectares of land for housing, economic development and various infrastructure and facilities. As pointed out by the Task Force on Land Supply ("Task Force"), this figure is yet to take into account factors such as public aspiration for improvement in living space and quality of life, upgrading of various community facilities and the need to create a land reserve, etc. Hence, the actual shortage is likely to be underestimated. On the other hand, there is

considerable uncertainty in the implementation of the planned or ongoing land supply projects; if they cannot be realized timely or fully, the land shortage would be even greater. In other words, 1 200 hectares is just a starting point of the land supply target.

The 1 700-hectare reclamation area proposed under Lantau Tomorrow is part of the Lantau Tomorrow Vision, the details of which are subject to further studies and assessments. In the first phase, we will focus on the studies for developing the artificial islands of about 1 000 hectares near Kau Yi Chau. This scale is similar to that of ELM mentioned in the respective public engagement documents of the Task Force and Hong Kong 2030+. As for the remaining artificial islands of about 700 hectares near Hei Ling Chau and the waters south of Cheung Chau, the studies will collect basic technical data for future reference in long-term planning, and there is no concrete implementation timetable at the moment. The Government will take into account the findings in the final report to be submitted by the Task Force to the Government tentatively by the end of this year before firming up the details of the proposed studies.

(3) If the Government considers that a certain area needs to be developed for a "public purpose" such as public housing or government facilities, and has made public the relevant planning and studies, the Government will continue to invoke the Lands Resumption Ordinance ("LRO") timely to resume private land for development that meets the "public purpose". In the coming few years, about 500 hectares of private land will be resumed under a few mega land development projects. In other words, if the Government has already conducted planning studies and confirmed that development that fulfils the "public purpose" test is feasible, the Government will continue to invoke LRO to resume private land.

On the other hand, I hope the community would appreciate that the Government needs time and is required to comply with relevant regulations and procedures to take forward relevant studies and planning work. Taking the rezoning of the some 210 sites with potential for housing development as an example, we have spent a considerable amount of time on handling the technical feasibility

studies and local consultation. Starting from 2013, hitherto, we have completed rezoning of about 120 sites, but there are still more than 90 sites for which rezoning work is still ongoing or not yet initiated. Meanwhile, the Government is carrying out other planning and engineering studies, and will soon commence studies to look into the development potential of about 200 hectares of brownfield sites in NTN as well as another 760 hectares of more scattered brownfield sites. However, the Government has only limited planning resources. It would be unrealistic to assume that the Government can deal with planning and development of all different areas in Hong Kong at the same time, or to expect that resuming private lands alone could resolve the severe land shortage problem in Hong Kong, or that all private lots carry potential for high density development.

Lantau Tomorrow is a vision spanning two to three decades and means a lot, in different aspects, to the future development of Hong Kong. The Central Waters is in proximity to Hong Kong Island, Lantau and various major infrastructure. Creation of artificial islands at this strategic location can effectively increase land supply and open up spaces for housing and economic activities. In terms of residential units, the Kau Yi Chau artificial islands can provide 150 000 to 260 000 units, 70% of which (105 000 to 182 000 units) are public housing. This quantum suggests huge potential of Kau Yi Chau, when compared with the aggregate of about 130 000 public housing units to be provided by the four NDAs or new town extension projects that are ongoing or being planned. Also, the strategic location of the Kau Yi Chau artificial islands allows us to develop CBD3 for Hong Kong to strive ahead. The newly proposed major roads and railway network will connect the artificial islands with Hong Kong Island, Lantau and the coastal areas of Tuen Mun to help divert traffic between North West New Territories and the metro area and relieve congestion at the West Rail. On the other hand, the transport network helps adjust the current uneven distribution of homes and jobs so as to make the territorial spatial planning pattern more balanced. The Kau Yi Chau artificial islands can also provide decanting space for households affected by urban renewal and enable larger-scale urban redevelopment projects, while thinning out the dense population in the urban area. These multiple

strategic benefits cannot be easily replaced by other land supply options.

President, for Hong Kong to avoid the recurrence of the current dire land shortage, we cannot afford to rely on just one single option to tackle the land supply issue. A multi-pronged approach, as evident in past experiences and backed by the broad support from the Task Force and the general public, is a pragmatic strategy that meets Hong Kong's overall interest. Based on the above considerations, we believe that conducting detailed studies for developing the Kau Yi Chau artificial islands is a crucial step under the multi-pronged strategy.

DR KWOK KA-KI (in Cantonese): *President, I wonder if the Secretary has ever watched the television programme "Police Magazine". This is just like a financial scam. What did Carrie LAM say yesterday? She said that the waiting time for allocation of public rental housing ("PRH") units in Hong Kong was as long as 5.5 years, and told the public to wait for the artificial islands. Yet, the artificial islands will be developed only after 20 or 30 years actually. Dare she tell the 270 000 applicants waiting for PRH units that they would be allocated a flat after 20 or 30 years. I thought the Secretary would give an answer on the costs, but he was even not willing to make an estimate. He told us reclamation was the only option without giving an estimated cost. At present, almost 70% of members of the public urge the Government to first make good use of the 6 000 hectares of land on hand, including brownfield sites and land reserved for small house construction, but the Government is unwilling to …*

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

DR KWOK KA-KI (in Cantonese): *President, I am coming to it soon. And then the Government tells us that we have to construct an artificial island out of a mirage. XI Jinping also remarked that this was the most crucial part of the Greater Bay Area development …*

PRESIDENT (in Cantonese): Dr KWOK, if you do not state your supplementary question, please stop and sit down.

DR KWOK KA-KI (in Cantonese): *President, I am going to put my question. Is it the aim of the Government to enable more residents of the Greater Bay Area to reach Central more quickly in constructing an artificial island in proximity to Central? The Government will spend almost $1,000 billion and oblige two or three generations to be indebted merely for accomplishing this political mission of bringing in 1.2 million people from the Greater Bay Area at all costs. Am I correct?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Dr KWOK for his supplementary question. As we have pointed out on various occasions already, constructing artificial islands with an area of 1 000 hectares in the vicinity of Kau Yi Chau is for the good of Hong Kong people. This is crystal clear. In this connection, just now I have put forth a host of arguments in the main reply. I also mentioned such arguments during the motion debate last week, so I will not repeat them here. Dr KWOK also asked about the estimated cost, and the estimated cost in relation to reclamation is very clear. The construction of artificial islands with an area of 1 000 hectares in the vicinity of Kau Yi Chau will incur a cost of approximately $130 billion to $150 billion. However, I do not intend to estimate casually the costs of other aspects, such as the construction costs of transport infrastructure. Nevertheless, Ms Alice MAK will ask another question later on to which I have tabled a reply. With a view to addressing society's concerns, from now on to the first or second quarter of next year, the authorities will seek funding approval from the Legislative Council for conducting studies. We have a timetable. Dr KWOK may draw reference from past cases of Kwu Tung North, Fanling North or Hung Shui Kiu in which the authorities, when seeking funding approval, would not provide an estimated cost of the transport infrastructure works as well. Having said that, to address the concerns of society or Members, the Government would make a host of assumptions when seeking funding approval in the hope of providing relevant estimates for Members' reference as far as possible.

DR KWOK KA-KI (in Cantonese): *My question is very clear. I requested the Secretary to answer whether it is a political mission for the Government to bring in 1.25 million population at all costs? Just now you asked Hongkongers to make commitment …*

PRESIDENT (in Cantonese): Dr KWOK, you have asked your question. Please sit down. Secretary, do you have anything to add?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I am happy to supplement my reply. Dr KWOK, I give you an unequivocal answer, the Government does not do so for population outside Hong Kong, or in Dr KWOK's words, we do not do so due to other considerations. Why are the Kau Yi Chau artificial islands necessary? We agree that the Kau Yi Chau artificial islands are not an immediate solution. As far as immediate solutions are concerned, we have to carry out a host of rezoning exercises in the future. As funding approval for relevant works will be required in the course of such rezoning exercises, we will come to the Legislative Council to solicit Members' support. Regarding NDAs, we hope to seek funding approval from the Legislative Council for the main works of Kwu Tung North and Fanling North NDAs early next year—I hope Dr KWOK will lend us his support by then—and these are the immediate solutions. Yet, if the Government does not make long-term planning, as I have mentioned, Hong Kong's land supply will become unsustainable and we will face a shortage from 2032 or 2034 onwards. How can we meet Hong Kong people's aspirations for housing, social facilities and public space? The Government is planning for these aspects.

MR ANDREW WAN (in Cantonese): *President, I wish to follow up part (3) of the main reply. The Secretary has mentioned LRO just now, that is, the main reply mentions the invocation of LRO to facilitate development of NDAs in the future, involving 500 hectares of land. I believe the Secretary was referring to land at Yuen Long South, Hung Shui Kiu and North East New Territories, etc., am I right? But the latter part of the main reply also mentions that the Government is studying land with development potential totalling 960 hectares. I find it strange that as the Bureau holds such a large amount of land resources, are NDAs coming on stream subsequently? If so, where are these NDAs? If not, why does the Government not make use of the existing land resources first but proposes instead to implement the controversial Lantau Tomorrow programme, or the so-called land sharing, another project under public-private collaboration which is also controversial? It is somewhat illogical.*

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

SECRETARY FOR DEVELOPMENT (in Cantonese): I thank Mr WAN for his supplementary question. The Government will step up its efforts in dealing with more brownfield sites in the future. I believe this is what the Task Force and Mr WAN are looking forward to. Having said that, what is the development potential of our land? Now we can see that with regard to all of the brownfield sites in Hong Kong, there is 760 hectares of land remaining apart from the 540 hectares which the Government has planned to develop as NDAs. Mr WAN may have noticed that the Task Force has pointed out in its report a few drawbacks of these brownfield sites: First, the brownfield sites are located relatively far away from major transport infrastructure. Second, many brownfield sites are scattered. What is more, the Government cannot assume all of the 760 hectares of brownfield sites carry potential for high-density development, such as residential development.

Taking Hung Shui Kiu as an example, the area of brownfield sites in Hung Shui Kiu developed by the Government is estimated at 190 hectares. In fact, the Government has to reserve part of the brownfield sites for logistics-related uses—hopefully they are high valued-added logistics projects which can make the best use of the sites—solely in respect of Hung Shui Kiu, for logistics land use accounts for 60 hectares in zoning plans. In other words, we will allocate one third of the brownfield sites to logistics use, which is vital to Hong Kong economy. I recall that at a public hearing of the Legislative Council, some non-establishment Members requested the Government to restore activities on brownfield sites in-situ. However, a complete in-situ restoration is impossible at all. If the Government can manage a complete in-situ restoration, it is not necessary to deal with the brownfield sites. Therefore, in respect of the 760 hectares of land mentioned by Mr WAN, the Planning Department will conduct studies on the brownfield sites therein in advance. While some of the sites are quite distant from transport infrastructure, we hope the sites selected will be relatively near, or larger sites can be identified among the scattered ones, so as to release their development potential. Notwithstanding this, we believe the final result will be quite far off the figure of 760 hectares.

MR VINCENT CHENG (in Cantonese): *Secretary, while it is very important to construct more subsidized housing after reclamation, commercial development is equally important. The authorities have told the media that on the 1 100-hectare artificial islands, 100 hectares of land would be set aside for the purpose of commercial development to build CBD3 in Hong Kong, which will provide a total floor area of 40 million sq ft. May I ask the rationale behind this estimate? What is the area of Grade A office space in the 100-hectare commercial development, and will it exceed the demand projected in Hong Kong 2030+?*

SECRETARY FOR DEVELOPMENT (in Cantonese): I thank Mr CHENG for his supplementary question. Why did we say some 100 hectares of land on the artificial islands with an area of about 1 000 hectares will possibly be developed into CBD3? We said it after considering the strategic location of the Kau Yi Chau artificial islands. As a matter of fact, the artificial islands are located in close proximity to the existing urban areas—particularly the first CBD (i.e. Central)—when connected by highway and railway networks.

If we refer to the scale of Central, with an area of some 100 hectares, it can provide a total floor area of about 48 million sq ft for commercial use. We hence consider that Kau Yi Chau has the potential to be developed into CBD3. We estimate that it is appropriate to set aside an area of some 100 hectares to provide a total floor area of about 40 million sq ft. As regards the detailed planning such as the detailed categorization of Grade A office space in these 40 million sq ft, we hope that the studies to be conducted will help us in making such assessment.

Having said that, the figure is really insufficient when compared with the total floor area of a CBD, especially the demand for Grade A office space. Rightly as Mr CHENG mentioned in his question, and I remember that some people have raised this as well, Hong Kong 2030+ has pointed out that we will only be short of some 10 million sq ft in 2041. Yet, this is exactly the strategic advantage of Kau Yi Chau since the demand for CBD and Grade A office space in Hong Kong will not cease in 2041. For one thing, the floor area of some 10 million sq ft will not come into existence if Kau Yi Chau is not developed. And for another, developing Kau Yi Chau is to prepare for the future. Particularly given that Hong Kong is a commercial society, young people aspire

to engage in high value-added and diversified jobs. Kau Yi Chau can precisely provide young people with enormous opportunities of striving for advancement.

MR CHU HOI-DICK (in Cantonese): *President, when mentioning a land shortage of 1 200 hectares in the main reply, the Secretary indicated that "as pointed out by the Task Force, this figure is yet to take into account factors such as public aspiration for improvement in living space and quality of life". I think the Government should stop resorting to foul play anymore. The Task Force's secretariat and research unit are in fact government departments whilst its members are not experts who have conducted relevant studies, but they overturned the conclusions in Hong Kong 2030+. Against this backdrop, if the Government now says that 1 200 hectares of land is just a starting point and we still have to look for another 2 000 hectares to 3 000 hectares of land, will the Secretary please come forward now to admit personally that Hong Kong 2030+ published by the Planning Department is no longer applicable and it can be thrown away as crap?*

Will the Secretary first admit it personally? Please do not shirk the responsibilities onto the Task Force again, claiming that they said there would be a shortage or it was inappropriate. Now, it is the Government who overturns its study report in the first place.

SECRETARY FOR DEVELOPMENT (in Cantonese): I thank Mr CHU for his supplementary question. I trust Mr CHU Hoi-dick is well-versed in Hong Kong 2030+. I strongly encourage people to have different views, and we can have different views over the estimates made in Hong Kong 2030+. Yet, if we read the documents in relation to Hong Kong 2030+—I am not referring to the present ones—the documents in 2014 to 2016 clearly set out that some figures had not been taken into account. What are these figures? The average living space of Hong Kong people is about 160 sq ft, have we ever thought of the possibility of improving our living conditions? It has not been taken into account in the calculation.

With the population of Hong Kong ageing further, have the various facilities needed by elderly people—in fact the facilities needed by elderly people require relatively more space—been taken into account? The answer is "no". I am just stating the facts with all these remarks. I believe many people have

become aware of these viewpoints during the public engagement exercise launched by the Task Force, leading to the conclusion that 1 200 hectares of land is far from sufficient.

If Mr CHU holds a different point of view, I will respect his viewpoint. But the Government does not make considerations in this way and I am afraid the same applies to the Task Force as well.

MR CHU HOI-DICK (in Cantonese): *Excuse me, the Secretary has mistaken …*

PRESIDENT (in Cantonese): Mr CHU Hoi-dick, which part of your supplementary question has not been answered?

MR CHU HOI-DICK (in Cantonese): *Excuse me, you have already put forth in Hong Kong 2030+ that the average residential flat size should be increased by 6% …*

PRESIDENT (in Cantonese): Mr CHU, this is not a debate session. Please sit down.

MR CHU HOI-DICK (in Cantonese): … *Secretary, do not say "Sorry, I have not considered it.".*

PRESIDENT (in Cantonese): Fourth question.

Monitoring extra-curricular activities organized for students

4. **MR LUK CHUNG-HUNG** (in Cantonese): *Earlier on, an organization invited, through the schools concerned, some 200 primary school students, who were accompanied by 400 parents, to go to Thailand to take part in an international mathematics contest. Some of the students and their parents joined a related group tour arranged by the organization. Some parents have*

reproached the organization for making inadequate preparation for the contest as well as the inappropriate reception and itinerary arrangements of the group tour, undermining the rights and interests of the parents and students concerned. Regarding the monitoring of extra-curricular activities organized for students, will the Government inform this Council:

(1) whether it received in the past three years requests for assistance and complaints about students taking part in courses and activities held overseas; if so, of the details; how the implementation and quality of such courses and activities are currently monitored, with a view to safeguarding the rights and interests of the parents and students; and

(2) given that the Government has put forward in this year's Policy Agenda the setting up of a Student Activities Support Fund with the total amount of $2.5 billion to support, through a subsidy, students with financial needs to participate in out-of-classroom learning activities starting from the next school year, of the authorities' measures to monitor the use of the subsidy by schools; whether it will consider setting up a recognition system for, or a register of, organizations which may collaborate with schools in organizing extra-curricular activities, and issuing guidelines setting out matters such as the scope of use of the subsidy, as well as the issues that schools should bear in mind when organizing extra-curricular activities in collaboration with other organizations; if so, of the details; if not, the reasons for that?

SECRETARY FOR EDUCATION (in Cantonese): President, my reply to the questions raised by Mr LUK Chung-hung is as follows:

(1) Courses or activities outside Hong Kong for students are mostly arranged by parents or organized by schools.

Regarding study tours for students organized by travel agents engaged by parents, the Travel Industry Council of Hong Kong ("TIC"), being the regulator of the tourism industry, has promulgated the Code of Business Practice on Study Tours under the existing regulatory framework of the tourism industry to impose strict

requirements on travel agents in organizing study tours. Such requirements include: all travel products or services arranged by travel agents shall be provided by licensed or legally registered suppliers; all participants should purchase appropriate comprehensive travel insurance; study tours must be accompanied by holders of valid Tour Escort Pass issued by TIC, who will assist the tour groups in liaising with local service suppliers and related organizations, and handling emergencies, so as to safeguard the interest of the participants. During the past three years, the Tourism Commission has not received any requests for assistance or complaints in relation to students participating in courses and activities outside Hong Kong.

Furthermore, the Trade Descriptions Ordinance (Cap. 362) prohibits six offences of unfair trade practices, including false trade descriptions, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch and wrongly accepting payment.

During the past three years, the Customs and Excise Department ("C&ED") received 11 complaints (involving four traders) related to traders who organized courses or activities outside Hong Kong for students, allegedly in contravention of the Trade Descriptions Ordinance. After investigation, C&ED initiated prosecution against the person-in-charge of a trader who was involved in four of the complaint cases. The person-in-charge was convicted by the Court and was sentenced to 180 hours community service order, and was ordered to make a total compensation of $69,380 to four consumers. Regarding the remaining seven complaint cases, five are under investigation, while no contravention of the Trade Descriptions Ordinance by traders was found in the other two cases.

The Government and the Consumer Council are committed to encouraging "smart consumption" through publicity and public education. Parents, as consumers, should get to know the quality of services provided by the organizations, and consider carefully their own needs and the relevant terms and conditions before making a consumption decision.

If the activities (including learning activities outside Hong Kong) are organized by schools, they are regulated by the Education Bureau. The Education Bureau has provided schools with various guidelines (such as the "Guidelines on Extra-curricular Activities in Schools", "Guidelines on Study Tours Outside Hong Kong" and "Guidelines on Conducting Trading Operations") to ensure that the programmes and activities outside the classroom provided for students by schools (including those co-organized with other organizations) can be conducted effectively as well as in accordance with the related requirements in administrative and financial arrangements to safeguard students' safety and interests. If the activities organized by schools are conducted outside Hong Kong, school teacher(s) should be appointed to escort participating students to take part in visits, exchange programmes, studies or services, and make reference to the "Guidelines on Study Tours Outside Hong Kong" ("Guidelines") compiled by the Education Bureau. The Guidelines are drawn up with a primary aim of reminding schools to ensure the safety of participants of study tours. Schools should also make reference to the curriculum guides on different Key Learning Areas to design suitable study tour programmes according to their respective school-based curriculum and needs of students. The Guidelines are not applicable to study tours arranged by non-school organizations.

From the 2015-2016 to 2017-2018 school years, the Education Bureau received two complaints from parents/students regarding schools arranging for students to take part in courses or activities held outside Hong Kong, including a case of students participating in a mathematics contest held overseas and a case of school arranging an overseas exchange tour. Regarding the case of the exchange tour, the parent of a participating student was dissatisfied with the arrangements for flight and accommodation. After investigation, it was confirmed that the school had followed the Education Bureau's guidelines on organizing exchange tours and the complaint was not substantiated. As regards the case of overseas mathematics contest, after the investigation by the Education Bureau, it was confirmed that there were schools which had assisted their students in enrolling to the organizer on the preliminary contest in Hong Kong but no schools had participated in or recommended students to join the overseas contest concerned. It was considered an activity joined by

the parents of their own accord. Regarding the case, C&ED and the Police are taking follow-up actions.

(2) The Government proposes to set up the Student Activities Support Fund to provide schools with the Student Activities Support Grant, to replace the Hong Kong Jockey Club Life-wide Learning Fund which will end by the close of the current school year, to continue to support financially needy students to participate in life-wide learning ("LWL") activities organized or recognized by the schools, so as to enable them to gain learning experiences that are difficult to be obtained in the classroom. These are different from interest classes and activities that parents arrange for their children. Since the curriculum reform in 2001, schools have accumulated considerable experience in promoting LWL through different means, including hiring outside services, to organize LWL activities for students to enable them to learn in authentic contexts for whole-person development. On financial management, schools have all along been required to put in place effective procedures to ensure proper use of public funds and that the resources are being deployed effectively for educational purposes. Schools will be required to set up a separate ledger for the Student Activities Support Grant, which will be monitored by the School Management Committee/Incorporated Management Committee of the respective schools. We will consult the school sector on the operational details of the Grant in due course, and issue circulars and relevant guidelines to schools. Under the principle of school-based management, schools should adhere to the guidelines on the utilization of the Grant to enhance student learning, as well as submit annual audited account reports to ensure that public funds are not being abused. In addition, the Education Bureau will conduct school visits to understand the use of the Grant and provide advice to schools as appropriate. On hiring outside services, schools should adhere to relevant the Education Bureau circulars and guidelines to ensure students' safety and the appropriateness of the activities. There are many organizations offering after-school activities for students, and schools have been deploying relevant grants to smoothly collaborate with different organizations. The Education Bureau does not see a need to set up a registration mechanism or a register of collaborating organizations at present.

MR LUK CHUNG-HUNG (in Cantonese): *President, I find the Secretary's reply not at all proactive as he simply stated that there are currently many guidelines and the operation is smooth in general. There seems to be no room for improvement. However, President, apart from the $2.5-billion Student Activities Support Fund, a recurrent $900-million Life-wide Learning Grant was also mentioned in the Policy Address. The amount of public money involved is not small. The reply of the Administration is really far from forward-looking. I am worried that there will be issues in the future, such as …*

PRESIDENT (in Cantonese): Mr LUK, please ask your supplementary question.

MR LUK CHUNG-HUNG (in Cantonese): *… poor quality of activities, messy accounts, potential conflict of interest and overcharging. Just now, the Secretary stated that they will consult the school sector and issue new guidelines on the Student Activities Support Fund. Will the coverage of the Fund be expanded to cover students who did not benefit previously from the Hong Kong Jockey Club Life-wide Learning Fund? In particular, since a parent told me yesterday that students who are not receiving full grant under the School Textbook Assistance Scheme ("STAS") or the Comprehensive Social Security Assistance ("CSSA") are not eligible for the Hong Kong Jockey Club Life-wide Learning Fund, can the coverage of the Student Activities Support Fund be reviewed at the same time?*

SECRETARY FOR EDUCATION (in Cantonese): President, as I pointed out in the main reply, the proposed Student Activities Support Fund is meant to replace the Hong Kong Jockey Club Life-wide Learning Fund which will end by the close of the current school year. Currently, the Hong Kong Jockey Club Life-wide Learning Fund mainly supports students in financial difficulty to participate in activities organized or recognized by schools. Students who are receiving CSSA or STAS full grant are the major targets of the Fund. However, a certain degree of flexibility is built into the Fund to cater for students who are not receiving CSSA or STAS full grant, but whose schools are aware of their financial difficulties in a certain period or in general, or who are receiving STAS half grant.

The same arrangement will be made for the soon-to-be established Student Activities Support Fund, under which a certain percentage of subsidy will be allocated to schools for their flexible utilization in order to cater for students who are not receiving CSSA or STAS full grant but have financial difficulties in participating in certain extra-curricular activities of schools.

MR YIU SI-WING (in Cantonese): *As pointed out by the Secretary just now, TIC has promulgated the Code of Business Practice on Study Tours based on the characteristics of study tours, imposing strict requirements on travel agents in organizing study tours. On the contrary, the guidelines issued to schools are for reference only. Relevant punitive measures and level of professionalism are significantly different from study tours organized by travel agents. As such, the financial management issue of a school in Sha Tin has aroused concerns in society recently. May I ask the Secretary whether the three current guidelines on study tours mentioned just now will be reviewed in order to further tighten the requirements on schools in organizing study tours so as to plug the loopholes?*

SECRETARY FOR EDUCATION (in Cantonese): President, it is up to the schools to decide how study tours outside Hong Kong should be organized according to the needs of the activities and the situations of the schools. If the schools engage other organizations to arrange for transportation, accommodation or itineraries, our guidelines clearly stipulate that such arrangements must be made by a qualified and licensed travel agent.

However, it is difficult for us to require all school activities outside Hong Kong be arranged by licensed travel agents because schools may sometimes organize simpler activities outside Hong Kong, in which case they may only need to arrange for vehicles on their own. They may also not need itinerary arrangement by travel agents when organizing exchange activities with sister schools. However, we have clearly pointed out in the guidelines that, if necessary, schools should engage licensed and qualified travel agents to assist in the organization of activities.

PRESIDENT (in Cantonese): Mr YIU Si-wing, which part of your supplementary question has not been answered?

MR YIU SI-WING (in Cantonese): *My question is very clear. Given that the financial management issue of a school in Sha Tin has aroused concerns in society recently, will the authorities review the current guidelines?*

PRESIDENT (in Cantonese): Mr YIU, you have pointed out the part of your supplementary question not answered. Please sit down. Secretary, do you have anything to add?

SECRETARY FOR EDUCATION (in Cantonese): President, we will follow up on and investigate the case mentioned by the Honourable Member. As the investigation is still in progress, we are not in a position to give comprehensive comments here now. However, the incident was not purely an issue of travel or study tours but an issue of the financial management of the school, involving how the school handled fees charged in organizing activities or doing so through the Parent-Teacher Association; and how such expenditures and income are reflected in the accounting system or records. So, the issue may not be entirely related to study tours.

Nevertheless, we still attach great importance to these issues because although this incident may not directly involve the spending of public money, it did involve activities organized by schools with funds obtained from parents and students. Therefore, we now have to investigate whether the school had followed the guidelines on procedures of expenses accounting.

MR PAUL TSE (in Cantonese): *President, students nowadays are relatively lucky. They have the chance at a young school age to participate in many healthy activities outside Hong Kong, upholding the spirit of the Chinese proverb "Travelling thousands of miles is better than reading thousands of books".*

The authorities have issued quite a number of guidelines, including the Guidelines on Extra-curricular Activities in Schools, Guidelines on Study Tours Outside Hong Kong and Guidelines on Conducting Trading Operations. Figures show that C&ED has received 11 complaints while the Education Bureau has received two complaints. The number of complaints is relatively small compared with the number of study tours.

Therefore, may I ask whether the authorities consider it unnecessary to strengthen the regulation because the problem is not as serious as reported after assessment; or because the guidelines are not applicable if the activities are not directly organized by schools as stated in the main reply? Activities organized by other organizations, such as Parent-Teacher Associations, are outside the scope of regulation, hence the authorities have received fewer complaints under these circumstances?

SECRETARY FOR EDUCATION (in Cantonese): President, another explanation for the relatively small number of complaints is that there are sufficient guidelines and effective regulation. Hence, the number of schools which did not follow the guidelines was relatively small.

Activities organized by Parent-Teacher Associations, such as the case mentioned by Mr YIU just now, should be regarded as school activities according to the guidelines as Parent-Teacher Associations are appointed by the schools concerned to organize such activities. The requirements on tendering, obtaining quotations, etc., are identical.

Our guidelines are only applicable to schools because the Education Bureau introduced these guidelines solely from the perspective of school management. Insofar as other activities are concerned, there are different laws in Hong Kong, such as the Trade Descriptions Ordinance and ordinances regulating the tourism industry as mentioned in the main reply, to regulate them.

As I have said in the main reply, although the Government does have a regulatory role, consumers should not rely solely on regulation by the Government. We believe consumers should also be partly responsible for hire of services from suitable, credible and reputable merchants.

We will review the guidelines from time to time in order to tie in with the latest developments in society. As regards the figures mentioned by the Honourable Member, I think the number of complaints against study tours organized by schools for some time in the past was indeed relatively small.

PRESIDENT (in Cantonese): Fifth question.

Lantau Tomorrow Vision

5. **MS ALICE MAK** (in Cantonese): *This year's Policy Address has put forward the Lantau Tomorrow Vision ("the Vision") which proposes to progressively press ahead several development areas at Lantau Island and the coastal areas of Tuen Mun with the objective of increasing land supply and consolidating the sustainable development of Hong Kong. In this connection, will the Government inform this Council:*

(1) regarding the preliminary planning of the Vision, how the Government will take on board the public views on the option of reclamation in the Central Waters set out in the report to be submitted by the Task Force on Land Supply; of the implementation timetable for the various phases and project scopes of the reclamation works, as well as the estimated costs of the first phase of reclamation and other works;

(2) as quite a number of members of the public are concerned about whether the reclamation works in the Central Waters will damage the environment and whether the facilities on the artificial islands can withstand extreme weather, of the technologies and measures the Government will adopt to ensure that the various works concerned will strike a balance between development and conservation; how the Government will convince the public of the necessity of land formation by reclamation for Hong Kong; and

(3) as the Government will study the transport infrastructure facilities for linking up the artificial islands with districts such as Lantau Island, Hong Kong Island, Tuen Mun, Tsuen Wan and Kwai Tsing, whether the Government will concurrently conduct a comprehensive transport study for those districts?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, Hong Kong is currently facing acute land shortage problem. As pointed out in the preliminary observations by the Task Force on Land Supply ("the Task Force") in September 2018, there is a need for more land in Hong Kong (an estimated shortfall of at least 1 200 hectares). We will continue adopting a multi-pronged approach to proactively increase land resources.

The construction of the artificial islands in the Central Waters that the Lantau Tomorrow Vision proposed to study can provide sizeable pieces of land for Hong Kong. The proposals of forming artificial islands of about 1 000 hectares near Kau Yi Chau and the associated traffic and transport networks, if implemented, would benefit Hong Kong considerably. Apart from the revenue arising from residential and commercial land sale, developing the artificial islands will create substantial social and economic benefits, mainly from the 105 000 to 182 000 public residential units, 200 000 diversified, high-end and high value-added job opportunities, business opportunities emanating from the third Core Business District with a scale equivalent to 80% of Central, our development into a liveable city with holistic planning, comprehensive social facilities, and land development potential to be released by a broadened transport infrastructure network. In addition, the newly-built road and railway networks will serve to enhance the overall carrying capacity of the traffic and transport system in Hong Kong while effectively relieving the existing heavy traffic load in the North West New Territories.

My reply to various parts of the main question raised by Ms Alice MAK is as follows:

(1) As regards the implementation timetable of the artificial islands in the Central Waters, we will duly consider the final report to be submitted to the Government by the Task Force in end 2018 tentatively before firming up the details of the studies and consulting relevant District Councils on these details. We anticipate that funding approval will be sought from the Legislative Council in the first or second quarter of 2019 for commencement of the studies, which will focus on the artificial islands of about 1 000 hectares near Kau Yi Chau. Our work target is to commence the first phase of the reclamation works in 2025, with the first batch of residential units ready for intake in 2032. As for the remaining artificial islands near Hei Ling Chau, there is no concrete implementation timetable at the moment. Nevertheless, we will collect basic technical data in the above studies for future reference in long-term planning. The ultimate extent of reclamation should be subject to the results of the studies.

On construction costs, the Government does not have a formal estimate of the cost of the new infrastructure, including transport

infrastructure, at this stage. That said, based on an average water-depth of about 7 m at Kau Yi Chau, our preliminary estimate for the reclamation cost of the artificial islands will range from about $13,000 to $15,000 per square metre, which is comparable to the resumption cost of private agricultural land of $14,500 per square metre. Regarding the transport infrastructure, as I have just said, we need to conduct studies to establish a preliminary proposal, of which the specific details include the number of traffic lanes, alignment and the means to connect different places (e.g. bridge or tunnel), and all these details will need to be taken into consideration. The estimated cost regarding infrastructure works is therefore not available at this stage. I have to point out that this is similar to the studies for the new development area projects that formal estimates on the cost of related infrastructure are not available before carrying out the respective planning and engineering studies.

Having said that, with a view to addressing public concern over the construction cost of artificial islands, we will provide relevant estimates on the aforementioned aspects as far as possible before seeking funding approval from the Legislative Council for the studies by reviewing and analysing relevant information. But I have to emphasize that these estimates may need to be based on a host of assumptions.

The Government has all along put in place a stringent audit and monitoring mechanism for the approval of funding for public works and the use of public funds. In formulating the implementation strategies, the Government will carry out detailed financial assessment by taking into account relevant factors like fiscal sustainability, and properly manage fiscal risk, to ensure that the project expenditure is fiscally affordable.

(2) The Government has taken into account the balance between development and conservation when formulating the Lantau Tomorrow Vision. Apart from shallower water-depth, the main reason for studying the formation of artificial islands in the Central Waters is the relatively low ecological sensitivity in the area.

In taking forward the detailed engineering studies for individual projects, we will conduct the requisite environmental impact assessments under the Environmental Impact Assessment Ordinance, and make specific proposals on respective mitigation measures, thereby ensuring that all relevant statutory requirements are complied with. The prevailing reclamation techniques are effective in reducing impacts on surrounding water quality and ecology arising from the works. For instance, the use of "non-dredging methods" for reclamation and "deep cement mixing" can effectively reduce pollution caused by the removal of seabed sediments. We will explore other more advanced and environment-friendly reclamation techniques and designs in the studies with a view to further protecting the environment. In addition, we will in the studies explore to retain the existing eco-shorelines as far as possible and establish eco-shorelines at the artificial islands if situation warrants.

As always, we strive to encourage green groups and relevant stakeholders to participate in conservation initiatives. We will set up the $1 billion Lantau Conservation Fund mentioned in this year's Policy Address as soon as possible and continue to take forward the planning, design and implementation of various development and conservation initiatives and local improvement projects in Lantau in a coordinated and integrated manner.

In terms of addressing climate change, the Government is deeply concerned about the respective threats and set up the Steering Committee on Climate Change chaired by the Chief Secretary for Administration in 2016 to steer and coordinate the work of government departments on climate change. As regards marine infrastructure works, the Civil Engineering and Development Department ("CEDD") updated the Port Works Design Manual in early 2018, taking into account the future climate change projected in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change set up under the United Nations. The CEDD will pay close attention to the latest reports and timely update the design standards of port works as appropriate.

To enhance resilience against extreme weather, we will make reference to the latest design standards when designing the artificial

islands in the Central Waters under the coming engineering studies, and provide higher breakwater, wave breakers and non-building buffer zones along the shorelines as appropriate. It has been proven that structures and works (such as the Hei Ling Chau Typhoon Shelter and the Hong Kong International Airport in Chap Lap Kok near the artificial islands in the Central Waters), if suitably designed, could stand intact in the face of super typhoons like Mangkhut.

Since the delivery of the Policy Address, we have, on various occasions (including press briefings, interviews on radio and in other media, meetings of the Legislative Council Panel on Development, etc.), explained the objectives, details and implementation progress of the artificial islands in the Central Waters, while paying heed to the views and suggestions from different sectors of society. In addition, the relevant department has also briefed the public on the Lantau Tomorrow Vision which mentions the artificial islands in the Central Waters by means of distribution of pamphlets and web pages. We will make continuous effort to carry out the communication work.

We are aware of the public concern about the technical assessment. We will conduct the required site investigations, technical studies, and traffic and environmental impact assessments, etc. in the future studies and then draw up a detailed proposal. In the course of the studies, public engagement activities will be conducted to provide more comprehensive information for consulting the public and gathering their views and suggestions.

(3) According priority to transport infrastructure is one of the important policy directions for the Lantau Tomorrow Vision. In the future studies for the artificial islands in the Central Waters, we will conduct strategic studies on the major road and railway networks linking the proposed Kau Yi Chau artificial islands, Hong Kong Island West, North Lantau and the coastal areas of Tuen Mun. The studies will include related traffic assessments. On the whole, we believe that the new major road and railway networks can effectively relieve the traffic load of the North West New Territories to and from the urban area, which is very heavy now.

MS ALICE MAK (in Cantonese): *President, regarding this Lantau Tomorrow programme, obviously many people in society have taken advantage of it to carry out political propaganda. Just now I heard some people say that Lantau Tomorrow is meant to facilitate residents of the Greater Bay Area in coming to Central. But what reasons are there to deliberately introduce Lantau Tomorrow to make it convenient for them to come to Central? This is so laughable indeed. These people have no logic at all in what they said.*

I have this question for the Secretary. Some opponents of this programme said that reclamation is actually not necessary and that it would do simply by resuming all the brownfield sites. Is it true that the resumption of all the brownfield sites can resolve the existing housing problem? Indeed, the development of new development areas in the North East New Territories and Hung Shui Kui is carried out through the resumption of brownfield sites. In taking this approach, for how long did the process drag on? How long did it take to resume the sites? And, how effective was this approach? Secretary, could you please give a clarification?

SECRETARY FOR DEVELOPMENT (in Cantonese): I thank Ms MAK for her supplementary question. Brownfield sites are indeed one of the issues we will make an effort to deal with. Ms MAK mentioned Kwu Tung North and Fanling North, and in these cases we can see the challenges and difficulties encountered in the handling of brownfield sites.

Since the start of the planning work in 2008, actually we have yet been able to commence the land resumption work in Kwu Tung North and Fanling North. But thanks to the Legislative Council for approving just this year the compensation and rehousing arrangements which we consider more effective, we will proceed to resume the brownfield sites next year. Why is it difficult? Because on an existing site there is a myriad of existing interests that need to be looked after. For the occupants or owners, we need to consider the question of rehousing, and compensation is also a factor for consideration, too. As I said in reply to Mr Andrew WAN earlier, brownfield sites in Hong Kong are very different from those in foreign countries. In the United States, some brownfield sites may be ruined and deserted, and while there might be factories on these sites in the past, their operation has now ceased, whereas in Hong Kong, basically economic activities are being carried out actively on the brownfield sites.

Therefore, in respect of the planning of Hung Shui Kiu, insofar as these 190 hectares of brownfield sites are concerned, actually we need to provide 60 hectares of land to meet the logistics or storage needs. If we look farther, and let us set aside those several development areas, we will kick-start studies, say, on the remaining 760 hectares of scattered, fragmented brownfield sites, in order to ascertain their development potential. But as I said in reply to Mr WAN's question earlier on, it is unrealistic to anticipate that these 760 hectares of brownfield sites mostly carry enormous development potential.

MR KENNETH LAU (in Cantonese): *President, upon completion of the artificial islands in Kau Yi Chau, the Government has to link up the artificial islands with districts such as Lantau North, Hong Kong Island, Tuen Mun, Tsuen Wan and Kwai Tsing through transport infrastructure. According to the planning in Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030, New Territories West will be given great weight in the future development. Coupled with the new development projects in Yuen Long South, Hung Shui Kiu and Kam Tin, the population of New Territories West is estimated to increase by 400 000 in 2025. At present, the West Rail Line has already reached its carrying capacity during peak periods. The development of a coastal railway between Tuen Mun and Tsuen Wan to link up with various districts in Kowloon can brook no delay. The Railway Development Strategy 2000 mentioned the alignment of the Tuen Mun to Tsuen Wan Link, which would run from Tsuen Wan, Sham Tseng, Tsing Lung Tau, So Kwun Wat, Tai Lam to Tuen Mun. It was eventually shelved by the Government in 2014 for the exorbitant costs to be incurred.*

In view of the forthcoming reclamation projects under Lantau Tomorrow, will the authorities reconsider making proper planning for the Tuen Mun to Tsuen Wan Link to pre-empt the scenario where only stop-gap measures are taken after the population has increased substantially in the future?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Mr LAU for his question. While the Tuen Mun to Tsuen Wan Link is led by the Transport and Housing Bureau, I can say a few words on it.

I believe this railway link was shelved not only because its costs were exorbitant. The view at the time was that the demand was not enough and so, the then Government decided that the Tuen Mun to Tsuen Wan Link be excluded

from the projects for consideration. Members can refer to the Railway Development Strategy 2014 and they will find that the several railways mentinoed therein do not include the Tuen Mun to Tsuen Wan Link.

As for the present situation, through the Lantau Tomorrow Vision Members can see the idea put forward by the Government—of course, studies have to be conducted before its implementation or otherwise can be confirmed—and in fact, I visited the Yuen Long District Council some time ago and a member told me that the suggestion made by the Government now is, in his view, equivalent to developing half of the Tuen Mun to Tsuen Wan Link, because if we look at the Government's idea, we can see that basically it proposes a railway to link up Tuen Mun South (or the coast of Tuen Mun) with Sunny Bay which is then linked up with Kau Yi Chau and all the way to the urban area on Hong Kong Island. Of course, it does not lead to Tsuen Wan but I think from the angle of traffic diversion between New Territories West and the urban area, perhaps I would say that this is probably a more effective option because the Mass Transit Railway line at Tsuen Wan is very busy now.

I believe the emergence of the artificial islands in Kau Yi Chau will also bring new population in the future. In fact, with regard to the development of a new railway link, the expansion of the traffic capacity aside, the source of patrons is also important in some places of strategic significance. Now we are saying that there may be a population intake of 400 000 to 700 000 in Kau Yi Chau and this will give us a stronger reason to consider the development of a railway with an alignment running through those places mentioned by me just now. And as Ms Alice MAK has kept pointing out, the development of a loop link connecting with the urban area will greatly improve the situation of the residents in North West New Territories. The Government very much shares this view.

MR ANDREW WAN (in Cantonese): *President, I wish to follow up part (3) of the main reply. In the Bureau's reply, it is stated that according priority to transport infrastructure is a policy direction for Lantau Tomorrow. As mentioned by the Secretary earlier, the implementation of this programme will benefit the North West New Territories, including such districts as Yuen Long, Tuen Mun and Kwai Ching, for they will be covered by the railway network in the future.*

Let us take a look at the statistics. According to the Government's population projection, the population of Hong Kong will increase by 500 000 in 2026, with 400 000 of the new population being taken up by New Territories

West. According to what the Secretary said earlier, this level of demand should be enough or even more than enough. The trains on the West Rail Line are now jam-packed every day, and people simply cannot get on them.

President, in other words, the Government is actually applying a bundling tactic in Taliban style. If you want a railway, then you have to support Lantau Tomorrow, or else you will not be given it. May I ask the Government if this approach of a bundling tactic intended to threaten and betray the residents in the North West New Territories?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Mr WAN for his supplementary question. His supplementary question is very good. I would like to tell the Honourable Member that there is no question of bundling or holding the residents to ransom. Actually we are stating the facts and presenting arguments. As I said earlier, the Railway Development Strategy 2014 had conducted a large number of studies and taken into consideration many statistics which, I believe, Mr WAN should know very well. In retrospect, several years ago the Government formulated the town plans for Kwu Tung North and Fanling North, and the town plan for Hung Shui Kiu has just been completed. According to our calculation, the existing infrastructure can indeed cope with the new population, and from the understanding I obtained when visiting the districts...as I have said many times, the local residents told me that they absolutely did not feel this way. If we take a look at the statistics and the transport assessments made by the Government, we will see that, after our calculation, the existing infrastructure can indeed cope with it. As I said in reply to Mr Kenneth LAU just now, the Transport and Housing Bureau thus concluded that they did not see the need for the Tuen Mun to Tsuen Wan Link, and I can also say here that this was not only due to expensive costs. Actually it was because the Government did not see such need.

Therefore, following the development of Kau Yi Chau, certainly we will need to conduct studies, but this is a way to effectively overcome the challenge in respect of the demand. This is absolutely not bundling but presentation of arguments based on the facts.

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

MR ANDREW WAN (in Cantonese): *President, my question to him was this: According to the figures, there is already a need to develop this link. Is this not a betrayal of the residents in the North West New Territories? He needs only say "yes" or "no".*

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

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Mr WAN for his follow-up question. As I said earlier, the Transport and Housing Bureau had stated some time ago that they did not see the reason or need to develop the Tuen Mun to Tsuen Wan Link at this stage. This is a conclusion drawn on the basis of a large number of studies and statistics and so, I will not make any repetition here because it is very difficult for me to go over with Members once again the entire Railway Development Strategy 2014. But Members can refer to the relevant studies to find out the facts.

MR AU NOK-HIN (in Cantonese): *President, the Lantau Tomorrow programme is "Central-centrism" through and through. First, the Government is wrong in comparing the two figures of the cost of reclamation and that of resumption of agricultural land. Any person with some common sense will know that 70% of the agricultural land belongs to Zones B, C and D, which means that it should not cost as much as $14,000. Second, more and more people are saying that future urban development should concentrate on Kowloon and the New Territories and if a new road would be developed for the entire 1 million population to be connected with Hong Kong Island …*

PRESIDENT (in Cantonese): Mr AU, please ask your supplementary question.

MR AU NOK-HIN (in Cantonese): *My supplementary question is that in connecting 1 million people with Hong Kong Island, does the Government mean to cause greater sufferings to people who have to cross the harbour for work?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Let me start by sharing the first point with Mr AU, which is why we said that the resumption cost of agricultural land is $14,500 per square metre. It is because in the development of a new development area, all the private agricultural land within the new development area will be regarded as land in Zone A and this is a fact I have to state.

Regarding another point raised by Mr AU, I also wish to explain it in brief. For example, in the case of Hung Shui Kiu, we consider it a place that can provide a lot of business opportunities and just as we said some time ago, we think that Hung Shui Kiu can create 15 000 jobs and yet, Hung Shui Kiu cannot become a Core Business District. For a district to be developed into a Core Business District, several conditions have to be met. For instance, it cannot be too far away from the existing Core Business Districts. As we have pointed out many times, Kau Yi Chau is only 10 km away from Central, comparing to 8 km between Taikoo Shing and Central. To become a Core Business District, a district has to provide a large number of job opportunities which can be business or financial jobs, and Kau Yi Chau can provide 200 000 job opportunities.

There will be 1 000 hectares of land in Kau Yi Chau where we hope 400 000 to 700 000 people will live in the future, and there is no reason for me to assume that all the residents have to go to Central for work. In fact, the development of Kau Yi Chau precisely will, to a very large extent, enable the young generation to fill the more promising jobs available in the district. Better still, we believe people from Central or residents on Hong Kong Island will go to Kau Yi Chau, thus creating a flow, so to speak. When we review the adequacy of transport infrastructure, the flow is an important factor, and if there is a higher flow volume in a less crowded place, that would actually be a good thing.

PRESIDENT (in Cantonese): Last oral question.

Hospital accreditation programme

6. **PROF JOSEPH LEE** (in Cantonese): *President, since 2009, the Hospital Authority ("HA") had implemented a hospital accreditation programme ("the accreditation programme") in phases in public hospitals, with a view to enhancing the accountability of hospitals for service quality and safety. Some health care workers have relayed that while the accreditation programme put*

much emphasis on the procedure, it disregarded the manpower shortage problem (i.e. the so-called "accrediting the procedure but not the manpower"). Health care workers were worn out by the large amount of paperwork generated by the accreditation programme, which conversely affected the quality of clinical services. After discussing with the Secretary for Food and Health, HA decided in January this year to suspend the accreditation work, so as to alleviate the work pressure on health care workers during the influenza surge and to allow them more time for taking care of patients. It has been reported that HA suddenly terminated the accreditation programme last month and indicated that it was exploring a new model for implementing the accreditation programme. In this connection, will the Government inform this Council whether it knows:

(1) the details of the new accreditation programme to be implemented, including the implementation date, the expenditure and manpower involved, as well as how the accreditation of both the procedure and manpower will be achieved; and

(2) how HA will ensure that the implementation of the new accreditation programme will neither increase the work pressure of health care workers nor affect the quality of health care services?

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

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, my consolidated reply to the various parts of the question raised by Prof Joseph LEE is as follows:

It is one of the key strategic directions of the Hospital Authority ("HA") to ensure patient safety and improve patient services. Given the advancement in medical technology, population growth and increasing complexity of hospital services, the establishment of a sound risk and quality management system has become fundamental to improving the quality of health care services. Hospital accreditation is a general global trend. It has been widely adopted across the world to enhance the quality of health care facilities and ensure patient safety. Through hospital accreditation, the risks and inadequacies of such aspects as hospital management, facilities and operation are assessed in an objective and systematic manner to ensure continuous service quality improvement.

HA launched the Hospital Accreditation Programme ("the Programme") in 2009. With the concerted efforts of hospitals and their staff over the years, 20 HA hospitals have been awarded full accreditation status as at 2016. Drawing from the experience of implementing the Programme in the past few years, and on the advice of frontline staff and stakeholders, HA initiated a comprehensive review of the Programme in February 2017. In mid-July 2017, having regard to the sharp increase in demand for public hospital services during the influenza summer surge and the work pressure on frontline staff, HA suspended all hospital accreditation activities. During the suspension period, HA continues to explore ways to enhance the continuous quality improvement model taking account of local situation and characteristics.

In the review process, staff members agreed that the main purpose of hospital accreditation was to establish a sound risk and quality management system to ensure continuous quality improvement. Over the past few years, HA hospitals have effected improvements as appropriate in various areas and services on the basis of the recommendations of self-evaluations and independent surveyors. For example, sterilizing facilities in operating theatres and their operation are improved, medication safety is enhanced and occupational safety and health of their staff are further strengthened. Staff members also expressed during the review that they had been worried and concerned about the implementation of hospital accreditation. For example, certain accreditation standards and improvement recommendations might not be suitable for adoption in public hospitals; preparation for accreditation and survey documents generated extra work pressure on staff; and there were variations in surveyors' rating standard and their experience.

At present, a new working group, comprising representatives from HA Head Office and hospital clusters, has been set up by HA to explore how to draw up a new continuous quality improvement plan for public hospitals. The directions to be considered will focus on the following:

(1) To carry out improvement work at a steady pace with emphasis placed on continuous quality improvement and patient safety, rather than on performance assessment of individual units or staff members or enforcement of requirements under the accreditation standards for enforcement's sake.

(2) To eliminate duplication of work processes, including reducing paperwork as well as the frequency of hospital visits and ward rounds. HA may allocate extra resources to help hospital clusters handle the work for continuous quality improvement, so that frontline health care staff can focus on their routine clinical and health care duties. The elements of continuous quality improvement may also be integrated into routine clinical and health care services, so as to spare the staff the need to undergo extra training.

(3) To enhance the support of the HA Head Office for hospital clusters. The HA Head Office may take up the responsibility of organizing, implementing and coordinating continuous quality improvement programmes. HA may also coordinate the deployment of extra resources for carrying out patient or staff safety improvement measures identified during the implementation of continuous quality improvement programmes.

The support and collaboration of every staff member are necessary for enhancing continuous quality improvement. Currently, HA is preparing to organize consultation sessions and focus groups for staff of different grades to enhance staff communication and collect their views. HA will also invite patient groups and stakeholders to give their views on the new continuous quality improvement plan through different channels.

HA will continue to explore how to draw up a new continuous quality improvement plan taking into account local situation and characteristics as well as the views of different stakeholders, so as to provide patients with quality and safe health care services.

PROF JOSEPH LEE (in Cantonese): *Deputy President, the Secretary has not answered my question. She has merely provided the general direction but my question is not about the general direction.*

Part (1) of the main question is straightforward, which asks whether the Bureau knows, in respect of the expenditure and manpower involved, if the new accreditation programme will accredit the procedure but not the staff. The Secretary has not answered this.

Deputy President, I have to reiterate the reason for asking this question. When HA applied for funding for the accreditation programme in the past, it stated that the purpose of the accreditation was to identify inadequacies. Take blood infusion as an example. It should involve 10 steps, but due to the shortage of manpower or resources, not every step can be carried out, and we are asked to approve funding for the provision of the manpower or resources required. Yet, the authorities have never done so. In the past decade, the authorities have merely identified the inadequacies without taking further actions.

At issue is that despite the increase in paperwork, manpower and resources have not been increased. And it is against this background that I raise the concern in part (1) of the main question. Yet, the Secretary has not answered that. How will the new accreditation plan be implemented: First, what is the expenditure incurred; second, what is the increase in manpower; and third, will the plan still sticks to accrediting the procedure but not the staff?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, I thank Prof LEE for his question.

HA is now working out a new accreditation plan. First, it has not yet come up with a specific model for the plan. As for the timing, I believe HA will organize consultation sessions early next year after the influenza surge. It will study the views of staff and stakeholders expressed in the consultation sessions and in focus groups to identify their worries concerning the existing accreditation programme and the previous one, as well as their expectations on the way the new accreditation programme will be implemented.

Though the authorities have not yet come up with the so-called model of implementation for the accreditation programme under planning, the various key issues I mentioned just now will be included. First, it will bring forth continuous improvement in service quality. The accreditation programme is not an examination, and it will focus on enhancing service quality and patient safety. Second, it will reduce duplication of procedures. As Prof LEE mentioned just now, the accreditation procedure involves a large amount of paperwork and other work. The new accreditation programme will reduce the work in these aspects and HA will keep track of the progress. Third, representatives from the HA Head Office and hospital clusters will form a new working group to examine the accreditation work to be carried out.

If inadequacies are identified after accreditation and resources or manpower is required to address the issues, I trust HA will definitely increase the resources required for relevant aspects to enhance patient safety and service quality continuously and ensure that necessary work will be done better.

DR PIERRE CHAN (in Cantonese): *Deputy President, the authorities often say that there is a shortage of manpower. We have the manpower actually, just that the manpower has been deployed to perform administrative duties and paperwork. The reply of the Secretary has told us so.*

In the main reply, the Secretary said that the accreditation was the concerted efforts of staff and hospitals. Yet, I would like to tell the Secretary what the staff members actually think. They think that it is a waste of manpower and money, and now that the accreditation programme has been called to a halt, the efforts made are thrown down the drain.

Prof Joseph LEE has raised the same question earlier. We both want to know the manpower consumed, for we notice that many staff members have to undertake administrative work and paperwork. I will cite the case of a medium-scale hospital as an example to reflect to the Secretary the manpower required for the hospital accreditation programme in figures.

First, the hospital has to set up a steering committee on hospital accreditation which includes 10 doctors and nurses. Moreover, there is a hospital project team for accreditation with dozens of members. Then, there is a departmental working group with another dozens of members, as well as another working group with dozens of members responsible for following up hospital accreditation with the Head Office. At the Head Office, there is the Task Force Coordinate Group in Project Teams—I do not know its Chinese translation—which includes another dozens of staff members. As each accreditation programme includes 50 projects, and a person in charge and an executive are assigned for each project, it means a hundred-odd people are involved. According to my earlier calculation, it will involve some 100 to 200 staff members for a medium-scale hospital to handle this programme, and some of the manpower has not yet been included in the calculation.

The Secretary said in the main reply that the performance of HA is excellent as 20 hospitals have been awarded accreditation status. May I ask the Secretary whether she knows the health care workers involved in the

implementation of the hospital accreditation programme for the past 10 years? Does the Secretary have the figure at hand?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, I thank Dr CHAN for his supplementary question. Regarding the situation mentioned by Dr CHAN just now, that the existing accreditation programme wastes manpower and generates a large amount of paperwork, HA knows the problems concerned. HA has conducted certain reviews and studies some time ago and has identified some problems. Precisely for this reason, since the influenza surge in July 2017, HA has suspended the accreditation programme in view of the heavy pressure borne by staff members.

In view of this, HA considers it necessary to set a new direction. Though an overall model for the new direction is not yet available, the key concept is to avoid putting frontline staff under heavy pressure and to minimize paperwork. As for the formulation, implementation and study of the new proposal, representatives from the Head Office and hospital clusters will be responsible for the organization, implementation and coordination of the relevant projects. In other words, it will not consume frontline manpower as in the previous case as mentioned by the Honourable Member just now. As for coordination, the authorities will review whether additional resource is required for further enhancement.

DEPUTY PRESIDENT (in Cantonese): Dr Pierre CHAN, which part of your supplementary question has not been answered? You cannot ask another supplementary question.

DR PIERRE CHAN (in Cantonese): *Prof Joseph LEE asked about the waste of manpower in the coming programme, and I asked about the manpower involved in the implementation of the hospital accreditation programme in the past 10 years. I meant to have the figure but not a lengthy reply.*

DEPUTY PRESIDENT (in Cantonese): Dr CHAN, you have clearly stated the part of your supplementary question which has not been answered.

Regarding the part to the Member requested an answer, Secretary, do you have anything to add?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, regarding the manpower involved in the implementation of the hospital accreditation programme in the past 10 years, I do not have the relevant figures now. Certainly, I have to examine this issue with HA. Yet, I would like to stress that HA has realized the problems of manpower waste and pressure of colleagues in the past. Hence, they are now working hard to identify a new direction which will not cause manpower waste and will reduce paperwork undertaken by staff, and the proposal will be carried out by the Head Office and hospital clusters instead of individual hospitals. The new direction is different from the previous programme at least in these several aspects, and the manpower waste and paperwork under the new accreditation programme will definitely be reduced in some measure.

MR PAUL TSE (in Cantonese): *Deputy President, hearing that the accreditation system implemented for less than 10 years has been aborted, I cannot but express regret. I understand that the implementation of this programme is no easy task, for the authorities have to strike a balance between observing the general accreditation system adopted worldwide and the unique environment in Hong Kong. An accreditation arrangement is obviously not easy for big hospitals, yet for a small solicitor firm like mine, it is also a headache, as many lawyers would request more time for profitable frontline business. Nonetheless, accreditation is accreditation. A lot of workflow arrangements and procedures have to be followed, and if we intend to handle issues in a systematic manner, these are inevitable. In this connection, I would like to know more. In the main reply, the Secretary said time and again that the accreditation arrangement should take into account local situation and characteristics. What exactly are these local situation and characteristics? Is she referring to the manpower shortage, over-expectation of the people of Hong Kong or other causes?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Mr TSE for his supplementary question. In the past decade, 20 hospitals have been awarded the accreditation status, so we cannot say that the programme has made no achievement, for by means of the accreditation exercises in the past, the authorities have made proper improvement in various aspects and services. As I said earlier, these include the improvement of sterilizing facilities in operating theatres and their operation, enhancement of medication safety and even the strengthening of the occupational safety and health of staff. There has been continuous improvement in these aspects. As for local situation, it is about the overall management model, risk management and quality maintenance under the

existing system in Hong Kong, which may vary from hospital to hospital. Hence, under the new proposal, the programme will be coordinated by hospital clusters to avoid increasing the work pressure on frontline staff of individual hospitals. Second, the accreditation will not be carried out in the form of examination with a view to minimizing the paperwork of frontline staff. Certainly, for certain standards which must be complied with, HA will continue to adhere to them.

PROF JOSEPH LEE (in Cantonese): *Deputy President, the Secretary has not answered Dr Pierre CHAN's supplementary question just now, that is, the manpower involved in the implementation of the hospital accreditation programme in the past 10 years, for the Secretary said that she did not have the information. Now, I take further the calculation done by Dr Pierre CHAN that 200-odd staff members are responsible for the accreditation programme of one hospital. Just now, the Secretary said that 20 hospitals had been awarded the accreditation status, and that each of these hospitals had carried out the accreditation exercise twice in the past 10 years. Hence, according to my rough calculation, around 5 000 staff members were involved in the implementation of the accreditation exercise each time, which means around 10 000 staff members had been involved in the programme. Had the 10 000 staff members been deployed to perform frontline health care duties, there would not be so many patients waiting for consultation. This is not my question. I am just helping the Secretary to answer this question. I wonder if the Secretary can verify and provide the relevant information on whether 10 000 staff members have been involved in the implementation of the accreditation programme after the meeting.*

Deputy President, in the past two years, the Association of Hong Kong Nursing Staff had expressed that the programme should not be implemented. In the past, the 10 000 staff members had to work on the implementation of the programme, but now the programme has been suspended. Yet, the Secretary has failed to provide any information concerning the new programme. In fact, the 10 000 staff members involved, be they doctors or nurses, have been working earnestly and responsibly, for they do not want to waste public money. Hence, when hospitals learnt that a new programme was going to be launched, they started the clinical preparatory work on the front line. In other words, the 10 000 staff members have started doing the relevant work again. They started monitoring nurses to check if they have carried out the 10 steps required in blood infusion and whether there is adequate manpower to cope with these steps, lest these steps cannot be carried out in future.

Secretary, since you do not have any details but a general direction of the programme for the time being, will you undertake to instruct HA to stop all clinical preparatory work on the front line, so that all the manpower, including the thousands to 10 000 staff members, can concentrate on coping with the influenza surge presently. At present, all the medical wards are full, with an occupancy rate of over 100%. I beg the Secretary to inform HA to stop doing these futile tasks, so that manpower resource can be used in a focused manner. This is the first point. Second, will the Secretary undertake …

DEPUTY PRESIDENT (in Cantonese): Prof LEE, you can only ask one supplementary question.

PROF JOSEPH LEE (in Cantonese): *… will the Secretary undertake to increase manpower? If not, when a nurse has to take care of 10 patients, the nurse can hardly meet the required standard.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, I have to thank Prof Joseph LEE for his suggestion. According to the information provided to us by HA, the accreditation work remains suspended for the time being. Certainly, the authorities have initially proposed a new direction, yet the official consultation of frontline staff will commence after the influenza surge in 2019, which will involve consultation and focus groups initially. Since the authorities have to listen to the views of stakeholders and frontline staff, the approach in implementing the new direction or the new accreditation programme can be confirmed only after the completion of the consultation exercise. If certain colleagues have started making the preparations of their own accord at this moment, I will definitely request HA to communicate properly with colleagues, ensuring that they know the accreditation work remains suspended even though a new direction has been espoused.

MR PAUL TSE (in Cantonese): *Deputy President, Chinese people are good at rising to contingencies and fighting challenges. In this respect, we are different from overseas countries which focused on systems, requiring compliance with rules and procedures. Each approach has its own merits. In some measure, it is comparable to the case that we had some relatively good systems before the*

reunification, and after the reunification, we focus more on whether or not a person is a "good fighter". In this connection, has the Secretary assessed whether the previous decision on implementing the accreditation programme is not that suitable for the local situation in Hong Kong? The Secretary mentioned local situation and characteristics in the reply earlier, is it the same as what I said and should the people of Hong Kong be given greater flexibility to bring their strengths into full play?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, I thank Mr TSE for his supplementary question.

When the accreditation programme was introduced 10 years ago, HA had commissioned The Chinese University of Hong Kong ("CUHK") to conduct a survey on the pilot scheme on hospital accreditation in July 2011 to understand the views of HA staff on the accreditation programme. Back then, 80% of the respondents supported the full implementation of the hospital accreditation programme in Hong Kong. The respondents considered that the hospital accreditation programme was meaningful and would enhance service quality and patient safety, and the programme was then commenced.

Later, in 2013 and 2016 respectively, HA commissioned another department of CUHK to conduct a survey to understand the impact of the hospital accreditation programme on hospitals. Though colleagues supported the implementation of the accreditation programme, some colleagues presented the consequence and situations arising from the accreditation programme. For instance, 64% of the respondents considered the hospital accreditation programme conducive to the improvement of service quality and patient safety and meaningful. Yet, they also stated that there were difficulties in the course of preparation, including the shortage of resource and manpower, leading to an increase in workload. In view of such information and findings of the surveys, HA has made improvement, and it is why HA has suspended the accreditation programme and is exploring a new direction. Though the model of the new direction is yet to be confirmed, HA has stated clearly that it will address the existing problems and make improvement.

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

WRITTEN ANSWERS TO QUESTIONS

Measures to cope with an increasing number of inbound tourists

7. **MR WONG TING-KWONG** (in Chinese): *President, with the recent commissioning of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge, as well as the imminent opening of the Liantang/Heung Yuen Wai Boundary Control Point, the cross-boundary infrastructure facilities between Hong Kong and the Mainland is becoming more comprehensive. The Government anticipates that there will be an incessant rise in the number of inbound Mainland tourists. On the other hand, the patterns of inbound Mainland tourists' activities in Hong Kong have become increasingly diversified and their engagement in some activities (e.g. hiking and camping in the countryside and using public cultural and recreational facilities) has impacted on the daily lives of Hong Kong people. In this connection, will the Government inform this Council:*

(1) whether it has studied the impacts of the improvements in recent years in cross-boundary infrastructure facilities on the various aspects (including the number of tourists) of the tourism industry, and whether it has reviewed the effectiveness of the various measures which aim to enhance Hong Kong's tourist receiving capacity and if such measures need to be strengthened; if it has, of the outcome; if not, the reasons for that;

(2) of the person-time, in each of the past three years, of inbound tourists using public cultural and recreational facilities, with a breakdown of such numbers by (i) type of facilities and (ii) place of origin of such tourists and their percentages in the total numbers;

(3) whether it will step up the management of those locations where tourists usually gather, such as (i) allocating additional resources and manpower for maintaining order and keeping such locations clean and (ii) planning for the provision of more tourism facilities; and

(4) whether it has conducted any investigation into the cases in which tourists occupied designated camp sites in country parks and caused damage to the ecological environment; if so, of the outcome, and the measures put in place to raise tourists' awareness of caring for the nature?

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Chinese): President, the Government attaches great importance to the sustainable and healthy development of the tourism industry. Whilst ensuring the industry's stable and orderly growth, we also seek to minimize as far as possible the impact of tourist activities on the local community. With the relevant bureaux and departments consulted, our reply to the question raised by Mr WONG is as follows:

(1) and (3)

As the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge ("HZMB") were put into service only recently, their impact on Hong Kong's travel industry is still to be ascertained. In 2016, 2017 and the first nine months of 2018, the overall visitor arrivals to Hong Kong were 56.65 million, 58.47 million and 46.68 million respectively, of which 42.78 million, 44.45 million and 36.63 million were from the Mainland, accounting for approximately 76% to 78% of the overall visitor arrivals.

In view of the steady growth in overall visitor arrivals to Hong Kong in recent years and the commissioning of various cross-boundary infrastructure in succession, the Government has strived to increase or improve Hong Kong's tourism facilities, as well as to enhance the city's tourist-receiving capacity.

In October 2017, the Government published the Development Blueprint for Hong Kong's Tourism Industry. One of the four major industry development strategies therein is to nurture and develop tourism products and initiatives with local and international characteristics to cater for the needs and preferences of different visitor segments, thereby diverting tourists to sightsee and shop in different districts of Hong Kong strategically, and increasing the overall economic benefits brought by the tourism industry to all citizens in Hong Kong.

The Government is collaborating with various stakeholders with plans to develop new tourist attractions and implement various cultural and creative tourism projects in places like Sham Shui Po, Wan Chai and Yim Tin Tsai, Sai Kung, as well as to promote green tourism development in New Territories and outlying islands along the principles of nature conservation and sustainable development. The Government completed the revitalization of Dr Sun Yat-sen Historical Trail in April 2018. The revitalized trail, together with PMQ, "Tai Kwun" and the promotion campaign "Old Town Central" launched by the Hong Kong Tourism Board ("HKTB"), have transformed the Central and Western District into a new hub of heritage, cultural and creative tourism. The construction of a number of facilities in the West Kowloon Cultural District, namely the Xiqu Centre and the M+ Pavilion, will also be completed in phases in the next few years, contributing to the formation of a new tourist spot and thus the diversion of travellers. In addition, HKTB has been actively promoting to visitors various activities in relation to traditional festivals with local distinctive characteristics, including the Yu Lan Ghost Festival, Cheung Chau Jiao Festival, the Tai O dragon boat water parade, Tai Hang fire dragon dance, etc., with a view to enticing tourists to patronize different districts of Hong Kong.

In respect of theme parks, the Hong Kong Disneyland Resort is taking forward its expansion and development plan, and various attractions will be completed progressively from this year onwards till 2023, including the attraction "Moana: A Homecoming Celebration" stage show launched in May 2018. As regards Hong Kong Ocean Park, it is taking forward projects concerning an all-weather waterpark and two new hotels. Whilst one of the hotels has been soft-launched this year, the water park and the other hotel will be completed progressively from this year onwards until 2021.

Apart from developing various tourism attractions and projects, the Government will also promote the development of ancillary facilities in Hong Kong, such as putting forth in different districts sites designated for "hotel only" or commercial sites that allow for hotel development, with a view to encouraging the development of various

types of hotels and further increasing the supply of hotel rooms in Hong Kong.

Furthermore, the Government is pragmatic in tackling problems brought about by tourist flows in different districts. In response to the inconvenience caused by inbound tour groups to the community, the Government has, in collaboration with the trade, adopted various targeted measures to minimize the impact to the community. Such measures include encouraging tour coaches to use legal parking spaces, as well as appealing to the trade to maintain order when receiving tour groups and make good use of information technology to strengthen visitor and vehicular flow control, etc.

In respect of environmental hygiene, the Food and Environmental Hygiene Department ("FEHD") enhances the cleansing of streets and public toilets at popular gathering spots for visitors to keep the cityscape clean. For places where public cleanliness offences (e.g. littering, spitting, etc.) are frequent, FEHD also increases the frequency of inspection and strengthens law enforcement. Moreover, FEHD is implementing renovation or repair works for its 23 public toilets situated at tourist attractions, and has added five public toilets at the Hong Kong Port of HZMB newly commissioned, so as to facilitate use by tourists. FEHD also calls upon members of the public and visitors to maintain environmental hygiene through various channels, including its website, social platforms, television, radio, poster advertisement and publicity leaflets, etc.

As regards crowd management, in case of crowding up of tourists in certain areas, Police will, on a need basis, deploy more manpower to maintain public order and public safety, as well as smooth traffic flow thereat.

(2) We do not maintain figures in respect of inbound tourists using public cultural and recreational facilities.

(4) There are currently 41 designated campsites within country parks of Hong Kong, which are open for camping by the public including tourists. The Agriculture, Fisheries and Conservation Department

("AFCD") displays camping codes at the designated campsites to remind members of the public and visitors of proper camping manners. It also disseminates relevant information on its website to encourage members of the public and visitors to plan ahead and be well-prepared before camping in country parks, as well as to make sure their camping activities are environmentally-friendly.

In view of the increasing popularity of green tourism in recent years, the Tourism Commission ("TC") has written to the Ministry of Culture and Tourism, reporting to it relevant trends and inviting it to, through appropriate channels in the Mainland, remind the travel trade and tourists to pay attention to certain codes of conduct when participating in green tourism activities in Hong Kong. Such codes of conduct include using public facilities near campsites in a proper manner, refraining from camping at non-designated camping areas and refraining from any acts that are harmful to the biological environment, etc. TC has also frequently collaborated with the Guangdong Province Culture and Tourism Unit, the Guangzhou Tourism Administration and the Shenzhen Municipal Bureau of Culture, Sports and Tourism to, through Mainland online media and newspapers, release public notices targeting at Mainland residents who intend to visit Hong Kong, so as to raise their awareness of travelling manners.

TC will keep a close eye on the travel trends of Mainland tourists, and report destinations that the latter tend to visit to Home Affairs Department and other relevant departments in various districts for advance planning. FEHD, AFCD and Leisure and Cultural Services Department will also from time to time review their site management and staffing mechanism, including deploying staff to step up inspection at popular destinations during peak arrival seasons of Mainland tourists, to advise and educate individuals involved in inappropriate behaviours and take enforcement actions against violations as appropriate, and at the same time to step up site cleansing and crowd management so as to minimize the impact of relevant activities on the districts concerned.

Prevention of atrial fibrillation and the strokes caused by it

8. **MR KWONG CHUN-YU** (in Chinese): *President, it is learnt that the incidence of atrial fibrillation ("AF") increases with age, the risk of AF patients having a stroke is five times higher than that of an ordinary person, and strokes caused by AF are more severe and have a higher mortality rate than other types of strokes. A medical research has revealed that currently there are more than 70 000 individuals in Hong Kong suffering from AF, and one-fourth of the local stroke cases were caused by AF. Regarding the prevention of AF and the strokes caused by it, will the Government inform this Council:*

(1) whether it knows the current number of confirmed AF patients in public hospitals, and the measures taken by public hospitals to prevent such patients from having a stroke;

(2) whether it knows the number of stroke patients receiving treatment in public hospitals, the number of such patients whose stroke was caused by AF, and the expenditure incurred for providing rehabilitation treatment to the latter, in each of the past five years;

(3) whether it will consider launching, in the near future, a community-wide AF screening programme for early identification and treatment of AF patients, so as to reduce their risk of stroke; if so, of the specific timetable, and whether such a programme will be implemented by (i) adopting a public-private partnership approach and (ii) entrusting the programme to the District Health Centres; if it will not consider, of the reasons for that, and whether it will set up an expert group to study the pros and cons of such a programme;

(4) whether it knows if the general and specialist outpatient clinics in the public sector will, for the purpose of early identification and treatment of AF patients, (i) use a checklist of AF high-risk factors and (ii) conduct relevant check-ups for those people who have such risk factors; if they will, of the specific timetable; if not, the reasons for that; and

(5) as the District Health Centres in Kwai Tsing, Kwun Tong and Island East will be commissioned shortly, whether the Government will request the non-governmental organizations which operate such

Centres to step up their efforts in (i) identifying AF patients and (ii) educating AF patients on stroke prevention; if so, of the details; if not, the reasons for that?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, my reply to the various parts of the question raised by Mr KWONG Chun-yu is as follows:

(1) As at 2017, more than 70 000 patients with atrial fibrillation ("AF") received treatment in hospitals of the Hospital Authority ("HA"). In general, the treatment for AF is prescription of oral anticoagulants, while catheter ablation or left atrial appendage occlusion may be used in some cases. Depending on patient's condition, the health care team may also use drugs for treating arrhythmia or other interventional procedures.

(2) There are over 13 000 adult cases of admission to public hospitals due to acute strokes every year. Different rehabilitation treatment plans are arranged for stroke patients in the light of their aetiologies and severity of disease. Such treatment plans will, during the course of treatment, be adjusted according to their progress of recovery by health care professionals. HA therefore does not maintain records of expenditure on the cost of rehabilitation services for patients whose strokes are caused by AF.

(3) to (5)

A working group was set up jointly by the Department of Health ("DH") and HA earlier and experts in related fields were invited to participate in the deliberation on the proposal for AF screening. The working group and the experts have concluded that there is yet sufficient evidence from international studies on AF screening to support the introduction of a universal screening programme in Hong Kong. HA will help frontline doctors further consolidate their knowledge of AF management and strengthen the support for the prescription of anticoagulants for AF patients so as to reduce their risk of stroke. The working group will continue to keep in view and examine the latest evidence from international studies and their recommendations, including relevant information on universal,

opportunistic or high-risk patient screening, and explore with the experts feasible measures for enhancing AF management.

In respect of public-private collaboration, we will, while taking account of relevant expert advice, continue to communicate with the public and patient groups and work closely with relevant stakeholders to explore the feasibility of introducing new initiatives. We will carefully consider a number of factors in exploring the launch of new Public-Private Partnership ("PPP") programmes, including the service demand, case suitability, potential complexity, readiness and capacity in the private market, as well as long-term financial sustainability of the PPP Fund.

Regarding services provided by District Health Centres ("DHCs"), as indicated above, there is not adequate evidence from clinical studies to support the introduction of a universal screening for AF, and therefore we do not have plans to provide such a service in DHCs. Services offered in DHCs will focus on primary, secondary and tertiary prevention of disease, covering health promotion, health assessment, chronic disease management and community rehabilitation. Taking into account health service needs of the public and adopting an evidence-based approach, DHCs will accord priority to the management of common chronic diseases such as hypertension, diabetes mellitus and musculoskeletal disorders, as well as the provision of community rehabilitation services for patients in the post-acute myocardial infarction and those who have suffered from stroke and hip fracture. A basic assessment will be offered for members of the public, and those with health risk factors identified or suspected to have hypertension or diabetes mellitus will be referred to a network doctor for further examination. Individuals confirmed as having hypertension or diabetes mellitus may choose the service packages under the programme for follow-up.

The Government believes that, by stepping up efforts to promote individual and community involvement and enhance coordination among various medical and social sectors, district-level primary health care services can be strengthened. This will also enhance the public's awareness of disease prevention, encourage them to maintain a healthy lifestyle and enhance their capability in self-care

and home care as well as their ability in self-management of health, thereby reducing the demand for specialist services and hospitalization which are largely avoidable. Early identification of health risk factors (e.g. hypertension), enhancement of self-management of health and development of a healthy lifestyle can help prevent strokes as well. To this end, DHCs will provide personalized health advice and drug and care counselling services, organize health promotion activities (e.g. exercise classes, falls prevention advice, talks on healthy diets, advice on the prevention and management of diabetic and hypertension risks) and implement the community-based Patient Empowerment Programme, etc.

Import and food surveillance of hairy crabs

9. **MR SHIU KA-FAI** (in Chinese): *President, some hairy crab sellers have relayed to me that while hairy crabs are in season each year after the Mid-Autumn Festival, this year up to early this month, no hairy crabs (save for a small batch of hairy crabs in August) were issued with approval documents by the Mainland authorities for export to Hong Kong. This has greatly affected the sellers' business. On the other hand, the Food and Environmental Hygiene Department ("FEHD") found, during sampling checks conducted on hairy crabs in 2016, that two of the samples contained an excessive level of dioxins, and hence prosecuted two hairy crab sellers by summons. The magistrate acquitted the sellers and cited an expert's advice that only if, within four months, an ordinary person consumed 47, or one with high health risk consumed 10, hairy crabs involved in the cases which had an excessive level of dioxins, would there be adverse effects on such person's health, not to mention that ordinary people would not consume the aforesaid quantities of hairy crabs with an excessive level of dioxins. In this connection, will the Government inform this Council:*

(1) as I have learnt that the Mainland authorities have been issuing approval documents for export of hairy crabs to other places, whether it has gained an understanding from the Mainland authorities as to why they have not issued this year approval documents for export of hairy crabs to Hong Kong; if so, of the details; if not, the reasons for that;

(2) whether it has maintained good communication and negotiated with the Mainland authorities with a view to resolving, as soon as possible, the issues concerning the supply of hairy crabs to Hong Kong; if so, of the details as well as the policy bureaux and government departments responsible for such work;

(3) given that the action level adopted by FEHD's Centre for Food Safety for dioxins and dioxin-like polychlorinated biphenyls in hairy crabs stands at 6.5 picograms toxic equivalent per gram of the sample, whether it knows how this action level compares with those relevant levels adopted by the Mainland and other jurisdictions (set out in a table); whether there are differences between the levels adopted by those jurisdictions for the hairy crabs cultured locally and for those imported; and

(4) given the aforesaid expert advice, whether the Centre for Food Safety has studied relaxing the aforesaid action level; if so, of the outcome; if not, the reasons for that?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, the Public Health and Municipal Services Ordinance (Cap. 132) stipulates that all food for sale in Hong Kong must be fit for human consumption. Food safety is our prime concern in the surveillance and testing of imported food.

Regardless of their places of origin, hairy crabs can be imported into Hong Kong provided that they meet Hong Kong's food safety requirements and each consignment is accompanied with a health certificate issued by the relevant authorities of the exporting economies. The source of supply of hairy crabs to Hong Kong is essentially determined by the market.

In the hairy crab season of 2016, the Centre for Food Safety ("CFS") of the Food and Environmental Hygiene Department detected that the levels of dioxins and dioxin-like polychlorinated biphenyls (hereafter referred to as dioxins) of some hairy crab samples exceeded its action level. To maintain public confidence on the safety of hairy crabs available for sale in Hong Kong, CFS has implemented an arrangement since 2017 to hold up hairy crabs at import level and take samples for testing of dioxins. The importers concerned may make

available the hairy crabs for sale in the market only after they are informed by CFS of satisfactory testing results. This hold-and-test arrangement is still in use by CFS.

For the hairy crab season this year, the import of hairy crabs so far is as follows:

(a) in mid-August, a consignment of hairy crabs totalling about 100 kg imported from the Mainland and accompanied with a health certificate was released to the market after the test results on the samples were found satisfactory by CFS;

(b) since September, 13 consignments of hair crabs totalling about 3 100 kg imported from Japan and accompanied with health certificates were made available to the market for sale after the test results on the samples were found satisfactory by CFS; and

(c) since the end of October, eight consignments of hairy crabs from the Mainland totalling about 7 000 kg, which were imported from Korea and accompanied with health certificates, were made available to the market for sale after the test results on the samples were found satisfactory by CFS.

Regarding the various parts of the question, our reply is as follows:

(1) and (2)

The Mainland authorities monitor the quality of hairy crabs for supply to Hong Kong at source. They have their established approval procedures regarding the issuance of authorization documents for the export.

We understand that hairy crabs are seasonal fresh food. In this regard, the Food and Health Bureau and CFS have been liaising closely with the relevant Mainland authorities on the import arrangements of hairy crabs from the Mainland into Hong Kong this year, with a view to striking a better balance between food safety

protection and business facilitation. The Food and Health Bureau and CFS have also been informing the trade from time to time of issues relating to the import and testing arrangements of hairy crabs this year. If there are any new arrangements, we will inform the trade immediately.

(3) Dioxins are highly toxic carcinogens. The Administration has started testing the levels of dioxins in food since 1999 and in hairy crabs since 2014. Taking into account the regulatory arrangements of economies which had set standards on the levels of dioxins in crabs (the European Union ("EU") and Taiwan) and the local dietary habits on hairy crabs, CFS set an action level of 6.5 picograms ("pg") toxic equivalent per gram of the food sample (wet weight) for dioxins in edible portion of hairy crabs in 2016. The standards of EU and Taiwan are as below:

Economies	*Per gram of crab sample (wet weight)*	*Total maximum level of dioxins and dioxin-like polychlorinated biphenyls (pg toxic equivalent)*
EU	Muscle meat from appendages	6.5
Taiwan	Whole edible portion	

(4) Food is the main source of human intake of dioxins. Dioxins are fat-soluble, not easily broken down, accumulate in fatty tissues, and may accumulate in human bodies through the food chain.

CFS has assessed the health risks of consuming hairy crabs containing dioxins. The results showed that the health risks vary depending on the background exposures to dioxins of individuals and the levels of dioxins of hairy crabs consumed. In any case, the higher the levels of dioxins of hairy crabs, the less the amount that can be consumed safely. Individuals with high background exposures to dioxins are more likely to have higher health risks than those with average background exposures if the same amount of hairy crabs containing the same levels of dioxins are consumed.

CFS will continue to keep in view the latest development in the regulation of dioxins in food in other economies, the local dietary habits and other factors, and constantly review its regulatory arrangements for the levels of dioxins in hairy crabs, including the action level.

Financial matters concerning the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link

10. **MS TANYA CHAN** (in Chinese): *President, the land needed for the operation of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") and the related interests have been vested in the Kowloon-Canton Railway Corporation ("KCRC") by the Government. KCRC has granted the MTR Corporation Limited ("MTRCL") a concession to operate XRL under a supplemental agreement to the service concession agreement ("SSCA"). On 23 August this year, the Government submitted to the Panel on Transport of this Council a paper on the operating arrangements for XRL ("the Paper"), and MTRCL issued, on the same day, an announcement explaining the relevant arrangements ("the Announcement"). Details of the operating arrangements for XRL include: (i) the average daily patronage ("patronage") forecast for XRL in 2018 is 80 100 (set out in Annex 2 to the Paper), (ii) the projected operating profit and operating margins of XRL based on the patronage forecasts in Annex 2 to the Paper are set out in Annex 5 to the Paper, (iii) SSCA has provided for a "Patronage Cap-and-Collar Mechanism", i.e. if the actual patronage deviates from the projected patronage by more than 15%, MTRCL and KCRC will bear the risk or share the return according to a specified ratio, (iv) the total amount of Additional Concession Payments to be paid by MTRCL to KCRC over the ten-year concession period will be a net of $2.7 billion, which comprises an amount of $10.7 billion to be paid by MTRCL to KCRC, and an amount of around $8 billion to be paid by KCRC to MTRCL, and (v) SSCA provides that the Additional Concession Payments will be paid in the form of "fixed annual payments" and "variable annual payments". In this connection, will the Government inform this Council:*

(1) whether it knows the daily patronage of XRL since its commissioning on 23 September this year, with a tabular breakdown by whether the passengers were (i) Hong Kong residents, (ii) business visitors, and (iii) travelling northbound or southbound;

(2) whether the patronage forecasts adopted in SSCA ("the former") are consistent with the patronage forecasts in Annex 2 to the Paper ("the latter"); if not,

(i) set out the former in a table of the same format as that in Annex 2 to the Paper; if such figures may not be disclosed, whether the patronage forecasts for 2018, 2021 and 2031 in SSCA are lower than the corresponding figures in Annex 2 to the Paper, as well as of a rough estimate of the extent of the difference between the two;

(ii) of the method for arriving at the former and the reasons for adopting such a method;

(iii) of the purpose and effect of setting out in Annex 2 to the Paper patronage forecasts which are different from those in SSCA;

(iv) of the relation between these two sets of figures;

(v) of the reasons why an account of the difference between the two was not given in the Paper; and

(vi) of XRL's projected operating profit and operating margins based on the former (set out in a table of the same format as that in Annex 5 to the Paper); if such figures may not be disclosed, whether XRL's projected operating profit and operating margins based on the former are lower than the projected figures in Annex 5 to the Paper and whether they are positive figures, as well as of a rough estimate of the extent of the difference between the two;

(3) of the respective upper and lower limits under the Patronage Cap-and-Collar Mechanism as set out in SSCA; the respective numbers of days on which the patronage touched the upper or the lower limit during the first 30 days of operation of XRL; for how long the patronage touching the upper or the lower limit has last before MTRCL and KCRC will bear the risk or share the return according to the specified ratio;

(4) as it is mentioned in the Paper that MTRCL will pay KCRC $10.7 billion, whether that amount is equivalent to the total "variable annual payments" to be paid by MTRCL to KCRC each year during the ten-year concession period, as calculated by the method set out in the Announcement; whether the method for arriving at that amount is based on the patronage forecasts in SSCA or the patronage forecasts in Annex 2 to the Paper; and

(5) as it is mentioned in the Paper that the total amount of Additional Concession Payments to be received by KCRC from MTRCL will be a net of about $2.7 billion, whether that amount is equivalent to 90% of the Discounted Net Cashflow of the XRL project; whether the method for arriving at the amount of around $8 billion of "fixed annual payments" to be paid by KCRC to MTRCL is as follows: by deducting from the aforesaid $10.7 billion an amount equivalent to 90% of the Discounted Net Cashflow of the XRL project?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") officially came into operation on 23 September 2018 and has been operating smoothly in general. The MTR Corporation Limited ("MTRCL") as its operator will keep improving various operating arrangements (such as ticketing, station facilities and services). Meanwhile, passengers are also getting used to using XRL as a cross-boundary transport mode.

My reply to the various parts of Ms Tanya CHAN's question is as follows:

(1) Since the commissioning of the West Kowloon Station, the Hong Kong Section of XRL has a total patronage of 1 985 937, comprising 954 172 outbound passengers and 1 031 765 inbound passengers as at 31 October 2018. During this period, the average daily patronage for the Hong Kong Section of XRL was 50 921 and the highest patronage for a day (5 October 2018) was 80 020. Hong Kong passengers accounted for about 30% of the total patronage while those from the Mainland and other nationalities about 70%. We will compile statistics on the types of passengers and purposes of travel (such as business or tourism) for XRL as well as the patronage of other cross-boundary travel modes and announce in due course.

XRL is a brand new cross-boundary transport mode for Hong Kong. Passengers will need time to adapt to this new means of travelling. We cannot make a conclusive forecast on the long-term demand for XRL just on the basis of the patronage and the proportion of Hong Kong passengers for around the first six weeks after the commissioning of the Hong Kong Section of XRL. We trust that patronage will increase progressively with increasing number of passengers enjoying the convenient services of XRL.

(2) The Government's earlier forecast of the average daily patronage at the initial commissioning stage (i.e. 2018) and 2021 of the Hong Kong Section of XRL would be 80 100 and 95 000 respectively. Based on an established transport model, we have input the latest figures and considered the latest planning data and development of Hong Kong and the Mainland to forecast the daily patronage for XRL. Since XRL is a brand new cross-boundary transport mode, for the purpose of ensuring the financial stability of the operation of Hong Kong Section of XRL, the Government, the Kowloon-Canton Railway Corporation ("KCRC") and MTRCL has adopted a more prudent daily patronage forecast for the Hong Kong Section of XRL in the business case (including the Patronage Cap-and-Collar Mechanism) for the Supplemental Service Concession Agreement ("SSCA"). As MTRCL is operating on commercial principles, it would not be appropriate to disclose the commercially-sensitive financial projection method and data in SSCA. The Government had explained the matters in detail when announcing the operating arrangements for the Hong Kong Section of XRL on 23 August 2018.

(3) Since the commissioning of the Hong Kong Section of XRL, the patronage has never touched the lower limit under the Patronage Cap-and-Collar Mechanism as set out in SSCA. In other words, KCRC does not need to pay any compensation to MTRCL. The said mechanism is calculated on the basis of a calendar year and will not be triggered by the patronage fluctuation of individual days.

(4) and (5)

Our overall target is that the Hong Kong Section of XRL should be financially healthy and stable over the 10-year concession period, so

that it does not require subsidises from KCRC on the one hand, and enable MTRCL as a listed company to obtain reasonable commercial return, on the other. The net revenue (i.e. additional concession payments) is calculated entirely according to the established mechanism under the Operating Agreement, viz. calculated by taking 90% of the Discounted Net Cashflow of each year of the new project (i.e. the Hong Kong Section of XRL) during the concession period. MTRCL will only retain the remaining 10%. In this regard, it is estimated that KCRC will receive $10.7 billion of total concession payment (i.e. Variable Annual Payment) from MTRCL over the 10-year period. This estimate is based on the patronage forecast as set out in SSCA. For accounting purpose, KCRC has to pay a fixed amount of about $8 billion to MTRCL for meeting the expenses for the asset replacement of the Hong Kong Section of XRL. According to the terms of SSCA, even if adopting the more prudent daily patronage forecast as set out in SSCA, KCRC will still be able to receive a net revenue (i.e. additional concession payments) of $2.7 billion over the 10-year period. The Hong Kong Section of XRL will also see positive overall operating profit (in terms of earnings before interest, taxes, depreciation and amortization) and positive operating margin during the 10-year period.

Opening of bank accounts by enterprises

11. **MR WONG KWOK-KIN** (in Chinese): *President, quite a number of start-up enterprises, small and medium enterprises ("SMEs") as well as overseas enterprises have relayed that they have encountered difficulties when they applied to the banks for opening accounts ("account opening"). In view of this, the Hong Kong Monetary Authority ("HKMA") issued a circular on De-risking and Financial Inclusion to all banks across the territory in September 2016, requesting that banks should ensure a reasonable and fair treatment of the existing and prospective customers. In addition, HKMA issued a circular entitled Guideline on Anti-Money Laundering and Counter-Terrorist Financing—Address Verification Requirements in October 2017 to streamline account opening procedure and requirements. It is learnt that banks have put in place a review mechanism to re-examine unsuccessful applications for account opening. In this connection, will the Government inform this Council:*

(1) whether it knows the respective numbers of account opening applications from new corporate customers received, approved and rejected by banks each month since the issuance of the circular in October 2017, and the average time taken for processing such applications; how the success rate and the average processing time for such applications compare with the relevant figures before the issuance of the circular; if there have been unsuccessful applications, of (i) a breakdown of such applications by reason for the rejection, and (ii) the respective numbers of such applications in which the applicants were start-up companies, SMEs and overseas enterprises;

(2) whether it knows the total number of applications, received by banks in each month of the past three years, for reviewing their decisions to reject account opening and, among them, the respective numbers of cases in which such decisions were reversed and maintained; of the average time taken for the review process; regarding those cases in which the decisions were maintained, of a breakdown of the number by reason for maintaining such decisions; and

(3) whether it will study standardizing the account opening procedure and requirements for all banks; if so, of the details and timetable of such a study; if not, the reasons for that?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, in recent years, as the international community steps up efforts to combat money laundering and terrorist financing ("ML/TF"), financial institutions around the world have generally strengthened the related controls, including undertaking more comprehensive due diligence on customers.

The Hong Kong Monetary Authority ("HKMA") has been reminding the local banking industry that, in implementing robust anti-money laundering and counter-terrorist financing controls, they should be mindful not to create hurdles for legitimate businesses and ordinary citizens to access banking services. HKMA has issued guidance to banks in the past two years, reiterating that banks should apply a risk-based approach in conducting customer due diligence ("CDD") and adopt measures which are commensurate with the customer's

background, circumstances and ML/TF risk level. Banks should also maintain proper communication with customers throughout the CDD process, and ensure the process is transparent, reasonable and efficient, in accordance with the "Treat Customers Fairly" principle.

In response to HKMA guidance, banks have taken measures to improve the account opening process. Apart from the establishment of mechanisms to review unsuccessful applications, all retail banks currently provide a "pre-vetting" service, whereby banks accept submissions of requisite documents for account opening by applicants via email, fax or mail for pre-screening or pre-assessment before arranging face-to-face meetings with the applicants, with a view to providing greater convenience to applicants. Some banks have also set up dedicated hotlines and dedicated branches deployed with properly trained frontline staff to handle account opening matters, so as to improve customer experience.

Our response to each part of the question is as follows:

(1) HKMA has been monitoring the account opening situation. The retail banking sector currently opens an average of about 10 000 new business accounts every month, of which some 60% to 70% belong to small and medium-sized enterprises ("SMEs") and start-up companies (including about 2 000 accounts for non-local SMEs and start-up companies). Of the successful cases, on average some 50% to 60% were able to open accounts within two weeks, and some accounts could even be opened as quickly as within a few days. The exact time taken depends on the complexity of individual cases and whether the applicants can provide the requisite information. On average there are around 300 unsuccessful account opening applications relating to SMEs and start-up companies every month, of which about 170 cases are from non-local companies. The major reason for unsuccessful account opening was that the applicants did not provide the banks with the relevant information or documentary proof for conducting CDD, so that the banks could not develop a proper understanding of their business nature and operations. The average unsuccessful rate of account opening applications for the first nine months of this year is below 5%, which is an improvement from around 10% in early 2016.

(2) Currently, all retail banks have established mechanisms to review unsuccessful applications upon customers' request. Since the establishment of review mechanisms, retail banks received over 80 cases from customers for review of their unsuccessful applications, of which about 30% were able to open accounts after review. In about half of the cases, accounts could not be successfully opened at the end because the applicants could not provide the requisite information and documents to enable the banks' understanding of the business nature and operation of the applicants, resulting in failure to complete the due diligence process. The remaining 20% of the cases either were withdrawn by the applicants or are being followed up by banks.

(3) Under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, banks are required to conduct CDD before opening bank accounts. The CDD requirements have been formulated in accordance with international standards. Individual banks also establish their own account opening procedures, taking into account various factors such as business strategies and risk considerations.

Provision of breast cancer screening services

12. **MR PAUL TSE** (in Chinese): *President, a statistical report on breast cancer published by an organization has pointed out that breast cancer is the most common cancer among women in Hong Kong. Hong Kong is one of the regions in Asia with high incidence of breast cancer, with an incidence of breast cancer of one in every 16 women, which is much higher than those of cervical cancer (which is one in every 128 women) and colorectal cancer (which is one in every 34 women). Besides, the number of cases of women diagnosed with breast cancer in Hong Kong increased by about three times in the past two decades. In 2015, 3 900 women were diagnosed with breast cancer and, among them, more than 900 had reached either the advanced stage or the terminal stage when they were diagnosed. The organization has pointed out that with early treatment, the survival rates of breast cancer patients is as high as 90%. While the governments of 34 countries and regions (including those in Europe, the United States and Canada) have long implemented breast cancer screening programmes, the Hong Kong Government has for a protracted period of time not implemented such a programme. In this connection, will the Government inform this Council:*

(1) whether it has compiled statistics on the number of patients diagnosed with breast cancer in each of the past two years and, among them, of the number of those who had reached Stage III and Stage IV when they were diagnosed; if it has not, of the reasons for that;

(2) given that (i) the Government implemented the cervical cancer screening and colorectal cancer screening programmes in 2004 and 2016 respectively, but both cancers have a lower incidence than breast cancer, (ii) the results of a study conducted by the Singapore Government in 1996 reportedly revealed that population-based screening effectively lowered the occurrence of advanced breast cancer, and (iii) breast cancer screening programmes have long been implemented by the governments of 34 countries and regions worldwide, whether the Government has assessed if the following conclusion reached earlier by the Cancer Expert Working Group on Cancer Prevention and Screening is still valid: there is at present insufficient evidence to support the implementation of population-based breast cancer screening;

(3) as it has been reported that a computer algorithm failure lasting 10 years since 2009 on the part of the United Kingdom authorities has resulted in 450 000 women missing out the breast cancer screening opportunity, which may have caused the deaths of hundreds of women, whether it has estimated the annual number of Hong Kong women who (i) may die from breast cancer because they have missed out the opportunity for receiving timely treatments as a result of not receiving breast cancer screening services and, and (ii) can be identified as suffering from early breast cancer through screening services; and

(4) as the findings of a survey have revealed that, among the 802 female respondents, over half of them did not know that breast cancer is the most common cancer among women, over 70% of them did not receive mammography on a regular basis, and nearly 80% of those respondents who were aged above 40 were willing to receive free screening, whether the Government will, in the light of the relevant situation, consider afresh the introduction of the relevant services through the public-private partnership approach, or the provision of

subsidies under the Community Care Fund for women to receive such services?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, the Government attaches great importance to cancer prevention and control. The Cancer Expert Working Group on Cancer Prevention and Screening ("CEWG") under the Government's Cancer Coordinating Committee regularly reviews and discusses the latest scientific evidence, local and worldwide, with a view to making recommendations on cancer prevention and screening suitable for the local population. 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 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. According to the HKCaR's statistics, there were 4 108 new cases of female breast cancer in Hong Kong in 2016. Among these cases, 659 and 345 were diagnosed at Stage III and Stage IV respectively.

HKCaR is collating the data for 2017 including cancer data from public and private hospitals, which involves a considerable amount of raw data. Generally speaking, HKCaR needs to consolidate, screen and verify the data according to international standards before the number of new cases of different types of cancer each year can be released.

(2) As regards population-based mammography screening, after considering the emerging scientific evidence, CEWG considers that it is still unclear whether population-based mammography screening does more good than harm to local asymptomatic women. Therefore, CEWG concludes that there is insufficient scientific evidence to recommend for or against population-based mammography screening for women at average risk in Hong Kong.

(3) and (4)

In examining whether to introduce a population-based screening programme for a specific disease or cancer (including breast cancer),

the Government shall make reference to the CEWG's recommendations and carefully considers a number of factors, including the seriousness and prevalence of the disease locally, accuracy and safety of the screening tests for the local population, as well as effectiveness of the screening programme in reducing disease incidence and mortality. The Government shall also give due consideration to the actual circumstances such as the feasibility, equity and cost-effectiveness of the screening programme and public acceptance.

Women at increased risk (such as carriers of certain deleterious gene mutations, those with a family history of breast or ovarian cancer, etc.) should seek doctors' assessment and advice before deciding whether they should undergo breast cancer screening. The Department of Health provides woman health services at its three Woman Health Centres and 10 Maternal and Child Health Centres for women aged 64 or below. The services include clinical breast examination and mammography for women who are identified as high risk of developing breast cancer after medical assessment. Women identified with breast abnormalities after examination will be referred to specialist outpatient clinics for follow-up.

As for asymptomatic women at average risk, 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 this group of women in Hong Kong. In this regard, the Government has commissioned the University of Hong Kong to conduct a study on risk factors associated with breast cancer for local women so as to help formulate the future strategies for breast cancer screening in Hong Kong. The study is expected to be completed in the latter half of 2019. The aim of the study is to formulate a risk prediction model for breast cancer in Hong Kong using a case-control study approach under which a comparison is made between women with and without breast cancer. It also aims to find out the relations between risk factors (such as age, body mass index and other personal characteristics, physical activity, family history of breast cancer, history of benign breast disease, etc.) and breast cancer development. The Government will review and consider what type of screening is to be adopted for women of

different risk profiles, having regard to the scientific evidence and outcome of the study.

Some western countries and regions which have relatively high incidence of breast cancer have implemented population-based mammography screening programmes since the 1980s. However, studies found that there was only a slight drop or even no reduction in the mortality of breast cancer after implementation of such programmes. Some studies revealed that screening programmes have caused problems and harm such as over-diagnosis and over-treatment. As for countries and regions which have a predominantly Chinese or Asian population and have implemented population-based breast cancer screening programmes, detailed assessment data on the effectiveness (such as data on whether the programmes can effectively reduce the mortality of breast cancer among the female population, increase the long-term survival rate of such patients, etc.) and cost-effectiveness of the programmes have yet to be published by the governments concerned. 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. Notwithstanding this, we will review the situation and formulate future strategies for breast cancer screening in the light of the findings of the aforementioned study on risk factors associated with breast cancer for local women.

In fact, many risk factors for breast cancer are closely related to lifestyles, such as lack of physical activity, alcohol consumption, obesity after menopause, etc. The Government will enhance education and publicity on breast health. Through mass media and collaboration with community partners and service providers, the Government will actively promote the adoption of healthy lifestyles (e.g. avoiding alcohol consumption, having a balanced diet, doing regular exercise, maintaining healthy body weight and waist circumference, prolonging breastfeeding duration, etc.) as the major preventive strategy. It will also promote the awareness of breast health among women for early detection of breast abnormalities and immediate medical attention.

Village Expansion Areas scheme

13. **MR KENNETH LAU** (in Chinese): *President, according to the Small House Policy, a New Territories male indigenous villager over 18 years old is entitled to one concessionary grant during his lifetime to build one small house. To cater for the housing needs of the indigenous villagers who do not own any land, the Government introduced a Village Expansion Area ("VEA") scheme in 1981. Under the scheme, the Government will form suitable sites on the government lands and resumed private lands within a VEA, and eligible indigenous villagers may apply for Private Treaty Grants of the lands there to build small houses. However, the Government has frozen the scheme since 1999, pending a review of the Small House Policy. Some indigenous villagers have relayed that among the 10 VEAs currently frozen, land resumption procedure has yet to be initiated for eight of them, rendering the indigenous villagers unable to apply for building small houses even though they hold the private lands there; and land resumption has been completed for the remaining two VEAs (namely Pai Tau and Sheung Wo Che VEA and Ha Mei San Tsuen VEA), but there has been no progress for twenty years. In this connection, will the Government inform this Council:*

(1) whether it will consider unfreezing the private lands of the eight aforesaid VEAs in respect of which land resumption has yet to be initiated, and allow indigenous villagers to apply for building small houses on the private lands they hold; if so, of the details; if not, the reasons for that;

(2) when it will submit funding applications to the Finance Committee of this Council to take forward the scheme in the two aforesaid VEAs in respect of which land resumption has been completed; and

(3) whether it will study suitably increasing the development intensity of the sites for small houses (e.g. constructing multi-storey "small buildings") so as to achieve more efficient use of the limited land resources; if so, of the details; if not, the reasons for that?

SECRETARY FOR DEVELOPMENT (in Chinese): President, the Village Expansion Area ("VEA") Scheme was implemented in 1981. Under VEA Scheme, through resuming private land within the proposed VEAs, assembling

government land and thereafter conducting site formation and other relevant public works, the Government allows indigenous villagers to apply for building small houses within VEAs. VEA Scheme aimed at providing for better planning of village developments.

In February 1999, in view of the review of the Small House Policy, the Government decided to suspend the implementation of VEA projects for which the related public works had not commenced at that time. In 2002, the Government explained to the Legislative Council that no new VEA projects should be initiated before completion of the Small House Policy review. As for VEA projects which were at an advanced stage of planning, the Government also stated to the Legislative Council at that time that the individual merits of those cases would be considered to see if there was any scope to implement them before completion of the Small House Policy review.

In the course of the Small House Policy review, complicated issues in aspects such as legal, environment, housing, land use planning and demand on land are inevitably involved, all of which require careful examination. Currently, the Small House Policy review is still ongoing. Nevertheless, as the Development Bureau has to accord priorities to other more pressing policy issues under its purview, we have stated on various occasions that the review of the Small House Policy is not our priority task for the time being.

Since the introduction of VEA Scheme, the Government has completed works for 36 VEAs. Amongst the remaining 10 frozen VEA projects, the Government has completed land resumption for two of them (i.e. VEA projects in Pai Tau and Sheung Wo Che, Sha Tin and Ha Mei San Tsuen, Yuen Long), while land resumption has not yet commenced for the other eight projects (i.e. VEA projects in Siu Lek Yuen, Sha Tin; Wo Liu Hang, Sha Tin; Sheung/Ha Keng Hau and Hin Tin, Sha Tin; Yuen Long Kau Hui; Ling Hill, North District; Ng Uk Tsuen, North District; Mang Kung Uk, Sai Kung; and Chuen Lung, Tsuen Wan).

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

(1) With regard to the aforementioned eight VEA projects with land not yet resumed, during the past few years in which the implementation of those projects was suspended, the Government stated that any applications for building small houses on private land owned by

indigenous villager landowners within the boundary of those VEAs would not be processed. In recent years, Heung Yee Kuk ("HYK") expressed for a number of times that these indigenous villager landowners were concerned about their land being frozen for years. HYK has hoped that the concerned land can be "unfreezed" as early as possible, and has suggested that the "unfreezing" proposal can be implemented in some proposed VEAs first, so that indigenous villagers can apply for building small houses on their own private land.

Taking into consideration that the Small House Policy review takes time and that HYK's proposal involves only private land located within the "Village Type Development" zone, where small house applications are still possible even when there are no VEA projects, the Government is willing to consider the partial "unfreezing" proposal on the prerequisite that any developments on the private land of individual proposed VEAs must be in compliance with the existing policy frameworks in planning, land administration, etc. Furthermore, given the release of private land for individual developments, HYK and the concerned recognized villages have to accept that the originally planned VEA projects will no longer be applicable.

Based on the above direction, the Lands Department is prepared to resume receiving and processing small house applications on private land within the proposed VEAs in Mang Kung Uk, Sai Kung and Siu Lek Yuen, Sha Tin in accordance with the applicable procedures from January 2019 onwards. As for the other six VEA projects for which land resumption has not yet commenced, we will continue to liaise with HYK on the way forward.

(2) With regard to the two VEA projects for which land resumption has been completed (i.e. VEA projects in Pai Tau and Sheung Wo Che, Sha Tin and Ha Mei San Tsuen, Yuen Long), the Government will seek funding for the relevant works from the Finance Committee of the Legislative Council at an appropriate juncture upon considering the overall arrangements in public works.

(3) The possibility of building multi-storey small houses on sites in the "Village Type Development" zone is discussed in society from time to time. We note that any suggestion of this kind will inevitably involve a number of complicated issues, including compatibility with the intent of the Small House Policy, planning control, provision of infrastructures, environmental impact, as well as legal and public interest considerations. In examining such suggestion, those issues must be holistically considered.

Water dispensers in government venues

14. **MR YIU SI-WING** (in Chinese): *President, since the beginning of this year, the automatic vending machines in government venues have ceased to sell plastic bottled drinking water measuring one litre or less. In addition, the Chief Executive announced in the Policy Address she delivered last month that the Government would install more water dispensers in government venues, with a view to reducing waste at source. Nevertheless, it has been reported that Escherichia coli and Staphylococcus aureus were detected in some water samples taken from the water dispensers in venues managed by the Leisure and Cultural Services Department, arousing public concern about the quality of water from the water dispensers in government venues. In this connection, will the Government inform this Council:*

(1) whether it has established any mechanism for providing sufficient water dispensers in government venues according to the number of users of the venues concerned; if so, of the details; if not, the reasons for that; and

(2) whether it has issued guidelines to require various government departments to arrange, in respect of the water dispensers in the venues under their management

(i) regular maintenance and repairs to ensure the proper functioning of such water dispensers; if so, of the details; if not, the reasons for that; and

(ii) regular water quality tests to ensure that the drinking water from such water dispensers meets hygiene standards; if so, of the details; if not, the reasons for that?

SECRETARY FOR THE ENVIRONMENT (in Chinese): President, the Government has been leading by example in adopting various waste reduction measures. For the convenience of the public and to promote environmental protection by encouraging members of the public to bring their own reusable water bottles, the Government has provided water dispensers mainly in active recreational facilities managed by the Leisure and Cultural Services Department, such as sports centres, sports grounds and swimming pools, etc. Since February 2018, sale of plastic bottled water measuring one litre or less has been progressively ceased in automatic vending machines in government venues. To further inculcate the "bring your own bottle" culture and reduce the consumption of plastic bottled water, the Chief Executive has announced in the 2018 Policy Address that the Government will install more water dispensers in government venues with public access. The initial target is to install 500 water dispensers in three years, increasing the total number of water dispensers serving the public in government venues to 3 200 units.

The following is our reply, after consultation with relevant bureaux and departments, to Mr YIU Si-wing's question:

(1) In providing water dispensers for public use, the main considerations of government departments are their operational needs and the specific physical situation of individual venues, rather than the number of users of the venues. Relevant works departments would assist departments that managed government venues to apply for funding upon their requests, and install water dispensers in new government venues and suitable existing government venues, subject to the actual circumstances and technical feasibility. For the 500 new water dispensers mentioned in the 2018 Policy Address, the Government would accord higher priority in installing them in existing government venues with public access and where the flow of people is high.

(2) (i) and (ii)

Drinking water provided by water dispensers in government venues usually comes from tap water or water bottles.

The quality of the water supplied to the connection point at the building/lot boundary by the Water Supplies Department ("WSD") conforms with the Hong Kong Drinking Water Standards (namely the Guidelines for Drinking-water Quality recommended by the World Health Organization). To ensure that the water is safe to drink, works departments will install water dispensers and plumbing installations in accordance with the guidelines issued by WSD and relevant legislative requirements, including "Practice Guide on Carrying Out Plumbing Works", "Waterworks Ordinance", etc.; and obtain prior approval from WSD before putting the water dispensers into service. These water dispensers are generally equipped with filter cartridge/UV sterilizers to ensure that the water is hygienic. Government departments that managed government venues would undertake regular maintenance, such as inspections and replacement of filter cartridge and UV sterilizers, and clean the water dispensers in accordance with the manufacturers' guidelines so as to ensure water supplied from water dispensers is hygienic without the need for water quality tests. Besides, the correct use of water dispensers by users is very important. According to the Department of Health's advice, when using water dispensers, users should avoid contacting their mouthpiece and protective guard; should not spit on them or wash hands with them to avoid contaminating the water dispensers.

As regards bottled water, government departments procure them under bulk purchase contract arranged by the Government Logistics Department. The contract has stipulated that the bottled water must comply with all the applicable legislation and standards in Hong Kong, including the "Public Health and Municipal Services Ordinance", "Microbiological Guidelines for Food", etc. The supplier must conduct regular water sampling tests to ensure water

safety. User government departments would arrange regular maintenance and cleansing for the water dispensers in accordance with the manufacturers' guidelines.

In case site staff of government venues spot any problems with the water dispensers such as fault, damage, rust, abnormal operation, etc., they would report to the works departments for follow-up. The relevant works departments would also conduct regular inspections of water dispensers to ensure that they function properly.

Employment visas for personnel of the Taipei Economic and Cultural Office

15. **MR LAM CHEUK-TING** (in Chinese): *President, it has been reported that the former Director General of the Taipei Economic and Cultural Office ("TECO") (the Taiwan authorities' representative office in Hong Kong) left Hong Kong at the end of July this year upon completion of his term of office, and his successor has so far been unable to come to Hong Kong to take office because he has not been granted an employment visa by the Hong Kong Special Administrative Region ("SAR") Government. In this connection, will the Government inform this Council:*

(1) whether the SAR Government is required to consult the Central Authorities beforehand on matters relating to the granting of employment visas to TECO's personnel; if so, of the details;

(2) whether it has explained to the Taiwan authorities why it has not granted an employment visa to the Director General-designate of TECO; if not, of the reasons for that; and

(3) whether it has assessed the impacts of leaving the office of TECO's Director General vacant for several months on (i) the operation of TECO, (ii) the economic, trade and cultural exchange activities between Taiwan and Hong Kong, and (iii) the relationship between the authorities of both places; if it has assessed, of the outcome; if not, whether it will conduct such an assessment expeditiously?

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Chinese): President, our consolidated reply to Mr LAM's question, after consulting the relevant bureaux, is as follows:

The economic, trade and cultural exchanges between Hong Kong and Taiwan have all along been ongoing. Last year, Taiwan was Hong Kong's third largest trading partner and Hong Kong was Taiwan's fourth largest trading partner; there were also over 2 million visitor arrivals from Taiwan, which was Hong Kong's second largest visitor source market after the Mainland. Meanwhile, arts groups in the local communities of Hong Kong and Taiwan also visit one another from time to time. The "Hong Kong Week", which aims to showcase the cultural characteristics of Hong Kong, has been held in Taiwan for six years.

In 2010, the Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council ("ECCPC") and the Taiwan-Hong Kong Economic and Cultural Co-operation Council ("THEC") were established in Hong Kong and Taiwan respectively to promote exchanges and cooperation between the two places. Achievements have been made in various areas. We will continue to foster economic, trade and cultural exchanges and cooperation between Hong Kong and Taiwan through the ECCPC-THEC platform in a pragmatic manner.

The HKSAR Government will not comment on individual cases or make public information concerning individual cases. In handling each application, the Immigration Department acts in accordance with the laws and policies, and decides whether to approve or refuse the application after careful consideration of circumstances of each case.

Impacts of participation in annuity and insurance schemes on the eligibility for social welfare and subsidized housing

16. **MR SHIU KA-CHUN** (in Chinese): *President, when processing applications for Old Age Living Allowance ("OALA"), the Social Welfare Department ("SWD") regards any payout from an annuity scheme as an applicant's income, but does not regard the one-off lump-sum premium payment for the annuity scheme as the applicant's asset. Regarding the impacts of participation in public and private annuity schemes and insurance schemes on*

the eligibility for social welfare and subsidized housing, will the Government inform this Council:

(1) whether SWD, when it processes OALA applications:

(i) regards as an applicant's asset the cash value of an insurance scheme with investment elements;

(ii) regards as the applicant's income the bonuses and interests disbursed under the insurance scheme mentioned in (i); and

(iii) regards as an applicant's asset the premium payments, payable by installment, for an annuity scheme; and

(2) whether the one-off lump-sum premium payment for a public or private annuity scheme is regarded as an asset of a person applying for (i) public rental housing and (ii) comprehensive social security assistance; if so, of the reasons for that?

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my reply to the Member's question is as follows:

(1) Under the prevailing arrangement for the Old Age Living Allowance ("OALA"), the cash value of insurance policies is not treated as asset. This has taken into account that insurance products acquired by elderly persons with financial needs are mostly under the categories of life, medical, critical illness, etc., and the cash value concerned has to be accumulated over a long period of time for contingency use. However, if the relevant persons surrender or partially surrender the insurance policies, the surrender value (if any) will be treated as asset. Meanwhile, bonuses and interests received under insurance policies are also treated as asset.

Separately, the premium payment under annuity schemes is not treated as asset under OALA. If the relevant persons surrender or partially surrender the annuity schemes, the surrender value (if any) will be treated as asset. As for payout disbursed under annuity schemes, the relevant amount is treated as monthly income.

(2) The Comprehensive Social Security Assistance ("CSSA") Scheme provides a safety net for persons who cannot provide for themselves financially to assist them to meet their basic needs. Therefore, if CSSA recipients participate in annuity schemes (including the "HKMC Annuity Plan" of the Hong Kong Mortgage Corporation Limited), the relevant premium payment will be treated as asset. If the recipients surrender or partially surrender the annuity schemes, the surrender value (if any) will also be treated as asset.

According to information provided by the Housing Department, during asset declaration, applicants for public rental housing are required to declare value of asset items like investments such as savings or investment-linked insurance schemes (including the cash value and accumulated bonuses and interests), listed shares, bonds, funds, etc. The above declaration arrangements are also applicable to annuity schemes, including the "HKMC Annuity Plan" and annuity schemes launched by private entities. The surrender value of annuity schemes is treated as asset.

Opening the facilities of the Hong Kong Design Institute for public use

17. **MR MA FUNG-KWOK** (in Chinese): *President, in 2007, the Education Bureau ("EDB") submitted a funding application to the Finance Committee ("FC") of this Council for the Vocational Training Council ("VTC") to construct a new campus at Tiu Keng Leng to accommodate the newly established Hong Kong Design Institute ("HKDI"). EDB informed FC then that the student sports and amenity facilities at HKDI's campus would be open for public use during non-school hours, and the Auditorium there would also be available for hire by the public when it was not in use. However, as pointed out in the Director of Audit's Report No. 69 published in October 2017, HKDI's tennis court had not been open for public use, and the availability rate of its multi-purpose hall (which had two badminton courts) for public use was on the low side. It was reported last month by the media that although the Government had specified in the relevant land grant that HKDI was required to open up its sports facilities to outsiders with the relevant modus operandi and hire charges being subject to the regulation of EDB, HKDI's tennis court had not been open to outsiders, its badminton courts charged exorbitant hire charges, and the availability rate of its sports facilities for public use had all along been on the low side. In this connection, will the Government inform this Council:*

(1) whether it knows the number of hours, in each of the past three years, for which each sports facility of HKDI was hired by members of the public;

(2) whether it knows the respective numbers of hours, in each of the past three years, for which HKDI's multi-purpose hall was (i) used for learning and teaching, (ii) used for lessons and activities held by HKDI and VTC, (iii) hired by outside organizations, and (iv) left idle;

(3) whether it knows the respective numbers of days, in each of the past three years, on which HKDI's Auditorium and other venues (e.g. HKDI Gallery, d-mart and Lecture Theatres) were hired by outside organizations for holding activities, with a breakdown by type of organizations and activities;

(4) whether it knows the hire charges of each sports facility, the Auditorium and other venues of HKDI;

(5) as it has been reported that HKDI has planned to open up its tennis court for hire by youth groups and other visiting groups during after-school hours starting from this academic year, whether the Government knows the specific arrangements concerned, and whether it has assessed if such arrangements meet public expectation;

(6) whether it knows what measures HKDI has adopted to (i) publicize among members of the public (in particular residents nearby) the availability of its sports facilities for public hire and the relevant details (including the time slots available for hire and the charges), and (ii) promote its Auditorium and other venues for hire by outside organizations; and

(7) whether it will regulate, pursuant to the terms of the relevant land grant, the rental matters in relation to the venues of HKDI, including requiring HKDI to set the venue hire charges at reasonable rates and streamlining the hiring procedure?

SECRETARY FOR EDUCATION (in Chinese): President, established under the Vocational Training Council Ordinance ("the Ordinance"), the Vocational Training Council ("VTC")'s operation must meet the objectives and functions stipulated in the Ordinance. While the Government has granted land for VTC to operate as a non-profit-making post-secondary institution, the day-to-day operation of the campus facilities is managed by VTC's institutions in accordance with the Ordinance.

In consultation with VTC, my reply to Mr MA's question is as follows:

(1) The Hong Kong Design Institute ("HKDI") has four sports facilities including the swimming pool, basketball courts, tennis courts and the multi-purpose hall. The relevant opening hours of the swimming pool, basketball courts and the multi-purpose hall for public use in the past three years are shown below:

Facilities/Academic Year ("AY")	*2015-2016 AY*	*2016-2017 AY*	*2017-2018 AY*
Swimming Pool (Open from April to October every year for a total of 990 hours)	6 047 (attendance)	5 085 (attendance)	5 897 (attendance)
Basketball Courts	129 hours	114 hours	134 hours
Multi-purpose Hall	70 hours	99 hours	106 hours

Since the tennis courts are located on the rooftop of the teaching building without public entrance for access, in the past three academic years, having regard to security considerations HKDI has not yet worked out the arrangement to open the tennis courts to the public. HKDI will soon finalize the arrangement for opening the tennis courts to the public, it has also invited youth organizations in the neighbourhood to rent the tennis courts at specified timeslots to further enhance utilization of its facilities. Please refer to part (5) of the reply for details.

(2) Utilization of the multi-purpose hall at HKDI over the past three years is shown below:

Purpose/AY	*2015-2016 AY*	*2016-2017 AY*	*2017-2018 AY*
Teaching and learning	521.5 hours	477 hours	458 hours
HKDI and VTC events	1 990.5 hours	1 932 hours	1 819 hours
External parties	70 hours	99 hours	106 hours
Total	2 582 hours	2 508 hours	2 383 hours

The multi-purpose hall is open for free use by students when it is not used for specific purposes or rented by external parties. Other time slots will be allocated for maintenance and cleaning. Since HKDI does not maintain a breakdown of the hours involved for such uses, the statistics on vacant hours is therefore not available.

(3) VTC has all along been renting out the VTC Auditorium, d-mart and Lecture Theatre to different bodies such as charitable organizations, government organizations and professional societies for organizing various events. Please refer to the Annex for details of these events. Utilization of the VTC Auditorium, HKDI Gallery, d-mart and Lecture Theatre over the past three years is shown below:

(a) VTC Auditorium:

Purpose	*2015-2016 AY*	*2016-2017 AY*	*2017-2018 AY*
Teaching and learning(1)	78 days	78 days	78 days
HKDI and VTC events	138 days	178 days	171 days
Maintenance and repair works	112 days	103 days	58 days
Hired by external parties	2 days	3 days	14 days
Total	330 days	362 days	321 days

Note:

(1) The VTC Auditorium is used for teaching and learning every Tuesday, Wednesday and Thursday. The figures are calculated based on 13 weeks per semester with two semesters in an academic year. However, event dates might occasionally overlap with scheduled classes.

(b) HKDI Gallery:

Purpose	*2015-2016 AY*	*2016-2017 AY*	*2017-2018 AY*
HKDI and VTC events	312 days	311 days	336 days
Hired by external parties	/	/	/
Total	312 days	311 days	336 days

External parties can rent the HKDI Gallery for hosting events. In the past three years, VTC had not received such applications. The design exhibitions organized by HKDI at HKDI Gallery are open to the public for free entry.

(c) d-mart:

Purpose	*2015-2016 AY*	*2016-2017 AY*	*2017-2018 AY*
HKDI and VTC events	364 days	339 days	358 days
Hired by external parties	/	/	5 days
Total	364 days	339 days	363 days

(d) Lecture Theatre:

Purpose	*2015-2016 AY*[(2)]	*2016-2017 AY*[(2)]	*2017-2018 AY*
Teaching and learning	/	/	140 hours
HKDI and VTC events	/	/	1 358.5 hours
Hired by external parties	40 hours (5 days)	24 hours (3 days)	56 hours (7 days)
Total	/	/	1 554.5 hours

Note:

(2) Information on the utilization of the venues for teaching and learning and internal events for 2015-2016 AY and 2016-2017 AY is no longer available due to system constraints.

(4) VTC is considering ways to rationalize the arrangements and rental fees for the public's use of its recreational facilities during non-teaching hours. The exercise is expected to be completed in

early 2019, and will be reviewed annually. Prior to the announcement of the review results, the existing rental charges for HKDI's facilities by the public or external parties are as follows:

Facility	*Rental charge*
Swimming Pool	Adult: HK$20 Children under 12 and senior citizen above 60: HK$10
Basketball Courts	HK$80 per hour
Multi-purpose hall (338.6 sq m)	$710 per hour (all facilities inside the hall can be used)
VTC Auditorium (740 seats)	From HK$2,280 per hour
HKDI Gallery (600 sq m)	From HK$14,780 per day
d-mart (1 040 sq m)	From HK$7,385 per day
Lecture Theatre (289 seats)	From HK$1,605 per hour

(5) In respect of opening of the tennis courts for rental by youth and other organizations, having regard to the views of the local community, HKDI has invited youth organizations in the neighbourhood to rent the tennis courts at specified timeslots to further enhance utilization of the facilities. HKDI is actively preparing the rental guidelines and finalizing the operational details with a view to announcing the arrangements in the second quarter of 2019.

(6) HKDI will publicize details of the opening hours and charges of its sports facilities by hoisting banners at prominent locations outside its swimming pool and basketball courts. Relevant information has also been published on the website of HKDI, the public may also make enquiries by phone (at 3928 2000) and email (hkdi@vtc.edu.hk). In addition, details of the VTC Auditorium and other event venues for rental at HKDI are also available on the website. Enquiries can be made by phone at 3928 2761 and through an online form (English web page: <http://www.hkdi.edu.hk/en/about/#tabs-about-campus>).

(7) The Government will monitor VTC to ensure that its operation meets the objectives and functions as stipulated in the Ordinance, as well as the terms of its agreements with the Government. On the basis that the day-to-day operation of the campus facilities is managed by VTC, it will be more appropriate for VTC to formulate arrangements for opening its facilities to the public having regard to the teaching needs of HKDI, utilization by students for extra-curricular activities, as well as the cost of operation, maintenance, etc. of the relevant facilities. Notwithstanding this, we will liaise with VTC from time to time to learn about the arrangements they put in place, and request HKDI to enhance such arrangements such as the opening hours, fees, etc. as necessary, with a view to optimizing utilization of these facilities.

Annex

Rental of HKDI's facilities by External Parties

(a) VTC Auditorium:

Organization	*Event Name/Nature*
2015-2016 AY	
ACCA	ACCA Business Competition 2015 Briefing
Sai Kung District Office, YWCA	西貢青年節嘉許禮暨TEEN藝新星大比拼2015 (English title not available)
2016-2017 AY	
Sai Kung District Office	Chinese orchestra concert to celebrate the 20th anniversary of the establishment of the Hong Kong Special Administrative Region, People's Republic of China
Hong Kong Institute of Architects	Joint Institute Forum on 2017 Chief Executive Election
2017-2018 AY	
Social Welfare Department	2018 Sharing Session on Promotion of Volunteering in Community Organizations cum Presentation Ceremony of "Community Caring Shop Recognition Scheme"
Ikebana International Hong Kong Chapter	Ikebana International Asia Regional Conference

Organization	*Event Name/Nature*
Zion Social Service—Yuk Lai Hin Counselling Centre	Debate competition (Final)
RTHK	My Story, My Theme Song singing contest (Final)
	40th Top 10 Chinese Gold Songs Award Presentation Ceremony
The Neighbourhood Advice-Action Council	Oral history drama by senior citizens
Parsons Music Foundation	Band Legend Competition
Kowloon East Association	青少年夢・設計講座 (English title not available)
Faith Family Church	Music workshop

(b) d-mart:

Organization	*Event Name/Nature*
2017-2018 AY	
Ikebana International Hong Kong Chapter	Ikebana International Asia Regional Conference

(c) Lecture Theater:

Organization	*Event Name/Nature*
2015-2016 AY	
South China Film Industry Workers Union	西部電影展 (English title not available)
2016-2017 AY	
Hong Kong Rehabilitation Power	Stargaze Camp for All and the Blind 2016: Group Leaders' Briefing Session
The Chinese Manufacturers' Association of Hong Kong	Briefing and the draw for Commercial Shooting Competition for 51th Hong Kong Brands and Products Expo
Sai Kung District Office	Healthy Life for Retirees: Talk on Chinese Herbal Medicine for Well-being
2017-2018 AY	
Society of Motion Picture and Television Engineers ("SMPTE")	SMPTE Anniversary Seminar
Choi Ming Baptist Church	Parent-and-child activity
Hong Kong Rehabilitation Power	Stargaze Camp for All and the Blind 2017: Group Leaders' Briefing Session

Organization	*Event Name/Nature*
Young Professionals Alliance	大灣區神話我創造拍攝計劃2018學校宣傳及簡介會 (English title not available)
Suicide Prevention Service	Screening of documentary *Snuggle* and seminar
The American Society of Heating, Refrigerating and Air-Conditioning Engineers	Student award presentation

Note:

Government departments or non-profit making organizations, etc. may apply for concessionary rates for renting the facilities.

Repair and maintenance of lifts provided in buildings of public rental housing estates

18. **MR HO KAI-MING** (in Chinese): *President, quite a number of households in public rental housing ("PRH") estates have relayed that the lifts in the buildings in which they live have been in use for many years and are often out of service pending repairs. On the other hand, the Electrical and Mechanical Services Department promulgated in 2011 the Guidelines for Modernising Existing Lifts ("the Guidelines"), introducing improvement proposals on enhancing the safety level of aged lifts and recommending the retrofitting of safety devices to aged lifts. Regarding the repair and maintenance of lifts in PRH buildings, will the Government inform this Council:*

(1) of the respective numbers of lifts (i) for which replacement works were carried out and (ii) to which safety devices were retrofitted according to the Guidelines, in each of the past five years (with a breakdown by name of estate);

(2) of the current number of aged lifts to which safety devices have yet to be retrofitted (with a breakdown by name of estate); whether it has plans to carry out the relevant works for such lifts; if so, of the anticipated completion date; and

(3) whether it will (i) specify a requirement on the minimum number of hours to be spent on carrying out routine repair and maintenance works for each lift by registered lift contractors ("the contractors"),

(ii) require the contractors to regularly record the conditions of the core safety components of lifts, and (iii) engage independent third parties to review the quality of such repair and maintenance works; if so, of the details?

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, having consulted the Electrical and Mechanical Services Department ("EMSD"), I set out the consolidated reply to various parts of the question raised by Mr HO Kai-ming as follows:

According to the "Guidelines for Modernising Existing Lifts" promulgated by EMSD, it is difficult to establish an unified minimum work time for maintenance works as the time for maintenance of each lift depends on the maintenance requirements by the lift manufacturer, its design, number of service floors, rated speed, rated load, and conditions of lift car, etc. In 2014, EMSD discussed with the trade about the work time for lifts/escalators maintenance. The trade generally agreed that Registered Lift/Escalator Contractors should allow sufficient time for workers to carry out maintenance works properly. In this regard, EMSD also issued a notice to Registered Contractors in the same year to remind them that if they were to allocate maintenance works of more than six lifts/escalators for any worker to handle on one day, they should carefully consider the work allocation and ensure that the relevant works could be carried out safely and properly.

According to the "Code of Practice for Lift Works and Escalator Works" ("the Code") issued by EMSD, Registered Lift Contractor, Registered Lift Engineer and Registered Lift Worker should record details of lift works, incident handling, emergency repairs, examinations and maintenance related matters on the logbook of the concerned lift on the day when the works are completed, including details of the replaced critical components of the lift. The Responsible Person should also monitor the completion of works by the Registered Lift Contractor in accordance with the Code, the contractual requirements of both parties, etc., and countersign the logbook for confirmation.

To enhance the safety of aged lifts and the protection of public safety, EMSD requested the full implementation of the following two measures before 1 February 2019 through the promulgation of the new Code (2018 Edition) which was gazetted on 10 August 2018:

(1) Contractors shall conduct at least two special maintenance works each year for important protective components (including brakes, traction machines and landing doors) of aged lifts that have yet undergo modernization works. Contractors are also required to submit to EMSD the scheduled date, time and inspection results of the special maintenance works via an online platform so as to enable EMSD to strengthen the corresponding spot checks; and

(2) Contractors shall record maintenance works on logbooks with an improved format to list out the type and details of work involved in each round of maintenance works so as to facilitate more effective supervision over contractors' maintenance works by EMSD and the Responsible Persons for lifts.

In addition, the Lifts and Escalators Ordinance ("the Ordinance") stipulates that the Responsible Person for a lift must ensure that the lift and all its associated equipment or machinery are being kept in proper state of repair and in safe working order. The Responsible Person shall engage a Registered Lift Contractor to undertake the maintenance works of the lift and ensure that periodic maintenance is carried out in respect of the lift at intervals not exceeding one month. The Responsible Person shall also ensure that the lifts would be thoroughly examined by a Registered Lift Engineer at intervals not exceeding 12 months. EMSD adopts a risk-based approach and strengthens surveillance checks of those lifts with higher risk factors, such as with longer in-service years and frequent complaints or failures, so as to monitor the maintenance works and check against contraventions of the Ordinance.

EMSD also encourages Responsible Persons to appoint independent Registered Lift Engineers to review the maintenance work of their appointed contractors, and a "Sample Specifications for Engagement of Independent Registered Lift Engineer for Lift Maintenance Audit" is provided in EMSD's website for Responsible Persons' reference.

For the Hong Kong Housing Authority ("HA"), all lifts in HA's public rental housing ("PRH") estates, irrespective of their servicing ages, are maintained and repaired by Registered Lift Contractors in accordance with the Ordinance, relevant Codes of Practice and the requirements of the maintenance contracts.

There are stringent requirements in HA's maintenance contracts, for example, lift maintenance contractors have to submit a quarterly report and record the conditions of major safety devices in the lifts. They also have to conduct routine maintenance on a weekly basis to ensure that the lifts are in safe working order.

All repair and maintenance works for lifts are carried out not only under the monitoring by HA's engineering staff, but are also regularly audited by the Lift Inspection Focus Team of the Independent Checking Unit under the Office of the Permanent Secretary for Transport and Housing (Housing).

With a view to improving the service standards of the lifts, HA has been implementing the Lift Modernisation Programme which covers the installation of safety devices up to the latest standard. In the past five years (i.e. from 2013-2014 to 2017-2018), HA launched the modernization works of 309 lifts in PRH estates under the Programme. Details are at Annex 1.

In coming five years, HA will continue to implement the Programme and schedule to tender for the modernization of some 440 lifts in PRH estates in stages. In 2018-2019 and 2019-2020, HA will launch lift modernization works for 78 and 88 lifts respectively. Details are at Annex 2.

Annex 1

Lift Modernization Works in PRH Estates
Launched between 2013-2014 to 2017-2018

Estate Name	*Year Awarding Lift Modernization Contract*	*Number of Lifts*
On Ting Estate	2013-2014	33
Shek Wai Kok Estate (Stage 2 Works*)	2013-2014	18
Shek Kip Mei Estate	2013-2014	6
Lung Hang Estate	2013-2014	30
Wang Tau Hom Estate (Stage 1 Works*)	2013-2014	6
Shun Tin Estate (Stage 1 Works*)	2014-2015	36
Wu King Estate (Stage 1 Works*)	2014-2015	12
Chun Shek Estate	2014-2015	15

Estate Name	*Year Awarding Lift Modernization Contract*	*Number of Lifts*
Lok Wah (South) Estate (Stage 1 Works*)	2015-2016	12
Shek Wai Kok Estate (Stage 3 Works*)	2015-2016	8
Cheung Hong Estate (Stage 2 Works*)	2015-2016	9
Wu King Estate (Stage 2 Works*)	2016-2017	12
Lok Wah (North) Estate	2016-2017	24
Tai Hang Tung Estate	2016-2017	15
Butterfly Estate	2017-2018	24
Chak On Estate	2017-2018	12
Lower Wong Tai Sin (II) Estate (Stage 2 Works*)	2017-2018	15
Shek Lei (I) Estate	2017-2018	22
	Total	309

Note:

* Since various buildings in PRH estates were generally completed in phases, modernization of the relevant lifts would be conducted in stages in accordance with their ages.

Annex 2

Lift Modernization Works in PRH Estates
Scheduled to Launch in 2018-2019 and 2019-2020

Contracts scheduled to award in 2018-2019

Estate Name	*Number of Lift*
Chuk Yuen (South) Estate (Stage 1 Works*)	18
Lok Wah (South) Estate (Stage 2 Works*)	24
Sun Chui Estate (Stage 2 Works*)	24
Wan Chui Estate (Stage 3 Works*)	12
Total	78

Contracts scheduled to award in 2019-2020

Estate Name	*Number of Lift*
Cheung Hong Estate (Stage 3 Works*)	24
Chuk Yuen (South) Estate (Stage 2 Works*)	18

Estate Name	*Number of Lift*
Fu Shan Estate	2
Sau Mau Ping Estate (Stage 1 Works*)	4
Shun Tin Estate (Stage 2 Works*)	12
Wo Lok Estate	6
Wan Tau Hom Estate (Stage 2 Works*)	22
Total	88

Note:

* Since various buildings in PRH estates were generally completed in phases, modernization of the relevant lifts would be conducted in stages in accordance with their ages.

Quality of pool water at public swimming pool complexes

19. **MR VINCENT CHENG** (in Chinese): *President, a university conducted a sample test last year on the pool water at six public swimming pool complexes ("complexes") and the findings revealed the presence of urine in the pool water at five of the complexes. Among them, the outdoor toddlers' pool at the Kowloon Park Swimming Pool had the highest quantity of urine, which was as high as 82.1 litres (equivalent to 411 times of urine discharges by adults). The findings of another study revealed that the chemical reaction between urine/sweat and chlorine in the pool water mix would generate carcinogenic substances such as trihalomethane. On the other hand, the Leisure and Cultural Services Department ("LCSD") has refused to include urine and trihalomethane contents as parameters for monitoring the quality of pool water on the grounds that the World Health Organization has no such practice. In this connection, will the Government inform this Council:*

(1) whether LCSD will consider afresh including urine and trihalomethane contents as parameters for monitoring the quality of pool water; if so, of the details; if not, the reasons for that;

(2) whether it will conduct a comprehensive review of the Swimming Pools Regulation (Cap. 132CA), which has been in operation for many years, to ensure that the requirements pertaining to pool water quality, changing of water and emptying of swimming pools, etc., keep pace with the times; if so, of the details; if not, the reasons for that;

(3) whether LCSD implemented in the past three years water quality improvement measures (such as enhancing the pool water filtration system) at complexes with higher attendances; if so, of the details and the effectiveness of those measures;

(4) whether it will make reference to the experience of other jurisdictions and introduce specific measures to reduce urine and sweat contents in pool water, such as (i) advising parents and swimming coaches to encourage children to exit the water and go to the toilet every 30 to 60 minutes, and (ii) stepping up publicity to call upon swimmers to rinse their body before entering the water and not to urinate in the swimming pool; if so, of the details; if not, the reasons for that; and

(5) as there are views that some complexes are often full, resulting in deteriorating pool water quality and swimmers not being able to swim freely, whether LCSD has reviewed if the supply of swimming pools in the districts housing the three complexes with the highest attendances last year (i.e. Kwun Tong Swimming Pool, Kowloon Park Swimming Pool and Lai Chi Kok Park Swimming Pool) meets the standards stipulated in the Hong Kong Planning Standards and Guidelines ("HKPSG"); if LCSD has reviewed and the result is in the negative, of the details; whether the Government will, apart from making reference to HKPSG, take the attendance at the existing complexes as one of the considerations for supplying additional complexes?

SECRETARY FOR HOME AFFAIRS (in Chinese): President, the Government attaches great importance to the water quality of public and private swimming pools. Leisure and Cultural Services Department ("LCSD") manages its public swimming pools while the Food and Environmental Hygiene Department ("FEHD") licenses and regulates private swimming pools. My reply to various parts of the question is as follows:

(1) and (3)

LCSD has drawn up parameters for monitoring the water quality of its public swimming pools by making reference to the Guidelines for

Safe Recreational Water Environments Volume 2 issued by the World Health Organization ("the Guidelines") and in accordance with the advice from the Department of Health. Such parameters include, among other things, the free residual chlorine, pH value, total bacteria count, E. coli, Vibrio cholerae and turbidity of pool water, etc. According to the Guidelines, neither urea content nor trihalomethanes content is one of the parameters to be monitored for pool water. The current parameters for monitoring the water quality of public swimming pools are providing appropriate protection for swimmers. LCSD will continue to closely monitor the quality of pool water in its swimming pools and conduct reviews whenever necessary.

Well-developed filtration and sterilization systems are in place in the 44 public swimming pools under LCSD. Water of the swimming pools is continuously circulated, filtered and sterilized throughout the opening hours. 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, to maintain proper functioning of the filtration and sterilization systems of the swimming pools, the works departments concerned have been providing assistance to LCSD in facilitating proper maintenance of the swimming pools, including comprehensive inspection on the filtration system in the filtration plant during annual maintenance and timely replacement of equipment and spare parts. For example, the heavily patronized Kowloon Park Swimming Pool and Lai Chi Kok Park Swimming Pool had the chemical dosing system replaced and spare parts of the ozone generator replaced by phases in the past two years, as an effort to maintain the performance of the filtration system.

(2) FEHD licenses and regulates private swimming pools, including those operated by clubs, institutions, associations or other organizations and those serving 20 or more residential units, under the Swimming Pools Regulation ("the Regulation") (Cap. 132CA).

In accordance with the Regulation, a licensee of a swimming pool shall, at all times during which the swimming pool is in use by bathers, cause the water therein to be completely changed by circulation through a filtration system or by renewal from source. In the case of a covered pool, not less than once in every four hours; and in the case of an open air pool, not less than once in every six hours. In short, the Regulation requires water changing by circulating through a filtration system or by renewing from source to ensure that all water re-entering the swimming pool has been filtered or renewed from source.

With regard to the quality of water, the Regulation stipulates that the licensee of a swimming pool shall maintain the water quality of the swimming pool to a standard that E. coli is absent in pool water samples of 100 ml each and the total bacterial count does not exceed 200 bacteria per millilitre of pool water samples. Moreover, the licensee shall ensure that the water in the swimming pool complies with the standard of clarity (including the turbidity and colour of water) and the standard of pH value of not less than 7.0 and not more than 7.8 specified in the Regulation. FEHD will take water samples at swimming pools for examination regularly to ensure that the pool water complies with the quality standard sets out in the Regulation.

Licensed swimming pools generally open in summer seasons. The Regulation stipulates that the licensee of a swimming pool shall cause the pool to be emptied of water and thoroughly cleaned not less than once in every year and at such other times as the Director of Food and Environmental Hygiene may require. In addition to ensuring that the licensee will thoroughly cleanse the swimming pool, the requirement will also facilitate the licensee to carry out maintenance works.

As mentioned above, the existing provisions under the Regulation coupled with regular examination of swimming pool water by FEHD offer appropriate protection for bathers in terms of the quality and purity of pool water in licensed swimming pool. FEHD will continue to closely monitor the quality and purity of the pool water in licensed swimming pool, including the standard of bacteriological

quality and standard of clarity, and initiate review whenever necessary.

(4) Publicity efforts have all along been stepped up by LCSD through different channels, including publication of swimmers' handbook, display of posters and banners, departmental web page, broadcasts of messages at swimming pools and announcements in the public interest, etc., to urge swimmers to observe personal hygiene, remind them not to pollute pool water and to go through a shower and visit the toilet before swimming, etc.

(5) The three most heavily patronized swimming complexes (i.e. Kwun Tong Swimming Pool, Kowloon Park Swimming Pool and Lai Chi Kok Park Swimming Pool) last year are located at Kwun Tong District, Yau Tsim Mong District and Sham Shui Po District respectively. The numbers of swimming complexes provided in these three districts meet or stand above the standard provision suggested in the Hong Kong Planning Standards and Guidelines ("HKPSG").

When planning new sports facilities (including swimming complex) and improving the existing ones, apart from making reference to the standards set out in HKPSG, the Government will also take into consideration other relevant factors such as the current provision of sports facilities at the territory-wide and district levels, the policy objectives of sports promotion, utilization rates/attendances of existing facilities, demographic changes, views of District Councils, site availability and technical feasibility, etc.

Handling of fallen trees and broken branches

20. **MR HOLDEN CHOW** (in Chinese): *President, it is now nearly two months since the onslaught of super typhoon Mangkhut in Hong Kong, but fallen trees and broken branches awaiting clearance can still be seen in various places throughout Hong Kong. In this connection, will the Government inform this Council:*

(1) of the total number of workers involved in handling fallen trees and broken branches at public places after the onslaught of Mangkhut, with a breakdown by (i) the work procedure which they perform/performed (e.g. sawing trees, removing trunks and branches), (ii) the government department and the service contractor engaged by the government department under which such workers are/were employed, and (iii) whether such workers are/were additional manpower recruited;

(2) of the types and quantities of tools and machines currently used by various government departments and their service contractors for handling fallen trees and broken branches; and

(3) whether it will consider procuring advanced machines (e.g. large chippers) to save the manpower and time needed for clearing fallen trees and broken branches?

SECRETARY FOR DEVELOPMENT (in Chinese): President, super-typhoon Mangkhut has caused extensive damage to trees, and over 60 800 tree failure reports have been received. After the typhoon, various government departments worked in close collaboration to clean up fallen trees and broken branches. The clean-up work is mainly undertaken by the government departments managing the land or facilities where the trees are located, including, among others, the Highways Department, the Leisure and Cultural Services Department ("LCSD"), the Architectural Services Department and the Lands Department. Different methods are used in handling fallen trees depending on their size and specific locations. Workers have to cut large fallen trees with thick trunks and branches into small logs with chain saws before removing them. For collapsed trees at constrained locations that are not accessible to engineering vehicles, the work and logistics involved are more complicated, hence taking longer time for their removal.

Various major tree management departments have made every effort to remove the fallen trees. Some public works contractors also expanded their designated clean-up areas to speed up the removal of obstacles caused by fallen trees and broken branches. In addition, employees of some contractors and tool suppliers also formed volunteer teams to help clearing fallen trees. To expedite the clearance operations, the Fire Services Department suspended all training courses and redeployed 180 members to such operations. The Civil Aid

Services was also mobilized to remove fallen trees from blocked thoroughfares. In addition to the 10 000-odd people mobilized by the Government each day to take part in the clearance operations, volunteers from various sectors across the community, including the disciplined services, also joined in clearing fallen trees and debris.

Government departments clean up fallen trees in three stages. Clearance of fallen trees blocking pedestrian and traffic flow has been completed, allowing the society to quickly resume operations and citizens to get on with their normal life. Government departments are now cleaning up areas frequented by the public (such as parks, cycle tracks, hiking trails, etc.), which will be completed by the end of this year. Areas that do not affect the daily activities of the public (such as roadside slopes and remote areas in the country parks) will be progressively cleared by the first quarter of 2019.

My reply to the three-part question raised by Mr Holden CHOW is as follows:

(1) After the passage of Typhoon Mangkhut, government departments deployed some 15 262 workers (including contractors' workers) to clear fallen trees and broken branches. Breakdown is as follows:

Government Departments	*Number of Workers Involved in Clearing Tree Debris*
Housing Department	2 950
Highways Department	1 200
LCSD	900
Civil Engineering and Development Department	900
Drainage Services Department	326
Architectural Services Department	258
Agriculture, Fisheries and Conservation Department	250
Water Supplies Department	128
Lands Department	350
Food and Environmental Hygiene Department	8 000
Total	15 262

Government departments and their contractors adopt a one-stop service approach and work in collaboration to clean up fallen trees and broken branches. They adjust manpower deployment according to operational needs. The number of manpower involved in or additionally recruited for various work processes is not documented. The departments set out above have hired more than 90 service contractors in total.

(2) The fallen trees vary in size and are in different locations. Therefore, government departments need to use different machinery and equipment to cater for different situations when clearing fallen trees. For example, grab lorries or crane lorries are used for collapsed trees along public roads to speed up clearance work, while only smaller equipment can be used in locations without vehicular access. The machinery and equipment used by the Government and its contractors for clearance of fallen trees include handsaws, chain-saws, pole saws, powered pole saws, tree felling grapples, grab lorries, hydraulic platform vehicles and crane lorries, etc. We have not kept statistics on the use of each type of machinery and equipment.

(3) Government departments will bring in appropriate tools to facilitate tree management work having regard to actual conditions and operational needs. Large shredders, which generate noise during operation, can only be used away from residential areas. At present, the Highways Department has taken the lead in testing the use of wood chippers on the roads. Besides, the review of the response and recovery work in respect of Typhoon Mangkhut coordinated by the Security Bureau has commenced. The Government will review the response and recovery work, including the adequacy of equipment and machinery, in light of the experience gained in tackling Typhoon Mangkhut.

Light pollution

21. **DR ELIZABETH QUAT** (in Chinese): *President, it has been reported that quite a number of outdoor signboards and advertising screens emit dazzling light, giving rise to serious light pollution as well as causing nuisance to the*

residents nearby and harm to their health. Although the Environment Bureau released the Guidelines on Industry Best Practices for External Lighting in 2012 and launched the Charter on External Lighting ("the Charter") in 2016 inviting owners/persons-in-charge of external lighting installations to sign up for the Charter, the light pollution problem has persisted. In this connection, will the Government inform this Council:

(1) of (a) the number of complaints received about light nuisance, with a breakdown by (i) whether the complainee is a public organization or a private organization, and (ii) type of follow-up actions taken by the authorities, (b) the number of such complaints in respect of which advice was given to the complainee and, among such cases, the number of those in which the nuisance was subsequently mitigated, and (c) the targeted measures taken against those persons who had repeatedly been alleged to have caused light pollution, in each of the past five years;

(2) of the number of inspections conducted on the black spots of light pollution by government officers in each of the past five years, as well as the Government's short, medium and long term measures to mitigate the impacts of light pollution on the residents;

(3) whether it knows when the Working Group on External Lighting will (i) complete the review of the effectiveness of the Charter and (ii) release the findings and recommendations of the review;

(4) of the respective numbers of occasions in each of the past five years on which government officers (i) participated in the activities held by community organizations on reduction of light pollution and (ii) liaised with such organizations to collect their views, as well as the views collected; and

(5) as the Charter is not legally binding, whether the Government will, by making reference to the relevant regimes and experience of other jurisdictions in regulating external lighting, step up the regulation of external lighting, including considering the enactment of legislation to that effect; if so, of the details and timetable; if not, the reasons for that?

SECRETARY FOR THE ENVIRONMENT (in Chinese): President, the Government set up the Task Force on External Lighting ("the Task Force") in 2011 to advise on the strategy and measures for tackling issues relating to nuisance and energy wastage caused by external lighting.

Having thoroughly considered the views collected during the public engagement exercise, the Task Force submitted its report to the Government in April 2015, and pointed out that the views collected were diverse, and there was a lack of consensual view. While some called for immediate legislation, others objected to any form of regulation, including voluntary measures.

Therefore, the Task Force recommended the adoption of a multi-pronged approach, including implementing a voluntary charter, reviewing effectiveness of the charter two years after its introduction, and relaunching the Guidelines on Industry Best Practices for External Lighting Installations ("the Guidelines"). The Environment Bureau subsequently launched the Charter on External Lighting ("the Charter") in 2016 to invite responsible persons for external lighting installations to sign the Charter, and switch off lighting installations with decorative, promotional or advertising purposes that affect the outdoor environment during the preset time (i.e. 11:00 pm or midnight to 7:00 am on the following day).

My specific responses to the question raised by Dr Elizabeth QUAT are as follows:

(1), (2) and (4)

The numbers of complaints received by the Environmental Protection Department ("EPD") about external lighting in the past five years are set out in the Annex. EPD conducted more than 2 000 on-site inspections in relation to light nuisance complaints during the same period.

Upon receipt of complaints about light nuisance, EPD will relay the complainants' concerns and requests to the persons responsible for the lighting installations in question, invite them to sign up to the Charter, refer them to the Guidelines for taking appropriate measures

(e.g. lowering the lighting intensity where appropriate, adjusting the angle of spot lights to avoid nuisances from spilled light, or switching off non-essential lights at an earlier time) to minimize the impacts of the lighting installations on the residents in the vicinity as far as practicable. Most of the persons and organizations responsible for the lighting installations would adopt EPD's advice and take improvement measures. EPD however does not maintain any statistics and breakdown on the follow-up actions taken.

The Government is striving to implement the multi-pronged measures recommended by the Task Force, promote the Charter and encourage owners of and responsible persons for external lighting installations to switch off lighting installations with decorative, promotional or advertising purposes that affect the outdoor environment during the preset time. As for districts with more complaints about light nuisance, we have conducted on-site investigations and collected information of external lighting installations in Wan Chai, Yau Tsim Mong, Central and Western, Eastern, Kowloon City and Tsuen Wan, as well as invited relevant business establishments to sign up to the Charter.

Since the Charter took effect in April 2016, nearly 5 000 participants from different sectors (including building management, property development, hotels and catering, retail, laundry, banking, telecommunications and real estate agencies, as well as schools, public utilities and public/non-governmental organizations) have signed up to the Charter. Although the Charter is a voluntary document, most of the participants take their pledge seriously. Our on-site compliance checks conducted in 2017 and 2018 show that over 99% of the participants have been able to follow the switch-off requirement.

As to encouraging the trades to adopt the good practices in the Guidelines, the Environment Bureau has organized 30 seminars to appeal to about 100 public and private organizations (including relevant professional organizations and trade bodies) to observe the Guidelines when planning for, installing or managing their external

lighting installations and to adopt the good practices provided in the Guidelines.

The Environment Bureau also supports the "Earth Hour" event organized by the World Wide Fund for Nature and call on bureaux and departments to turn off unnecessary lights under their management during the event.

(3) and (5)

As recommended by the Task Force, the Government plans to review the effectiveness of the Charter two years after implementation. To this end, the Government has reorganized the Working Group on the Promotion of the Charter of External Lighting into the Working Group on External Lighting ("WGEL"), and expanded its scope of work to include promotion of the Charter, reviewing its effectiveness and advising the Government on more options to effectively manage external lighting. To engage different sectors in the review, members of WGEL are drawn from professional bodies, relevant trades, academia, green groups and District Councils in the hopes that WGEL will be a good platform to forge stronger community consensus.

To commence the review, WGEL agreed that two consultancies to be engaged by the Environment Bureau to conduct an opinion survey to gauge the views of various sectors towards the current situation and regulation of external lighting; and to look into regulatory arrangements adopted by other economies and cities for external lighting installations and considering whether there are any outside experiences, measures and standards that Hong Kong can learn from. The opinion survey is expected to commence and be completed in 2019. WGEL expects to be able to complete the review and submit recommendations to the Government in the first half of 2020. Having regard to WGEL's review findings and recommendations, we will consider the next step, including whether legislation should be introduced to control nuisance caused by external lighting.

Annex

Number of complaints about external lighting received by EPD in the past five years

Year	*2013*		*2014*		*2015*		*2016*		*2017*	
Type	*Public Organizations*	*Private Organizations*	*Public Organizations*	*Private Organizations*	*Public Organizations*	*Private Organizations*	*Public Organizations*	*Private Organizations*	*Public Organizations*	*Private Organizations*
Breakdown	8	251	9	220	18	238	23	312	25	330
Total	259		229		256		335		355	

Protection of animal rights, interests and welfare

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

(1) given that the Police will roll out the "Animal Watchers Scheme" in the next financial year, of the details of the scheme (including the specific work initiatives and timetable, manpower required, estimated expenditure, and what types of persons may take part in the scheme);

(2) of the Government's initiatives for protecting animal rights, interests and welfare as well as the expenditure involved, in each of the past three years and in the coming year (set out by work initiative);

(3) as the Government plans to amend to section 56 of the Road Traffic Ordinance (Cap. 374) (which provides that where an accident involving a vehicle on a road occurs whereby damage is caused to an animal, the driver of that vehicle shall stop and report the accident to the Police as soon as possible) to bring cats and dogs within the ambit of the section, of the relevant details (including the legislative timetable); whether it will (i) set up a hotline for drivers to report to the Police such accidents or for eyewitnesses to report to

the Police hit-and-run drivers involved in such accidents, and (ii) enhance its support for the Society for the Prevention of Cruelty to Animals (Hong Kong) in handling injured animals;

(4) as a study report has pointed out that the number of cats and dogs kept as pets in Hong Kong will increase from about 297 100 in 2005 to about 545 600 in 2019, whether the Government will explore the establishment of a public hospital for animals, so as to provide pet owners with an option other than private veterinary clinics;

(5) as the Police announced in April this year that dedicated investigation teams had been set up in the 22 Police districts across the territory with criminal investigation teams to handle cases of animal cruelty, of (i) the training received by members of such teams and (ii) the number of cases that such teams have handled so far; and

(6) whether it will consider afresh the proposal to establish an animal police team and, by way of amending the relevant legislation, vest in the Police more power to handle cases of animal cruelty; if so, of the details; if not, the reasons for that?

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, the Government attaches great importance to promoting and safeguarding animal welfare, and has been adopting a multi-pronged approach in this regard. Having consulted the Security Bureau, my reply to various parts of the question is as follows:

(1) To enlist public support and assistance in combatting acts of cruelty to animals, the Police will implement the "Animal Watchers" Scheme ("Scheme") in the financial year 2019-2020, with a view to agglomerating the strengths of animal lovers at the community level in four directions of education, publicity, investigation and intelligence-gathering; raising public awareness on prevention of cruelty to animals; and encouraging the public to report in a timely manner as well as providing information that could help investigations. Participants of the Scheme could disseminate to the

community the messages of caring for animals and preventing cruelty to animals through organizing and participating in various activities promoting animal welfare. In addition, the Police will coordinate and deepen the cooperation among stakeholders, including relevant government departments, animal welfare organizations ("AWOs") and animal lovers.

The Police will liaise with stakeholders shortly on the planning and implementation of the Scheme, with a view to finalizing the details within next year.

(2) The Agriculture, Fisheries and Conservation Department ("AFCD") has been implementing measures and work to safeguard and promote animal welfare. In the past three years, AFCD has been:

(i) implementing and strengthening public education and publicity programme and enhancing their website to promote responsible pet ownership and proper care of animals, advise against abandonment and needless surrendering of pets to the Government, and champion the need for dog licensing and rabies vaccination as well as the benefits of neutering;

(ii) implementing the new licensing regime under the Public Health (Animals and Birds) (Animal Traders) Regulations (Cap. 139B) to regulate pet trading and dog breeding and sale;

(iii) devising codes of practices for the proper trading, breeding and keeping of pets and other animals;

(iv) strengthening enforcement action against pet owners and traders in contravention of relevant legislation;

(v) improving the handling of reports or complaints on cruelty to animals through the inter-departmental special working group comprising representatives of the relevant government departments and the Society for the Prevention of Cruelty to Animals ("SPCA");

(vi) strengthening collaboration with, and providing technical and financial support to, AWOs in animal adoption and carrying out activities relating to animal welfare and management; and

(vii) assisting the AWOs concerned in implementing the trap-neuter-return trial programme for stray dogs.

The Government will continue to carry out the work on safeguarding animal welfare in the coming year. In addition, the Government is mapping out the major direction and drawing up preliminary proposals for amending the legislation related to animal welfare, with a view to consulting the public early next year. The proposals include introducing animal keepers' responsibility of positive duty of care of animals and exploring raising the penalties for acts of cruelty to animals.

The expenditures and estimates involved for carrying out the above work by AFCD over the past three years and in the financial year 2018-2019 are as follows:

Financial year	*Expenditure ($ million)*
2015-2016	50.5
2016-2017	53.7
2017-2018 (revised estimate)	57.7
2018-2019 (estimate)	57.7

AFCD does not have the breakdowns of expenditures involved for carrying out the above work and measures.

(3) The Government completed in September 2018 a public consultation on the responsibility requirement for a driver to stop in case of a traffic accident involving injury to an animal. We are considering the views received and drafting the legislative amendment proposal, with a view to submitting the proposed amendments to the Legislative Council in the first quarter of next year.

In the event of a traffic accident involving animals, members of the public could report the case to the Police by calling the 999 hotline. After receiving the report, the Police will handle the case in accordance with established procedures, and notify the relevant departments or SPCA to provide assistance as necessary.

The Government has been providing funding to SPCA to carry out work on safeguarding animal welfare, including enhancing the rescue services for handling injured animals.

(4) The number of registered veterinary surgeons in Hong Kong has been increasing in recent years, now amounting to 970. Around 140 veterinary clinics are present in Hong Kong, providing general and specialist consultation services. Furthermore, the clinic established by the City University of Hong Kong ("CityU") also provides animal emergency services, and CityU is establishing an animal health centre to provide treatment for various animal diseases. Hence, there are currently sufficient clinics in Hong Kong offering various veterinary services. In addition, as mentioned above, AFCD has been providing subventions to AWOs on their work on safeguarding animal welfare, including the provision of veterinary services. Currently, we have no plan to establish a public animal hospital.

(5) and (6)

On case investigation, in the light of public demand for the setting up of dedicated criminal investigation teams in police districts to handle animal cruelty cases, the Police announced in mid-April this year that dedicated investigation teams, comprising officers with experience and skills in investigating and handling other serious crimes, have been set up in the 22 police districts with criminal investigation teams across the territory. A platform is in place for dedicated investigation teams of various districts to exchange their experience in investigations. The Police also provide relevant officers with training on handling animal cruelty cases to ensure that they are able to conduct thorough investigations into such cases. In addition, the Police, AFCD and SPCA have established a

cooperation mechanism, whereby officers of AFCD and SPCA will provide professional advice and assist in the investigation at the scenes of animal cruelty cases where necessary.

From April to September this year, the dedicated investigation teams in various police districts handled 57 suspected animal cruelty cases, amongst which 22 have been detected. In the first six months of 2018, the Police initiated prosecution against a total of 11 cases under the Prevention of Cruelty to Animals Ordinance (Cap. 169). The convicted persons concerned were sentenced to imprisonment of two months to one year. The Police will continue to monitor the crime trend of animal cruelty and step up enforcement in this respect.

On education and training, the Police from time to time invite officers from AFCD and SPCA to explain the multi-agency approach for the investigation of animal cruelty cases to police officers participating in foundation training and criminal investigation courses. The handling of animal cruelty has also been incorporated in the training days of various police districts, so that frontline officers can have a better grasp of the latest situation and trend of animal cruelty.

In addition, the Police invite relevant officers to share their experience at seminars organized from time to time. A veterinary officer from AFCD, an officer from SPCA, a professor from the College of Veterinary Medicine and Life Sciences of CityU and officers from dedicated investigation teams with rich experience in handling relevant cases were invited to share their experience at a large-scale seminar on the handling of animal cruelty cases held at the Police Headquarters in July this year, with a view to enhancing the professionalism and capability of officers in handling such cases. Two overseas experts were also invited to talk about animal welfare and share experience in veterinary forensics at another seminar organized by the Police at the end of October.

GOVERNMENT BILLS

First Reading and Second Reading of Government Bills

First Reading of Government Bills

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

WASTE DISPOSAL (CHARGING FOR MUNICIPAL SOLID WASTE) (AMENDMENT) BILL 2018

INLAND REVENUE (AMENDMENT) (NO. 7) BILL 2018

CLERK (in Cantonese): Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Bill 2018
Inland Revenue (Amendment) (No.7) Bill 2018.

Bills 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 Bills

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

WASTE DISPOSAL (CHARGING FOR MUNICIPAL SOLID WASTE) (AMENDMENT) BILL 2018

SECRETARY FOR THE ENVIRONMENT (in Cantonese): Deputy President, I move the Second Reading of the Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Bill 2018 ("the Bill") for the implementation of municipal solid waste ("MSW") charging to drive behavioural and cultural changes in order to achieve reduction in waste and carbon emission.

Need for MSW charging

For a period in the past, the per capita disposal rate of MSW of Hong Kong has been increasing. In 2016, the daily disposal of MSW reached

1.41 kg/person, which is higher than those of other major cities. To combat global climate change, it is imperative to promote resources saving as well as waste reduction and recycling in order to reduce carbon emission and facilitate a transformation to low-carbon living.

Sitting at the centre of our overall waste reduction strategy is the implementation of MSW charging, which will provide the necessary financial incentives to encourage different sectors of the community to cherish resources and proactively practise waste reduction at source as well as clean recycling, thus reducing overall waste disposal

Charging arrangements

The Government has been consulting the public and the trades for some time in the past on this important policy and its implementation arrangements, through public consultation and the extensive public engagement process conducted by the Council for Sustainable Development ("SDC") in 2013, to build understanding of and support for MSW charging in the community. SDC subsequently recommended the Government to adopt two charging modes, namely "charging by designated garbage bags" and "charging by weight", to implement MSW charging based on the "polluter pays" principle and the existing waste collection system. The charging mode applicable to a member of the public will depend on the waste collection service used by him/her. In October last year, having taken on board the views from stakeholders, we modified the proposed charging arrangements by expanding the use of pre-paid designated garbage bags.

In most circumstances, i.e. for MSW collected by the Food and Environmental Hygiene Department ("FEHD") as well as MSW collected by private waste collectors using refuse collection vehicles with rear compactors, charging will be imposed through requiring the use of pre-paid designated garbage bags. MSW will have to be properly wrapped in the designated garbage bags before disposal. This charging mode is applicable to most residential buildings, village houses, street-level shops, and institutional premises, accounting for some 80% of the daily MSW disposed of at landfills. Charging for oversized waste collected by FEHD that cannot be wrapped into a designated garbage bag will be imposed through requiring the oversized waste to be affixed with a designated label before disposal.

For the remaining around 20% of the daily MSW collected by private waste collectors using waste collection vehicles without compactors, such as grab lorries, demountable trucks and tippers, a "gate-fee" will be charged based on the weights of MSW disposed of at landfills or refuse transfer stations. Such MSW comprises largely oversized waste or waste which is irregular in shape generated from commercial and industrial premises, e.g. large-sized metal ware and wood panels, that can hardly be put into a designated garbage bag.

Content of the Bill

The trades and the public generally find the modified charging mode and mechanism agreeable. The main object of the Bill is to provide a legal basis for the implementation of the aforementioned charging mode. The Bill proposes to make provisions for the requirement that designated garbage bags or designated labels must be used for the disposal of MSW and during the handling of MSW by the relevant personnel. For example, the Bill provides for the definitions of non-compliance and defences in relation to such behaviour as the disposal of MSW by members of the public, reception of MSW by private waste collectors and deposition of MSW onto refuse collection vehicles by cleaning personnel.

Besides, the Bill also makes provisions for the regulation of designated garbage bags and designated labels in respect of their specifications, production, sale and supply. Having drawn reference from the distribution network adopted in other cities, we propose to establish some 4 000 sales points at supermarkets, convenience stores, gas stations, post offices, etc. to facilitate the purchase of the designated bags and designated labels by members of the public. In addition, vending machines will be set up in rural areas and refuse collection points. We will also invite supermarkets and convenience stores to sell the designated garbage bags in lieu of plastic shopping bags as a means to further promote re-use and waste reduction and achieve the effect of "one bag for dual purposes".

As regards the gate-fee, the Bill seeks to charge private waste collectors at the refuse transfer stations and landfills for the disposal of MSW by amending the existing Waste Disposal (Refuse Transfer Station) Regulation. The Government will adopt a hybrid system to allow both private waste collectors and waste producers to register as account holders for paying the gate-fee in a flexible manner. Private waste collectors can pay the gate-fee upfront and recoup the charges from their clients. Alternatively, waste producers can register as account holders for paying the gate-fee for the disposal of their MSW direct.

Implementation Strategy

We recognize the enormous challenge in implementing MSW charging. As I have stated on various occasions, our strategy is mainly three-pronged: first and foremost, "E for Education"; followed by "C for Community support", and then " O for Outreaching assistance"—or ECO in short, which will be the main orbit guiding our strategies for environmental protection and waste reduction.

E for Education

As revealed in the experiences of other cities, publicity, public education and engagement of stakeholders hold the key to the successful implementation of MSW charging. They are not only instrumental to promoting public awareness and acceptance of MSW charging before its launch, but also crucial to reducing the enforcement burden.

Our major efforts in publicity and public education, which will begin from now on, will be guided by three principles, including:

(a) a sustainable and extensive public education campaign targeted at the general public and specific groups, such as students and youngsters, under the theme of "Dump Less, Save More";

(b) provision of first-hand experience of how MSW charging is implemented through the successive launches of setting-specific community engagement projects as well as close partnership and collaboration with government departments and stakeholder groups such as the Environmental Campaign Committee, District Councils and village representatives, green groups and schools in launching activities relating to the practice of MSW charging; and

(c) provision of direct, on-site and in person assistance by the outreaching teams newly set up under the Environmental Protection Department ("EPD").

C for Community support

Effective waste reduction can be achieved only through the adoption of a multi-pronged approach, which involves the progressive enhancement of ancillary facilities for waste reduction at source and recycling. To this end, it

has been announced in the Policy Address that additional recurrent resources will be provided to strengthen our work on these fronts, with an additional provision of around $300 million to $400 million for the financial year 2019-2020 to start with, which would be further increased to no less than $800 million to $1 billion from the financial year when MSW charging is to be implemented. The amount of this annual provision would be commensurate with the estimated gross revenue to be generated from MSW charging in the initial period so as to achieve the effect of "dedicated-fund-for-dedicated-use". As the Government has stressed all along, MSW charging is not introduced to raise the Government's revenue or recover costs. All revenue from MSW charging will be used for enhancing waste reduction and recycling as well as the relevant measures and work.

The relevant waste reduction and recycling work under planning includes the setting up of outreaching teams under EPD to provide on-site assistance to the community, thereby putting waste reduction into practice; the launching of a pilot scheme to provide free collection service for waste plastics from non-commercial and industrial sources with a view to eventually providing free territory-wide collection service in respect of waste plastics from non-commercial and industrial sources and food waste from all sectors subject to the experiences gained from the pilot scheme and the progress of developing food waste recovery centres in Hong Kong; and implementation of a pilot scheme to assess the effectiveness of applying reverse vending machines in promoting the recycling of plastic beverage containers.

O for Outreaching assistance

In this aspect, the outreaching teams will play a key role in our overall efforts in stepping up publicity and public education as well as enhancing support to the community. The outreaching teams will mainly focus on education on promoting waste reduction and recycling during the early stage. They will strive to establish and maintain a direct and effective liaison network with such stakeholders as property management companies, frontline cleaning staff, residents' organizations, District Council members and community organizations through on-site visits in order to promote the practice of waste separation at source and clean recycling properly, as well as to help identify proper outlets for recyclables. In preparing for the implementation of MSW charging at a later stage and after the implementation of MSW charging, the outreaching teams will focus on providing on-site assistance to residents, property management companies and frontline cleaning staff to support members of the public to implement MSW charging.

Enforcement as backup

On enforcement, while the successful implementation of MSW charging, as I said just now, hinges on publicity and public education as the means to drive behavioural changes, we still need an effect enforcement strategy for backup and gate-keeping purposes.

First, to allow different sectors of the community to progressively adapt to MSW charging and gradually change their behaviour and habits, a preparatory period of about 12 to 18 months will be put in place after the passage of the Bill to provide appropriate time for the Government, the various stakeholders and members of the public to prepare for the implementation of MSW charging. We intend to put in place a phasing-in period, lasting six months under our proposal, after the commencement of MSW charging. During this period, we will mainly issue warnings against non-compliant cases but enforcement actions would be taken in case the nature and magnitude of the offence calls for enforcement, e.g. if the offender repeatedly contravenes the law despite warnings given. After the phase-in period, strict enforcement actions will be taken against offenders of depositing and receiving non-compliant MSW.

Having regard to the high density of high-rise buildings and the large numbers of refuse collection points in Hong Kong, our enforcement strategy will be guided by a risk-based principle. Based on the intelligence and complaints received from the public, property management companies and frontline staff, a list of black spots will be drawn up for enforcement actions. Particular attention will be paid to the compliance situation at the pressure points such as "three-nil buildings" without waste reception chambers and rural areas where refuse collection points including bin sites are basically unmanned. EPD and FEHD also plan to make use of technology where possible, expanding the installation of internet-protocol cameras to combat fly-tipping at black spots in public places.

In respect of penalty, the Bill proposes that offenders of depositing or receiving non-compliant MSW be issued fixed penalty tickets at $1,500 each, or be prosecuted by way of summons. The proposed penalty of $1,500, amounting to several years' of MSW charging for an average family, will presumably have considerable deterrent effect.

Responding to public concerns

Since I made the announcement last month that the Government would shortly present the Bill to the Legislative Council, various sectors of the community have given their views on the issue. After giving my initial response on various occasions, I wish to take this opportunity to give a consolidated response to several points.

First, some hold the view that apart from implementing MSW charging, the Government should at the same time reward members of the public for reducing waste disposal. I hope Members can appreciate that rewarding waste producers runs counter to the "polluter pays" principle and is by no means the mainstream international practice. That said, we recognize that active public participation in waste reduction at source and clean recycling should be encouraged and have thus allocated more resources to stepping up education and publicity as well as implementing pilot schemes. By doing so, we can on the one hand give more impetus to the further practice of waste reduction and recycling in the community, and on the other recognize the efforts made by those members of the public who have put words into deeds and reduced waste. As a matter of fact, by proposing to fund, under the "dedicated-fund-for-dedicated-use" principle, a pilot scheme to provide free collection service for waste plastics from non-commercial and industrial sources and food waste from commercial and industrial sectors, we seek precisely to facilitate waste separation and recycling through the provision of more incentives. It is hoped that ultimately, waste plastics and food waste that are clean and without impurities—which will not be subject to MSW charges—will be collected separately from other discarded waste, thereby incentivizing all sectors to actively put waste separation at source and clean recycling into practice. Besides, there are reward schemes in place under both the Community Green Scheme and the Community Recycling Centres presently to incentivize the public to practise clean recycling at the community level. Looking forward, we will actively review our strategy of increasing the motivation and incentives for waste reduction and recycling as a starting point as we further enhance and extend our work on this area.

Meanwhile, there are some views in the community that we should wait until ancillary measures, including food waste recycling facilities, are fully in place before implementing MSW charging. I must stress that when MSW

charging was implemented in our neighbouring cities some 20 years ago, ancillary facilities for recycling were not yet up to scratch in many aspects. I hope Members will appreciate that, as Rome was not built in one day, MSW charging should be viewed as an engine driving the accelerated expansion of waste reduction and recycling measures as well as that of the relevant ancillary facilities. The implementation of MSW charging and the development of ancillary facilities should be undertaken in parallel for complementary effect. Given the imminent crisis arising from the increasing amount of waste, we cannot allow the advancement of our most crucial policy measure be blocked, in turn stalling the progress of waste reduction and recycling in society at large, simply because the ancillary facilities are currently at various stages of development. We should be proactive in implementing MSW charging as a catalyst for the development of various ancillary facilities, acting responsibly in the interest of sustainable development.

On enforcement, we appreciate the concerns of various Members about the compliance situation after the implementation of MSW charging. Experiences in other cities show that the compliance rate of MSW charging will rise and improve with time. We cannot and should not expect the implementation work of MSW charging can be achieved overnight, as adapting to MSW charging by the various sectors and cultivating the necessary culture take time. Hence, before the implementation of MSW charging, we will step up publicity and public education, draw up guidelines with property management companies and the cleaning sector, provide outreaching assistance as complement, etc. to enhance the degree of preparation and adaptation of all sectors. FEHD and others will also step up enforcement work to combat illegal fly-tipping, thereby facilitating the improvement of environmental hygiene on the one hand, and driving behavioural changes in preparation for the implementation of MSW charging on the other. By undertaking the aforementioned work, coupled with a risk-based enforcement approach, we hope to put public resources to proper use.

The way forward

After years of deliberations and repeated discussions, the various sectors of the community have in general reached a consensus in some measure on this important waste reduction policy of MSW charging. The walk of a thousand mile starts with the next step, as the Chinese saying goes. I hope Members will support and expeditiously pass the Bill for the early implementation of MSW

charging, joining hands with us and taking a step forward in the progress of waste reduction in Hong Kong.

I so submit. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Bill 2018 be read for 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.

INLAND REVENUE (AMENDMENT) (NO. 7) BILL 2018

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy President, I move the Second Reading of the Inland Revenue (Amendment) (No. 7) Bill ("the Bill").

The Bill aims at implementing the five amendments to the Inland Revenue Ordinance which seek to:

(a) align the tax treatment of financial instruments with their accounting treatment;

(b) allow the deduction of interest expenses payable to overseas export credit agencies;

(c) refine the provisions that implement the arrangement for automatic exchange of financial account information in tax matters ("AEOI");

(d) avoid potential double non-taxation of income of visiting teachers and researchers; and

(e) revise the meaning of the sibling relationship.

In respect of amendment (a), there is no provision in the existing Inland Revenue Ordinance ("IRO") that allows taxes be calculated on a fair value basis. However, accouting on a realization basis is not an established commercial practice and indeed departs from the Hong Kong Financial Reporting Standard 9 effective from 1 January this year. We propose to allow, on the taxpayer's election, the alignment of tax treatment of financial instruments with their accounting treatment for assessing profits so as to facilitate their efforts in preparing tax returns.

In respect of amendment (b), we propose to allow deduction of the interest expenses payable to overseas export credit agencies. Under the existing IRO, interest expenses payable to overseas financial institutions are tax deductible. However, an overseas export credit agency that is run as a public instituion does not fall under the definition of an overseas financial institution. Thus, Hong Kong taxpayers may not claim tax deduction on the relevant expenses. Expanding the definition to cover overseas export credit agencies will help foster trading activities between Hong Kong and other places.

Amendment (c) seeks to align the existing AEOI arrangement with the requirements promulgated by the Organisation for Economic Co-operation and Development. The objectives of the amendments include clarifying the definitions of certain concepts and removing five types of institutions from the list of non-reporting financial institutions. The amendments highlight Hong Kong's commitment to international tax cooperation and are particularly crucial for Hong Kong to preserve its competitiveness and reputation as an international financial and business centre.

Amendment (d) seeks to avoid potential double non-taxation of income of visiting teachers and researchers arising from the introduction of tax exemption for teachers and researchers in Comprehensive Avoidance of Double Taxation Agreements/Arrangements ("CDTAs") signed by Hong Kong. Such an exemption arrangement has already been included in the CDTA signed with Saudi Arabia, and the Government plans to include an exemption in the one with the Mainland so as to relieve tax burden for Hong Kong teachers and researchers working in the Mainland.

Lastly, we propose to expand the definition of "sibling" under IRO to cover some cases related to adopted persons in determining the eligibility for dependent

brother or dependent sister allowance. It is believed that the amendment will strengthen family support.

Deputy President, a Legislative Council Brief explaining the aforementioned five amendments to IRO was addressed to the Legislative Council on 31 October. We look forward to Members' support for the expeditious passage of the Bill so as to implement the amendments.

I so submit. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Inland Revenue (Amendment) (No. 7) 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): Council resumes the Second Reading debate on the Inland Revenue (Amendment) (No. 5) Bill 2018.

INLAND REVENUE (AMENDMENT) (NO. 5) BILL 2018

Resumption of debate on Second Reading which was moved on 13 June 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 (in Cantonese): Deputy President, in my capacity as Chairman of the Bills Committee on Inland Revenue (Amendment) (No. 5) Bill 2018 ("Bills Committee"), I report on the deliberations of the Bills Committee.

The main object of the Inland Revenue (Amendment) (No. 5) Bill 2018 ("the Bill") is to amend the Inland Revenue Ordinance ("IRO") so as to implement certain measures announced in the 2018-2019 Budget, i.e. the following three proposed measures, starting from the year of assessment 2018-2019:

(a) allowing husbands and wives the option to elect for personal assessment separately;

(b) allowing enterprises to claim tax deduction for capital expenditure incurred for the procurement of eligible environmental protection installations in full in one year instead of over five years; and

(c) extending the scope of the Qualifying Debt Instrument Scheme.

The Bills Committee has held two meetings to discuss the Bill with the Government. It has also invited written views from relevant organizations and the public. Members of the Bills Committee in general support the Bill.

Clause 9 of the Bill amends section 41 of IRO to allow married persons to elect for personal assessment separately or jointly with the spouse. Members have noted that if a married individual or the individual's spouse is chargeable to salaries tax and they have elected to be jointly assessed in accordance with IRO, the individual and the individual's spouse must make an election for personal assessment jointly under the proposed section 41. The Administration has remarked that personal assessment is purely a tax relief measure and the proposal in the Bill will provide taxpayers who are married with greater flexibility in tax assessment.

The Bills Committee has also expressed concern about the impact of the measures on the Government's tax revenue. The Administration has advised that the revenue forgone is difficult to estimate because whether a married person will elect for separate or joint personal assessment depends solely on his or her individual circumstances and the types of income of the couple, which may change from year to year. However, as indicated in the reference information provided by the Administration, according to the data of the Inland Revenue Department for the year of assessment 2016-2017, among personal assessment elected cases, 128 000 were taxable cases with tax assessed of HK$4.8 billion. Out of such cases, about 81 000 cases involved married couples who had jointly elected for personal assessment with tax assessed of HK$3.4 billion. On the

assumption that half of those married couples will separately elect for personal assessment pursuant to the proposed measure, the estimated amount of tax revenue to be forgone will be about HK$1.7 billion.

As regards the proposed measures on tax deduction for environmental protection installations, clause 14 of the Bill provides for the enhanced tax incentives to enterprises for capital expenditure incurred in procuring environmental protection installations by allowing tax deduction to be claimed in full in one year instead of over five years as provided for under section 16I(3) of IRO. In other words, capital expenditure on environmental protection machinery or plant as well as environmental protection installations as set out in Schedule 17 to IRO can be 100% deducted from chargeable profits in one year (i.e. the year in which the expenditure is incurred). The Administration has remarked that the shorter deduction period may help reduce the significant upfront capital expenditure on business to procure environmental protection installations, and expects that it will be more attractive to the business sector to use such installations.

Members have noted a deputation's suggestion that the Government should consider introducing other incentive measures to attract non-business sectors to pursue the adoption of environmental protection installations to promote green buildings. The Administration has advised that promoting green buildings and enhancing energy saving of buildings has always been one of the Government's priority tasks. Retro-commissioning is a cost-effective and systematic process to periodically check the energy performance of a building, hence a key measure to achieve energy saving in buildings. The Administration has been working with professional bodies and stakeholders to promote retro-commissioning in the private sector for attaining energy efficiency and conservation in private buildings.

Moreover, under the post-2018 Scheme of Control Agreements, more funds will be made available under the existing energy efficiency funds of the power companies to support, on a matching grant basis, the carrying out of retrofitting and retro-commissioning of non-government buildings, as well as the implementation of building-based smart/information technologies, to enhance the energy efficiency of these buildings. The new energy efficiency funds will cover both commercial/industrial and non-commercial buildings. Also, Feed-in Tariff will be introduced by the two power companies to encourage the non-government sector to consider investing in renewable energy systems.

As regards the proposed measure on enhancements to the Qualified Debt Instrument Scheme, the Bills Committee notes that the Scheme was launched in 1996. One of the requirements for a debt instrument to be qualified for tax concession was that it should be lodged with and cleared by the Central Moneymarkets Unit of the Hong Kong Monetary Authority ("HKMA"). The Administration holds that such a requirement no longer corresponds fully with the landscape of Hong Kong's corporate bond market as most of the debt issuances in Hong Kong are internationally marketed, which tend to be lodged with and cleared by international clearing houses.

Therefore, at present, according to IRO, interest receipts or profits from the sale or disposal of short- or medium-term debt instruments with an original maturity of not less than seven years may enjoy 100% profits tax concession if the relevant conditions are satisfied. However, short- or medium-term debt instruments with an original maturity of less than seven years are only eligible for profits tax concession of 50%. The Administration considers that the existing arrangement may affect an issuer's incentive to issue debt instruments with a maturity period shorter than seven years in Hong Kong.

With a view to promoting the development of the local bond market, clause 18 of the Bill provides for the enhancements to the Qualified Debt Instrument Scheme by the following measures: (1) extending the profits tax exemption to cover debt instruments of any duration; and (2) allowing debt instruments listed on the Stock Exchange of Hong Kong Limited to be qualified for tax exemption, in addition to instruments lodged with and cleared by the Central Moneymarkets Unit of HKMA. The new arrangements will apply to qualified debt instruments issued on or after 1 April 2018.

The Administration has also explained to the Bills Committee that, now in addition to debt instruments issued by the Government and statutory organizations, those lodged with and cleared by the Central Moneymarkets Unit of HKMA include bonds issued by private sector corporations, such as local and overseas banks, etc. Furthermore, legal and natural persons who are required to pay profits tax can also apply for tax concessions under the Qualified Debt Instrument Scheme.

The Bills Committee has enquired about the estimated tax revenue forgone as a result of the implementation of the proposed enhancements to the Qualified Debt Instrument Scheme. The Administration has advised that the estimated tax

revenue to be forgone would be about HK$73 million for 2018-2019, HK$147 million for the following year and HK$220 million annually thereafter. Notwithstanding the anticipated loss in tax revenue, the proposed enhancements are expected to bring in new revenue as they may incentivize local and overseas bond issuers to expand their operations and engage professional services in Hong Kong.

According to the eligibility criteria of the Qualified Debt Instrument Scheme, if relevant debt instruments, at issuance, are issued to less than 10 persons, none of them shall be an associate of the issuer of the instrument. The Bills Committee notes a deputation's suggestion of relaxing the aforementioned restriction on "associate" by allowing maximum one associate of the issuer. Members has enquired whether the Administration would consider such a suggestion on the condition that the Government's tax revenue will not be affected.

The Administration has explained that the aforementioned "associate" requirement is introduced to safeguard against potential intra-group tax avoidance arrangement, and relaxing such restrictions will undermine the necessary safeguards. Moreover, the Administration has received no similar views from other major market stakeholders.

In addition, the Bills Committee has suggested and the Administration indicated that it is prepared to provide a progress update to the Panel on Financial Affairs after the implementation of the enhanced Scheme for a period of time.

Deputy President, next I shall present my views on the Bill. The Bill, which is very straightforward, contains three major amendments, the objectives of which are all to offer tax concessions to different types of persons. I will only give a simple explanation because, from the meetings of the Bills Committee and even the discussion on the Bill with Honourable colleagues in general, I have learnt we all consider that such amendments basically will bring convenience to people while improving the business environment. They are therefore not controversial.

The first amendment allows husbands and wives the option to elect for personal assessment separately. In my view, the original practice, which lacked flexibility, was adopted due to some historical reasons. Tax assessment is made on a household basis and married couples have to consider the views of the other

party before electing for personal assessment. Of course, it is now the 21st century when men and women are completely equal. As regards tax arrangements, society attaches importance to personal privacy and respects the equal rights of men and women. Therefore, the Administration has made such a proposal, which should indeed be implemented long ago.

The second proposed amendment is about the tax concession for the procurement of environmental protection installations. Prior to 2008, the Government did not provide enterprises with any tax concession for procurement of environmental protection installations. Deputy President, I believe you are well aware that in the past, tax deduction for capital expenditure on general machinery and installations was spread over 25 years, meaning only 4% of tax deduction annually. In the year of assessment 2008-2009, the Government introduced a tax concession measure: starting from the year in which procurement of environmental protection installations is made, enterprises concerned can claim tax deduction for capital expenditure incurred for relevant environmental protection installations for five consecutive years, i.e. a deduction at 20% annually. It is a linear deduction, which means that the capital expenditure on the installations concerned will be fully deleted from the profit and loss account within five years.

I have collected some statistics. After the implementation of such a measure, in the eight years between year 2008-2009 and year 2015-2016, 143 claims were made with total deduction standing at only $300 million. Last year, at the meeting of the Legislative Council, I asked the Secretary for the Environment a question on the effectiveness of the tax concession measure. Such data was provided by the Secretary for the Environment at the time. It shows that the tax concession measure, implemented starting from the year of assessment 2008-2009, has not effectively incentivized the industrial and commercial sectors to procure environmental protection installations. For this reason, back then I made a suggestion to the Financial Secretary, that such restriction be relaxed to allow enterprises to claim tax deduction, in full and in one go, for the capital expenditure on procurement of environmental protection installations in the year in which the expenditure is incurred. I really appreciate the Financial Secretary for accepting my suggestion. I hope that we will thus make better efforts for environmental protection and Hong Kong will become more liveable.

The third proposed amendment is to extend the scope of tax exemption for qualifying debt instruments. This measure should indeed be implemented long ago as well, because it is actually an integral part of our development as a financial centre to encourage the growth of the debt instrument market. Reports by some professional bodies indicate that, though Hong Kong is an international financial centre, the depth and breadth of our debt instrument market are indeed not comparable to other financial markets, such as the United Kingdom, the United States, Japan and even the Mainland.

According to the statistics released by two international organizations—the Bank for International Settlements and the World Federation of Exchanges—reference should be drawn from a group of numbers regarding Tokyo as an example. In September 2018—two months ago this year—the Tokyo Stock Exchange held a total capital of US$620 million, such was the gross market capitalization of the Tokyo Stock Exchange. As regards the debt instrument market as a whole—encompassing not just listed companies but all companies—the value of debt instruments issued in Japan was US$1,340 million, exactly double of that of the equity market. These are the figures for Japan. How about Hong Kong? In the third quarter 2018, the total equity of the Hong Kong Exchanges and Clearing Limited was HK$3,200 billion and the debt instruments of all companies issued in Hong Kong combined carried a value of HK$4,400 billion, approximately one eighth of the total equity.

Why is the Hong Kong dollar debt instrument market or the US dollar debt instrument market so important to our development as a financial centre? Because the so-called debt instrument market is indeed a relatively low-risk investment tool. For many retirement funds, university trust funds and even the Mandatory Provident Fund ("MPF"), debt instrument is an investment tool that is relatively risk avoiding or low-risk. Of course, for more stable investment—when even the risk of buying and selling currency is deemed undesirable—the Hong Kong dollar debt instrument or the US dollar debt instrument is then the suitable investment tool for such funds, retirement funds or the MPF stock pool.

Comparatively speaking, given the abundance in our government treasury—but I do not know how it will be after the reclamation project—we seldom issue debt instruments. Even when the Government issues debt instruments, they serve particular functions or purposes. For example, the

Government has issued green bonds or silver bonds worth billions of dollars for public subscription. Both fulfilling their social functions, they were issued not because the Government lacked money or was in deficit. Nevertheless, we should indeed encourage some statutory organizations or private companies to make better use of Hong Kong as a base to issue debt instruments.

Of course, I am aware that the Government encourages, through a matching scheme, banks or organizations which have not previously issued debt instruments in Hong Kong to do so. I wonder if the Secretary has prepared information on this subject? I wish to find out, since the introduction of the scheme, how many organizations or banks will participate in it. Eligible organizations or banks must have never issued debt instruments in Hong Kong and the Government will bear part of the issuance cost. In fact, I would also like to know the impact of every financial policy the Government has introduced on tax revenue, because such financial policies spend taxpayers' money. For example, extending the scope of tax exemption for debt instruments, in the long run, will indeed reduce revenue from profits tax by HK$220 million. At the same time, I also wish to know whether the Bureau has a way to calculate the revenue from profits tax derived from more debt instruments issued in Hong Kong by issuers and banks as a result of such a tax concession measure. I also wish to find out about it. And I also hope that the Government can, at least annually, make a report to the Panel on Financial Affairs on such relatively important financial issues.

Deputy President, I hope all Honourable colleagues present will support the Second and Third Readings of the Bill.

Deputy President, I so submit.

DR KWOK KA-KI (in Cantonese): Deputy President, the Inland Revenue (Amendment) (No. 5) Bill 2018 ("the Bill") mainly includes three arrangements. First, it seeks to allow husband and wife the option to elect for personal assessment separately. Second, it seeks to allow enterprises to claim tax reduction for capital expenditure incurred for the procurement of environmental protection installations in one year. Third, it seeks to extend the scope of tax exemption for debt instruments under the Qualifying Debt Instrument Scheme.

The first arrangement seeks mainly to lower the tax burden of a majority of salary earners or self-employed persons. It is true that the Government has made a lot of effort to allow taxpayers, particularly salary earners, to enjoy more tax concessions. I trust that the intent of the Financial Services and the Treasury Bureau is to alleviate the tax burden of the people of Hong Kong. Yet, I think what the Government is doing right now is "serving candies before shit". The present measure is a piece of candy, for it will reduce the salaries tax burden of the public. However, the public will have to bear a heavier burden later on, for the Government has stated clearly that there will be tremendous expenditure on infrastructure in the future.

Financial Secretary Paul CHAN said some time ago that in view of the tremendous expenditure required for the implementation of the Lantau Tomorrow programme—no, it should be called the "Trouble Tomorrow" or "Tragedy Tomorrow" programme—the Government has started considering the issuance of bonds. Why does the Government have to issue bonds? I think it is because the Government knows clearly that the sum it has to use now is a colossal amount. In fact, at the Chief Executive's Question Time held earlier, someone already asked about the relevant expenditure. Yet, it turns out that apart from the minimum cost estimate for the procurement of marine sand, the Government does not have the relevant figures. As for the maximum expenditure to be incurred, sorry, the Government will not provide it. Should a responsible government act in this manner? The public may have been offered some "candies", yet they will be in great trouble then, for the expenditure of $1,500 billion or even an astronomical amount will have to be borne by this generation and the future generations of the people of Hong Kong.

Many salary earners or taxpayers consider these tax concessions a piece of candy offered by the Government, yet they will end up losing a fortune, for the expenditure will be borne by not this generation alone. We can see that on the Sunday following Carrie LAM having put forth the Lantau Tomorrow programme in the Policy Address, nearly 10 000 people took to the streets in protest. Many protesters took their children with them, for they anticipated that not only they as parent have to pay for the debt, their next generation will also have to …

DEPUTY PRESIDENT (in Cantonese): Dr KWOK Ka-ki, you have strayed from the subject.

DR KWOK KA-KI (in Cantonese): Deputy President, I support the Bill. Yet, I cannot simply express my support. I also have to express my opinions. I will speak on the question.

DEPUTY PRESIDENT (in Cantonese): Please come back to the question.

DR KWOK KA-KI (in Cantonese): I will now come back to the question. I wish to point out that these petty favours are no compensation for the "robbery" the Government is going to commit in the future. For the sake of the East Lantau reclamation plan, the authorities will spend over $1,000 billion to dig a deep pit, so that all the taxpayers of Hong Kong will have to fill the pit together. We are not only paying for the reclamation, we have to pay to fill that pit. So, how can the authorities say that these are concessions?

The Government is clever. Before they rob the public, they give them some favours. Deputy President, we had this experience in our childhood. When we had to drink the bitter Chinese medicine, our family members would first give us a sweet dried plum. After taking the sweet dried plum, we had to drink the bitter Chinese medicine. This is the same in the present situation. Before serving us the poison, the Government first gives us a sweet dried plum. While we are still savouring the sweetness, we will be served the poison.

In my view, as a responsible Government, the Financial Services and the Treasury Bureau in particular, should explain the case to the public honestly, stating the approaches the authorities will adopt to cope with the astronomical expenditure in the future and the impact of such approaches on Hong Kong taxpayers and individual families. Since we are now discussing the arrangement allowing husband and wife to file tax returns separately, we have to consider the issue from the perspective of a family, that is, whether it will benefit or harm married taxpayers with children. Apart from serving the public a piece of candy, the Government should tell the public the amount they will be robbed by the authorities later. Only this can be regarded as fair. For the political plan of the Greater Bay Area of the State, for the Greater Bay Area plan mentioned by President XI, how high is the price we are going to pay? I am not opposing the concessionary measures, for the Government may force the public to swallow the poison without offering any sweet dried plum. The Government dares act this way. But now, the Government offers a sweet dried plum to the public first.

I would like to talk about the qualifying debt instruments under the third arrangement. I do not know if the relevant debt instruments will include the bonds to be issued for the East Lantau reclamation plan in the future, as mentioned by Financial Secretary Paul CHAN, where the amount of the bonds to be issued remain unknown. The authorities will naturally hope to offer tax concessions for the issuance of bonds, as this will attract more people to fall into the trap and make it easier for the authorities to raise funds. The funds will of course be used for filling the "pit", the "pit" resulting from the East Lantau plan.

I think the Government is somehow cunning, as it is unfair for the Government to introduce this kind of concessions without informing the people of Hong Kong the heavy financial burden they will have to bear. Deputy President, perhaps I can take the issue further. Although the Bill has proposed concessionary measures for income tax, I have some worries. We all know that all good things will come to an end. Hong Kong is now caught in the trade wrestling between China and the United States, facing an unpredictable economic environment. Next year or in the next couple of years, the economic environment of Hong Kong may deteriorate. No one can tell. Some recent political wrestlings are also telling the people of Hong Kong that we must be prepared for uncertainties. Hence, I feel worried all the more that these measures, which seem to be offering assistance to the middle class or enterprises on the surface, will backfire by then, as the Government will increase tax when its revenue runs short. As the authorities will have to cope with the expenditure of close to $1,000 billion, do the authorities have alternatives other than a tax hike? Once the project is started, we will be on a course of no return.

We all know that no matter how unreasonable the Government acts, the Legislative Council cannot stop it. Take Mr CHAN Kin-por of the Finance Committee as an example. Before the Government made the request, he already stated explicitly that the project must be passed. If the project is passed, the authorities will have to raise funds for the project. Today, after the passage of the Bill, it is true that the public will enjoy concessions on income tax, and the public will get a piece of candy. As for the tax reduction arrangement for capital expenditure on environmental protection installations, it is also a small piece of candy. However, after a few years, problems will surface. When the Government has to meet the expenditure every year while the economy is bad, what can it do? By then, the authorities will do the contrary by increasing tax.

Hence, I think the Government is somehow irresponsible in this respect. Certainly, the Financial Services and the Treasury Bureau may not necessarily be at fault. In fact, any responsible Secretary of Department or Director of Bureau should tell his or her superior, Carrie LAM, that the issues carry high risks and require cautious actions and that there are other alternatives and options, including brownfield and small-house sites, so the implementation of projects incurring a lighter financial burden should be considered. I hope Secretary James Henry LAU will know how to say this. Yet, will he really say it? Or when he sees Carrie LAM or President XI approaching him, he will consider it better not to tell the truth but tell lies to please his superiors. This is worrying.

Hence, when the Secretary gives his response, he should not merely talk about the three tax concessionary measures proposed this time around. He should tell the people of Hong Kong the abyss they will fall into in the future, the amount of money they will have to pay, and the possibility of tax increase and reversal of the three tax concessionary measures. What can the Government do when its income runs short? In fact, everyone wants our society to move forward. The 270 000 applicants on the Waiting List for Public Rental Housing also want to have a dwelling place …

DEPUTY PRESIDENT (in Cantonese): Dr KWOK Ka-ki, you have spoken for 9 minutes 13 seconds …

DR KWOK KA-KI (in Cantonese): Deputy President, I support the Bill …

DEPUTY PRESIDENT (in Cantonese): I know you support the Bill. Yet, you have included many of your opinions on Lantau Tomorrow in your speech. I consider that you have strayed too far. You have made your request very clear, and we will see if the Secretary will respond to it later. Now, please focus on discussion on the relevant question.

DR KWOK KA-KI (in Cantonese): Alright, I will come back to the question. I am still talking about my concern about the debt issue. The Government needs to tell us whether the present measure of expanding the scope of exemption is

introduced out of ulterior motives. Since the Government and the Hong Kong Monetary Authority ("HKMA") have mentioned the issuance of bonds, why would the authorities still introduce this measure?

I recall Secretary Paul CHAN has once mentioned that the Government will consider allocating funds to make investment in the Belt and Road Initiative with HKMA. Will the increase in the issuance of bonds in Hong Kong be one of the plans to tie in with the Belt and Road Initiative and provide for the investment in the Belt and Road Initiative? The Government should give us an account on this.

Any measure that can alleviate the burden of taxpayers of Hong Kong should merit support. Yet, for all irresponsible initiatives introduced by the Government, initiatives which will incur a tremendous or astronomical commitment in the future or even cause us to slide into an abyss, we should oppose. The Government must act responsibly. In respect of the amendments in the Bill this time around, I think the Government should state clearly the situation we will face after the implementation of this tax concessionary measure. In view of the unpredictable financial commitment in the future, as well as the possibility of issuance of bonds by the Government as mentioned by Paul CHAN, will the measures be reversed? This is a very important point. I do not wish to see the Government making frequent changes in its policies, introducing tax concessions now but changing them later. If the Government makes other irresponsible decisions, this problem may arise. A similar situation did happen in Hong Kong. The Government may reverse its policy and it has done so before. The construction of Home Ownership Scheme ("HOS") flats is a case in point. At one time, the Government called a halt to the construction of HOS flats, but then it resumed the construction of these flats. In fact, the Government may act the same way in handling various matters. Now, it introduces tax concessionary measures, yet will it increase tax when its capital runs short in future?

In my opinion, if a government is responsible, every action it takes should be fair to this generation as well as the next, not leaving the next generation in a predicament. Now, for the sake of fulfilling a political commission and the grandiose plan of the State in the Greater Bay Area, the people of Hong Kong have to undertake this super "while elephant" project at an unpredictable cost. We cannot agree with this. Despite my support for this Bill and the eagerness of Hong Kong taxpayers to have their tax burden alleviated through similar tax

concessions offered by the Government, a wrong decision will nullify the benefits of these tax concessions. Such a decision may cause Hong Kong to run into a serious deficit in the future and even exhaust its fiscal reserve.

Hence, Deputy President, though I support the Bill, I consider it necessary for the Government to give a clear account of the impact to be brought by these political "white elephant" projects to this generation, the next generation and the generation after next.

I so submit.

DEPUTY PRESIDENT (in Cantonese): I have to remind Members that the purpose of the Inland Revenue (Amendment) (No. 5) Bill 2018 is to implement the three tax concessionary measures proposed in the 2018-2019 Budget. Hence, during the Second Reading debate of the Bill, Members should focus on a discussion on the general merits of the Bill and should not extend the scope of discussion to other questions.

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

MR CHAN KIN-POR (in Cantonese): Initially, I had no intention to speak. But after hearing Dr KWOK Ka-ki wagging his tongue so irresponsibly in his speech, I have no choice but to return to the Chamber and respond to him. Unfortunately, Dr KWOK has already left the Chamber. For one thing, he mentioned my name in his speech. More importantly, he asserted that the Lantau Tomorrow Vision would be a big disaster, which is pure nonsense. As mentioned in our recent debate on the issue, even if the Lantau Tomorrow Vision manages to gain the green light in the preliminary studies and is implemented, the relevant works will span over 10 years. As I said before, this is a fact comprehensible even to a small kid.

Even if the works of Lautau Tomorrow Vision costs $1,000 billion, the proceeds from the phased land sales will likely far exceed $1,000 billion in total. By my estimation, the Government can even make a profit of hundreds of billions of dollars. Proceeds from land sales aside, the construction costs would be paid in instalments, which is a commonly known fact that has been covered widely by

the media. I guess Dr KWOK Ka-ki knew that but insisted on denying the fact all the same. While all the reports have highlighted that the relevant costs would be spread over years, he still claimed that in costing tens of billions of dollars a year, the project would be an utter disaster and a huge burden on the next generation, etc. With Dr KWOK Ka-ki talking black into white, making exaggeration with no compunction and spewing nonsense in his speech, you, Deputy President, actually allowed him to go on for so long—albeit with several reminders issued to him in the process as I have heard. I guess his speech, lasting over ten minutes and with eight to nine minutes devoted to conveying these false messages to the public, was delivered with self-righteous eloquence to boot. How can I help not answering back.

I appreciate the tall challenge of presiding over this Council. You requested a Member to come back to the question under debate, but he strayed from it soon after; you made the same request again, he strayed from the subject right away, which is indeed not easy. However, as a responsible Member, I must speak up. I hope members of the public who have listened to his speech just now will purge that crap out of their minds. What he said is not only untrue, but ridiculously wrong.

Let me repeat the prevailing view in society and reiterate here that even if the Government implements the Lantau Tomorrow Vision with an actual cost of $1,000 billion, the relevant proceeds from land sales, for one thing, will undoubtedly top $1,000 billion, bringing a profit of hundreds of billions of dollars at the very least. Moreover, since the relevant reclamation works will be undertaken in phases, the scale of reclamation can be 1 700 hectares, or 1 000 hectares, and its pace can be accelerated or slowed down as we gradually take forward the project in the light of the economic condition.

During the Question Time just now, the Secretary for Development clearly stated that the Government began planning for brownfield sites back in 2008. It is already 2018 now. The development of brownfield sites has yet taken off, even though the relevant compensation packages have already been approved by the Finance Committee. It is thus evident that the development of brownfield sites, and that of agricultural lands for that matter, can easily take 20 years. In contrast, this reclamation project takes only 10-odd years and will …

DEPUTY PRESIDENT (in Cantonese): Mr CHAN Kin-por, I must remind you that since I know Dr KWOK Ka-ki had perhaps seized on this debate as a pretext to expound his own ideas in his speech just now, I have given you nearly two and a half minutes to respond to him. However, the question of this debate concerns the Inland Revenue (Amendment) (No. 5) Bill 2018 ("the Bill"). Please focus your speech on the Bill.

MR CHAN KIN-POR (in Cantonese): Alright, Deputy President, I now come back to the question. I support the Bill. But on the other hand, I must rebut the allegations made by a Member who advances sophistry—especially in a speech where my name was mentioned—and give a response. What I wish to respond is that, financially, the Lantau Tomorrow Vision is nothing like what Dr KWOK Ka-ki painted just now. This is very important.

Secondly, he also mentioned the Finance Committee, claiming that the relevant funding application, which has yet to be submitted to it, has already gained my approval. Let me reiterate the remarks I made some time ago. What I meant is that since the amendment of the Finance Committee procedure, the deliberation on a funding application, however complicated, will take no more than 20 hours. As I have said before, it takes only 10-odd hours to vet and approve even the most complicated funding application. I was only stating the facts. I hope he can refrain from getting us tangled repeatedly in his own misconceptions. Besides, he made an opportune escape—knowing full well that I was returning to the Chamber—instead of staying behind and listening to my speech. I find such behaviour utterly irresponsible.

Deputy President, instead of making things difficult for you and delaying the proceedings of this Council, I have spoken only in the hope that members of the public will distinguish the right from the wrong when listening to Members' speeches, since too many of them are telling lies.

Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I remind Members once again that during the Second Reading debate, Members should focus their discussions on the tax concessions proposed under the Bill, instead of digressing too far from the question.

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

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

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy President, we will now get down to business and continue the discussion on the Inland Revenue (Amendment) (No. 5) Bill 2018 ("the Bill"). The Government has completed the procedure of presenting the Bill to the Legislative Council for consideration, which seeks to implement the three tax concession measures as proposed in the 2018-2019 Budget.

The Bills Committee has held two meetings. We are particularly grateful to the Chairman, Mr Kenneth LEUNG, and other members of the Bills Committee for their effort to facilitate the successful completion of the scrutiny.

As I said in moving its Second Reading, the Bill seeks to amend the Inland Revenue Ordinance, so as to provide for the implementation of the following measures starting from the year of assessment 2018-2019:

(a) allowing husband and wife the option of electing for personal assessment separately in order to provide taxpayers who are married with greater flexibility in tax assessment;

(b) allowing enterprises to claim tax deduction for capital expenditure incurred for the procurement of environmental protection installations in full in one year instead of over five years, thereby encouraging enterprises to procure such installations with this tax incentive; and

(c) extending the scope of tax exemption for debt instruments under the Qualifying Debt Instrument ("QDI") Scheme in order to promote further development of the local bond market.

The Bills Committee has held in-depth and detailed discussions on the Bill, and generally supported the amendments.

In respect of the proposal for allowing husband and wife the option of electing for personal assessment separately, we appreciate the Bills Committee's concerns over the number of cases that will benefit from the new measure, the amount of tax revenue to be forgone and how to ensure that the public will be informed of the new measure. The number of such cases and the revenue to be forgone are difficult to estimate because whether a married person will elect for separate personal assessment depends on his/her individual circumstances and the types of income of the couple. But the measure will provide taxpayers with greater flexibility in tax assessment, which may also ease the tax burden on some households. Later on, the Inland Revenue Department ("IRD") will update the tax return, its website and guidelines to provide more information on personal assessment election by married persons.

Moreover, we expect that the shortening of the deduction period for capital expenditure on environmental protection installations from five years to one year may help reduce enterprises' upfront capital expenditure incurred for the procurement of environmental protection installations, which will further encourage them to use environmental protection installations.

As regards the QDI Scheme, the enhancement proposed in the Bill will incentivize more investors to use Hong Kong as a platform for bond investment and trading to capture the opportunities presented by the development of the Asian bond market, which will also benefit the professional services sector and the wider economy. Further development of the local bond market will help enhance Hong Kong's competitiveness as an international financial centre. IRD will continue to publish the list of QDIs on its website for public inspection.

Earlier on, Members also indicated their wish to know about the usage of the QDI Scheme. As the process is just at its initial stage, we need some time to observe the usage. We will also promote the arrangement in collaboration with the Hong Kong Monetary Authority, so that more investors will be informed of it.

Lastly, Deputy President, I implore Members to support the passage of the Bill, so that we can implement the three tax concession measures.

I so submit. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the Inland Revenue (Amendment) (No. 5) 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. 5) 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. 5) Bill 2018.

INLAND REVENUE (AMENDMENT) (NO. 5) BILL 2018

DEPUTY CHAIRMAN (in Cantonese): 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 20.

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

(No Member indicated a wish to speak)

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That clauses 1 to 20 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. 5) Bill 2018 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I now report to the Council: That the

Inland Revenue (Amendment) (No. 5) Bill 2018

has been passed by committee of the whole Council without 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 Financial Services and the Treasury 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. 5) BILL 2018

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

Inland Revenue (Amendment) (No. 5) Bill 2018

be read the Third time and do pass.

DEPUTY PRESIDENT (in Cantonese): I now proposed the question to you and that is: That the Inland Revenue (Amendment) (No. 5) Bill 2018 be read the Third time.

Does any Member wish to speak?

(No Member indicate 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. 5) Bill 2018.

Resumption of Second Reading Debate on Government Bill

DEPUTY PRESIDENT (in Cantonese): Council now resumes the Second Reading debate on the Ferry Services (Amendment) Bill 2018.

FERRY SERVICES (AMENDMENT) BILL 2018

Resumption of debate on Second Reading which was moved on 27 June 2018

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

MR FRANKIE YICK (in Cantonese): Deputy President, in my capacity as Chairman of the Bills Committee on Ferry Services (Amendment) Bill 2018 ("the Bills Committee"), I submit the report of the Bills Committee to the Legislative Council and report on the major deliberations of the Bills Committee.

Under the existing Ferry Services Ordinance ("the Ordinance"), currently the maximum period of a ferry service licence, whether newly granted or extended, is three years on each occasion, whilst the aggregate licence period including all extended period(s) shall not exceed 10 years. Such requirement does not only create an administrative burden on ferry operators by increasing the number of applications made by ferry operators for extension of licence within the 10-year period, but is also not conducive to ferry operators' longer-term planning and investment for their ferry services. The Ferry Services (Amendment) Bill 2018 ("the Bill") seeks to amend the Ordinance to lengthen the period for which a licence to operate a ferry service may be granted and extended, from three years currently to five years, with the cap of a 10-year aggregate licence period unchanged.

The Bills Committee held a meeting to deliberate on the Bill. Members support the Bill with a view to encouraging ferry operators to make longer-term planning and investments so as to improve service quality.

During the deliberations, some members have suggested that the Administration should consider further relaxing the cap on the period for which a ferry service licence may be granted and extended. The Administration has advised that the licence period proposed in the Bill is generally supported by the trade. A licence period of an excessive length may make it difficult for an operator to project its financial situation accurately, which may in turn affect service sustainability. In particular, the business environment of the ferry trade is subject to certain changing factors, such as fluctuations in fuel cost, tight manpower situation and evolving green technologies. In addition, maintaining the cap on the aggregate licence period of 10 years will help maintain competition. The Transport Department ("TD") will select the most suitable operator for individual ferry routes by open auction or tender at an interval of 10 years at the maximum.

A member considers that the Administration should put in place a mechanism to review the effectiveness of implementation of the Bill, and that conditions of improving the quality of ferry services should be imposed in the tender exercise of the ferry routes upon the commencement of the Bill. Some members urged the Administration to expand the coverage of the Special Helping Measures ("SHM") provided for six major outlying island ferry routes to include other ferry services, in particulars, those routes serving Ma Wan and Discovery

Bay, with a view to maintaining the financial viability of the ferry services concerned and easing the pressure for fare increases. A member has also urged the Administration to devise measures, including considering the procurement of vessels to ensure that necessary ferry routes will not cease service in case ferry operators consider them not profitable, and enable the Administration to provide emergency ferry services in case of traffic congestion on Tsing Ma Bridge.

The Administration has advised that it is the Government's consistent policy that public transport services should be operated by the private sector in accordance with commercial principles to enhance efficiency and cost-effectiveness. The Administration provides SHM to six major outlying island ferry routes because there is basically no alternative to the ferry services available on these outlying islands as a means of public transport, and short of SHM provided by the Government, the ferry services cannot be maintained without periodic hefty fare increases. The Administration will examine and enhance the financial viability and quality of other outlying island ferry services when conducting the mid-term review of the six major outlying island ferry routes. The Administration plans to report the result of the review to the Panel on Transport in the first half of 2019.

Some members have expressed concern about the ferry pier facilities, and urged the Administration to require ferry operators to improve the facilities at ferry piers on the occasion of this extension of the licence period. The Administration has advised that it is prepared to review the facilities at ferry piers, but such improvement will be subject to many factors.

In the course of deliberations, the Bills Committee has noted that the existing Ordinance does not specify the licence period for which a ferry operator may apply, the relevant procedure of which has all along been dealt with as a matter of administration. The customary practice is for the ferry operators to consider whether to apply for a licence of a maximum tenure that may be granted or extended under the Ordinance. As it is the Administration's policy to maintain the aforementioned practice, the Administration takes the view that no transitional provision should be made in the Bill. The Administration will take the initiative to inform the trade of the new arrangements upon the passage of the Bill. Ferry operators would be free to consider whether or not to apply for a licence of a maximum tenure that may be granted or extended. For applications submitted prior to the commencement of the Bill, those applicants may consider

whether to keep the original licence periods they applied for, or to revise their applications to apply for a licence of a longer period.

The deliberations of the Bills Committee are detailed in its report. The Bills Committee will not propose any amendments to the Bill, and it supports the resumption of the Second Reading debate on the Bill.

Deputy President, I am going to express the views of the Liberal Party on the Bill.

Before that, I have to make a declaration, that I am a director of The "Star" Ferry Company ("Star Ferry"). Although Star Ferry is the only company operating ferry services under a franchise model which has no direct relationship with this amendment exercise, my following speech will cover the overall operation of ferry services, especially in terms of manpower. I hence make a declaration at the very beginning.

Deputy President, the Liberal Party has all along requested the Government to lengthen the licence period of operating ferry services, in order that ferry operators may be induced to make longer-term planning and investment. Although the Government's current proposal of lengthening the licence period from three years to five years is a far cry from the Liberal Party's suggestion of granting a licence period of 10 years in one go, we have taken a step forward anyway. Ferry operators have all along been beset by the excessively short licence period of ferry services. Frequent applications for extension of licence have not only created a significant administrative burden to the operators, the excessively short licence period has also given rise to many uncertainties in operation, rendering it difficult for the operators to make longer-term planning and investment. In the past, operators had to apply to TD for extension of licence every three years during the maximum 10-year aggregate licence period. They have to apply twice for an extension of three years and once for an extension of one year. It has caused much disturbance as the operators need to make three applications for extension of licence within 10 years. Nevertheless, with the amendments introduced by the Bill, operators will have to apply for extension of licence only once during the maximum 10-year aggregate licence period in future. It can help reduce administrative costs whilst enabling operators to plan longer-term investment.

While the Government encourages ferry operators to generate non-fare box revenue to cross-subsidize ferry services, the excessively short licence period in

the past has made it difficult for ferry operators to attract commercial tenants to establish presence at the ferry piers. Sub-letting the ferry piers for other commercial activities is subject to prior approval by the relevant government departments or even the Town Planning Board in some cases, and the actual rental period will be even shorter after completing the application. Upon lengthening of the licence period, there will be improvement in tenancy matters and the non-fare box revenue generated will hopefully increase, which may alleviate the pressure of ferry fare increases. The general public will benefit from more stabilized fares as well.

Deputy President, the Liberal Party supports the Government's proposal of lengthening the licence period from three years to five years. Having said that, I have to emphasize that lengthening the licence period can only resolve some of the problems currently faced by the ferry trade in their operation. With the increasingly well-developed road transport network and continuous expansion of the railway network, the patronage of ferry services continues to decline. The patronage of ferry services has dropped 5.5% over the past five years. Faced with decreasing revenue but ever-increasing costs—maintenance costs, wages and fuel costs, etc. have all soared persistently in recent years—many ferry operators have recorded losses more often than not. Despite the decline in patronage, the market share of ferry services in public transport has all along remained at about 1.1%, reflecting the necessity of ferry services. During the failure of four MTR lines in the middle of last month, ferry services played a role in diverting some of the passengers crossing the harbour, confirming again that ferry services are essential. The Government should strive to roll out measures to foster the sustainable development of local ferry services if it recognizes ferry services as an integral part of the public transport system.

The Government has been providing SHM for six major outlying island ferry routes since 2011 with a view to reducing the operating costs of ferry operators through such provision of subsidies. As these ferry services are subsidized by the Government, the Bureau has imposed on them very stringent profit control requirements. While it is necessary, I do not agree with it because the supervisory mechanism currently adopted by the Bureau is unfair.

Under the current practice, a mid-term review is conducted during the three-year licence period. If the service provider has earned a profit exceeding the projected profit after one and a half year—which is usually the result of a greater decrease in fuel prices during the period—the operator is then required to

immediately offer fare concession in the remaining licence period until such windfall profit is used up. However, if fuel prices start to rise later on, or if there are substantial increases in wages, the operator will have to bear the losses thus generated. This arrangement is unfair to the operators. In this connection, I suggest that the Bureau should modify its existing mode of supervision by allocating the windfall profit earned up to the mid-term review to a dedicated account, which will be used to offset the pressure of fare increases driven by cost increases in future. Generally speaking, such an arrangement can postpone the effective date of fare increases, which is fairer to both the operators and passengers.

The Liberal Party supports the Government's current study on expanding the coverage of SHM provided to six major outlying island ferry routes to include other ferry routes. The Government currently provides SHM to six major outlying island ferry routes mainly in the form of reimbursement of certain fees per actual expenses, such as reimbursing ferry service operators with the vessel survey fees, berthing charges; the pier electricity, water and cleansing charges; vessel licence fees, maintenance costs and insurance costs; as well as the revenue foregone due to provision of elderly and child fare concessions, etc. Yet, these measures have indeed failed to encourage the operators to enhance proactively the efficiency and quality of ferry services. Therefore, during this review, the Government should consider how to implement SHM more effectively to encourage the operators to improve ferry services and meet the prevailing environmental requirements.

Apart from the six major outlying island ferry routes, there are another 13 regular passenger ferry routes and 67 so-called "kaito" routes providing ferry services to the remote areas insofar as local ferry services are concerned. The operation of these routes also requires ferry service licences and they are transport services needed by the public as well. However, the Government has not given them any policy support. Some ferry operators of a smaller scale have told me that since their routes are not allocated a dedicated pier, they can only share a public pier with other vessels. In addition, as there is no ticketing counter at public piers and neither are there any directional signs nearby to alert members of the public, some passengers know very little about the ferry services, thus posing difficulties to their operation. What is more, "kaito" routes are not covered by the $2 Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities or the non-means tested Public Transport Fare Subsidy

Scheme proposed in last year's Policy Address. While it has been mentioned in the 2017 Policy Address that the authorities would implement a Pier Improvement Programme in view of the ageing problem of piers or their failure to cope with the current usage, the Programme is yet to be launched. In fact, a vast number of piers on the outlying islands have remained dilapidated for many years, thus posing safety hazards to passengers using them. I hope the Programme can be kick-started as soon as possible. In the meantime, SHM in relation to ferry services should also be extended to cover ferry operators of a smaller scale and "kaito".

Deputy President, the ageing workforce and a lack of new blood are the main problems currently faced by the ferry trade. Hong Kong's unemployment rate has remained below 3% for a certain period of time, so many trades are experiencing a manpower shortage problem as we are virtually in a state of full employment, among which the ferry trade is in the most severe situation. Some licensed ferry operators have told me that their companies have been short of almost 20% manpower for a long period of time. Coupled with the additional manpower deployed on board following the implementation of enhanced safety measures for maritime operations in recent years, the strain on manpower resources has become even more serious.

As pointed out by the ferry trade, the average age of vessel operators is 65 at present, whereas coxswains and engine operators aged over 70 are still in service. Upon the retirement of these senior coxswains and engine operators and without the entry of new blood, it will be difficult for ferry operators to recruit sufficient manpower for operation despite the lengthening of the licence period of ferry services. Residents on the outlying islands who can only rely on ferry services will be seriously affected as a result.

For the sake of attracting more new blood to join the local maritime trade, the Government launched the Maritime and Aviation Training Fund ("MATF") in April 2014, under which subsidies and allowances are offered to candidates attempting to acquire the qualifications of local coxswains or engine operators. The Liberal Party absolutely supports this. Yet, a few years have passed and MATF has not achieved significant effects, mainly due to the public's lukewarm attitude towards maritime operation as they perceive that the promotion prospect is rather slim and the wages are unattractive. With this in mind, the Liberal Party suggests the Government to dial up the effort by further relaxing the

regulation of applications for subsidies such that more in-service practitioners can obtain enhanced professional qualifications with the help of MATF. This can meet the market demand for manpower resources on the one hand, while creating more opportunities of promotion on the other.

With a view to resolving the manpower shortage problem faced by the ferry trade, I have met with the trade to study the establishment of a qualifications framework and recognition of qualifications in respect of maritime operation, which will serve as an indicator of industry training as well as reference for career ladder and career path. To my understanding, the relevant departments are following up these suggestions. That said, regarding the shortage of coxswains and engine operators, I hope the Government can consider a short-term measure proposed by the trade—one should know it takes at least five to six years to train a coxswain—the Government should consider importing foreign labour appropriately to meet the urgent need. Moreover, the Government should also consider permitting coxswains or engine operators who have served in government departments such as the Marine Department, Marine Police, Fire Services Department and the Customs and Excise Department, etc. to be granted full operating licences. An arrangement for the conversion of the licence of masters of Mainland river-trade vessels or engine operators to the licence of local coxswains or engine operators in Hong Kong can even be considered. In the long run, the Government should strengthen the local maritime training courses and set long-term targets for manpower resources and education in respect of maritime operation, so as to attract new blood to join the industry in order to facilitate the sustained development of the local ferry trade.

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

DR PRISCILLA LEUNG (in Cantonese): Deputy President, I speak in support of the Ferry Services (Amendment) Bill 2018 ("the Bill"). The amendment to the Bill this time is very simple. It seeks to lengthen the period for which a licence to operate a ferry service may be granted and extended from three years to five years. While the cap on the aggregate licence period will remain at 10 years, ferry operators will only need to extend their licences once, instead of three times, in 10 years. This will significantly alleviate the administrative burden on ferry operators and enable them to recover costs and gain revenue over a longer period of time. It is expected that ferry operators will be willing to make longer-term planning and investment. As Mr Frankie YICK has explained just

now, ferry operators will be more willing to procure new vessels, renovate old vessels and hire hands so as to enhance the service quality.

My speech is divided into two parts. In the first part I will speak from the perspective of ferries being a collective memory of Hong Kong people. Ferries can often be seen on postcards showing the Victoria Harbour. In fact, there are more than a couple of ferry routes in Hong Kong. Ferry services are available on the outlying islands, in Central, Kowloon East and Kowloon West, too. In my secondary school days, I went from the New Territories to school on MacDonnell Road by ferry. I spent two hours of the two-and-a-half-hour trip reading on the ferry. I believe the ferry is a collective memory of Hong Kong people. Therefore, from the overall planning point of view, I definitely do not wish to see ferry services disappear from Hong Kong history because ferry companies can no longer support the business.

Secondly, during my term of office as a District Council ("DC") member of Whampoa East and a Legislative Council Member of Kowloon West, we have been facing forced cancellations of some popular ferry routes since 2011. As a DC member, I often went to the ferry company of Mr Frankie YICK, who was not a Member yet, to discuss with him feasible ways to avoid the cancellation of the Hung Hom-Central and Hung Hom-Wan Chai routes. Let me explain the past situation objectively. The ferry company wanted to increase the fare. While a small proportion of the residents opposed the fare increase, the majority of the residents very much hoped that the ferry service could be maintained. We obtained the signatures of more than 20 000 people in the district easily. I remember the rough calculation made at the time—of course, the ferry company may have a clearer idea of that—but my calculation during the lobbying showed that the annual loss was under $2 million. As a business, the ferry company was not willing to suffer any losses. We succeeded in lobbying all pan-democratic and pro-establishment Members at the Legislative Council and DC meetings to reach a cross-party consensus, which was consistent in both the minutes of the Kowloon City DC meeting and the Legislative Council meeting, that the Transport and Housing Bureau should not regard the ferry as a means of transport only. The Government refused our request for a fresh tender, which was most disappointing and infuriating. In 1 April 2011, the ferry route was cancelled and suspended. In the evening on 31 March, thousands of people gathered at the pier. Mr Paul TSE representing the tourism sector at the time, Prof Patrick LAU representing the architectural, surveying and planning sector and I stayed there for a long time. They even appealed to the public with a microphone for more

than two hours. We all agreed that, from a macro perspective, the ferry routes should not be cancelled and that the pier should be put to more flexible use. For instance, there should be a policy allowing the ferry company to open other sources of income. However, the Government was very rigid. Discussion among Policy Bureaux was not possible. Back then, the Development Bureau expressed support, so did the Tourism Commission. Even after my long discussion with the Transport Department, nothing could be done and the route was suspended eventually.

What happened in the last several years after the suspension? I already tendered the Government my advice in the same year. Less than half a year later, the waterfront there was opened to the public. Although there was still a water quality problem and I found that the seawater had a foul smell, the public was quite satisfied with being able to enjoy the sea view on the lawn. Former Under Secretary for the Environment Christine LOH and the incumbent Chief Executive had visited the abandoned pier on multiple occasions. They both found it a waste. Actually, the pier was under a private agreement and nobody had come up with any idea for which purpose it can be utilized, so it has been used for storage over the years, which is really a waste. Therefore, I hope the Government will not treat it as a simple transport issue in its examination of ferry services.

Deputy President, the Government has been reluctant to conduct a fresh tender in the past seven years, but there is a breakthrough this year. I mentioned it in the debate on the Policy Address, so I will only talk about it briefly now. It is mentioned in the Policy Address that the re-commissioning of the Central-Hung Hom ferry route can be considered. The Policy Address also suggested to enhance vibrancy of the Hung Hom harbourfront through injecting commercial elements. In this connection, we have invited Prof CHAN Yan-chong to make a site visit and made a number of proposals to the Government, including whether ferry services, in addition to serving local residents, can dovetail with the Kai Tak Cruise Terminal development in the future planning of the West Kowloon Cultural District. As I have criticized, after disembarking at the Kai Tak Cruise Terminal, passengers have to walk a long distance before getting to the taxis. It is a hassle for them to reach the city centre such as Tsim Sha Tsui. They may also be stuck in traffic on the way to Hung Hom nearby and thus unable to enjoy the scenery of the Victoria Harbour. Ferries or water taxis can solve the aforementioned problems. I find the ferry

more comfortable than water taxi because, although slower, it is not as bumpy. Hence, ferry is indeed a feature of Hong Kong and its development should be encouraged and supported by the Government.

Apart from Hung Hom, Tsim Sha Tsui, Tai Kok Tsui in Kowloon West, I think the east shore of Kowloon to Kai Tak or even the entire Kowloon shore of the Victoria Harbour can be put to better use. I think during the non-peak hours when the demand of local passengers is not particularly high, ferry can absolutely serve to carry cruise passengers to districts such as Central, Tsim Sha Tsui, Hung Hom and Kowloon East, so that the whole structure under the Energizing Kowloon East concept can be taken advantage of. The same applies to Hong Kong Island which has taken the lead in developing waterfront planning and Pierside Precinct. In fact, apart from the Secretary for Transport and Housing, I think the Secretary for Development should also attend today's meeting, and the Planning Department should make every effort to complement this long-term comprehensive development plan.

I anticipate and hope that the Hung Hom-Central route will benefit from the passage of the Bill first which may be a big gift to that district this year. I also hope that the pier will no longer be a disgrace and create hygiene problems. Many residents have complained about the odour, rats and mosquitos in the neighbourhood. Instead of using it for storage, will the Government formulate a policy in relation to the pier so that it can be used for kiosks or local arts. For instance, the waterfront of Gold Coast was quiet successful. The venue operates on weekends only and provides a quiet consumer environment for visitors.

(THE PRESIDENT'S DEPUTY, MR DENNIS KWOK, took the Chair)

I have once asked the Government to revitalize not only the piers, but its brain too in order to solve problems through inter-departmental efforts. There is a breakthrough in the Policy Address, and now we must overcome the obstacle of bureaucracy in departments. We made such a request to the Chief Secretary for Administration back then, first Henry TANG, then Mrs Carrie LAM, now we demand Secretary Matthew CHEUNG again to lead an inter-departmental working group to link the vision in the Policy Address with other districts. This

vision should not be limited to Kowloon West. Kowloon East, Hong Kong Island and the outlying islands should all complement each other in order to give full play to the characteristics and services of the ferry in Hong Kong.

Deputy President, I so submit.

MR CHAN HAN-PAN (in Cantonese): Deputy President, some people said that the ferry is a sunset mode of transport, which is true. It is because under the existing transport policy with railway made the backbone, it is indeed difficult to operate ferry services. It is difficult because of the expensive fuel cost and highly fluctuating oil prices. Also, the operators cannot employ sufficient workers, and the wage cost constitutes a major part of the operational expenses, not to mention repairs and maintenance, which is very important, too. Therefore, the Government's introduction of an amendment to lengthen the licence period of the operation of ferry services from three years to five years has responded to the aspiration that we and residents on the outlying islands have been voicing out over the years and so, it has my support.

In fact, in the tender exercise for the licensed operation of ferry services, normally there is only one bidder. Why? Simple enough, it is because no company in Hong Kong is willing to operate ferry services. This is why every time when tenders are invited, basically only that company will submit a bid and so, not a lot of choices are provided. Why do they not invest in the operation of ferry services? Because the term of the contract spans three years only and upon expiry of the three-year period, a review will be conducted. Despite that the cap on the aggregate licence period will remain at 10 years, when a review is conducted at an interval of three years, it is actually undesirable to the planning and development of a company. It is, therefore, necessary to make this amendment.

Likewise, when tenders are invited for the licensed operation of "kaito" routes or ferry services in the remote areas, sometimes no bid is received and it is necessary to plead with the companies to submit a bid and under these circumstances, the public cannot have more stable and better choices. From the proceeds of the Star Ferry we can see how difficult the operation of ferry services is. Between 2008 and 2016, although we might see that the Star Ferry seemed to have attracted a significant patronage, its average annual profit amounted to

only $4 million. Being such a large-scale company which operates daily ferry services across the Victoria harbour and has become an icon of Hong Kong, the Star Ferry nevertheless makes a profit of only $4 million per annum. Had there not been advertising revenue or other rental income, probably it would not have survived. From this we can see that it is very difficult to operate ferry services.

Ferries are essential. For instance, some years ago when the Kap Shui Mun Bridge was damaged after a barge had crashed into it, traffic was paralysed on the entire Lantau Island and at that time, ferries were brought into play and became the lifeline. Back then the Government openly called on the public to take a ferry to Discovery Bay where they could switch to another means of transport to get to the airport or Tung Chung. It was only then that we realized the importance of having choices of transport. Over the years, actually the Government has done little to help the development of ferries and particularly, before the introduction of an allowance for the repair and maintenance costs, the Government's attitude towards ferries was almost one of complete indifference to their survival.

After the introduction of the repair and maintenance allowance by the Government, the pressure of the operation of ferry services may have been alleviated. But for ferry services to such places as Park Island or Discovery Bay, their pressure has not been eased. The residents are still under the pressure of a fare increase and worse still, an increase in ferry fares has caused confrontations and hence more unnecessary internal attrition which will eventually translate into social costs. We understand that in the development of these places back in those years, the Government signed with the developers some contracts in which some provisions were included, but the public are innocent. When they moved into these places, they only hoped to have a better living environment in places accessible by ferries. But due to these provisions, the residents have been made victims and are caught between a rock and a hard place. In fact, the public are not at all interested in knowing how the Government manages the ferry operators and developers. All they know is that the Government provides an allowance that does not benefit them. They consider this unfair because they are also taxpayers who pay tax to the Government but when the Government provides a repair and maintenance allowance for ferries, they cannot benefit from it. Therefore, the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") demands that

the Government should extend the coverage of this repair and maintenance allowance to other ferry services, such as those to Park Island, Discovery Bay, etc, so as to sustain the operation of the entire ferry trade. Therefore, when the Government carries out work in this respect, what it should do is not as simple as just lengthening the licence period from three years to five years. Rather, there is still a lot of work that has to be done.

On the other hand, I think the operation of ferry services is difficult also because of fluctuations of oil prices. Oil price fluctuations can cause dire consequences, especially as the oil prices have fluctuated like a roller coaster over the past few years. But why do oil price fluctuations have such a great impact on the operation of ferry services in Hong Kong? It is because our ferries have been in service for three or four decades. These old vessels are, in fact, grossly dilapidated and their oil consumption is very high. What is more, high oil consumption will lead to environmental pollution and air pollution. According to the information of the Environmental Protection Department, a major source of environmental pollution is navigation, which includes container vessels and ferries. Particularly, in the urban areas, ferries may be a major source of air pollution.

In this connection, DAB puts forward two proposals for consideration by the Government. First, one of the measures adopted by the Government in the past for improving roadside air quality was to subsidize the replacement of old diesel vehicles by those in compliance with the Euro standard. The replacement scheme has achieved great success as the number of old diesel vehicles that emit black smoke has been greatly reduced now. It is because with the government subsidies, these vehicles have been generally replaced and this has, in turn, improved the street-level air pollution index. The Government can draw reference from the replacement scheme for old diesel vehicles and provide subsidies for ferry operators to replace their ferries by, for instance, carbon fibre vessels or hybrid vessels. We can even encourage the use of electric vessels, for the technology of electric vessels is already mature. I think the Government should provide assistance for ferries on which the commuters rely every day by facilitating and encouraging the replacement of old ferries by new ones in the ferry trade, so that the public do not have to travel in old vessels and breathe in the exhaust emitted by them every day.

To this end, my second proposal is that the Government should install on-shore power supply systems at the piers. With the installation of these facilities, operators will naturally choose electric or hybrid vessels in making procurement, for they will consider it a possible alternative. This is similar to the installation of electricity charging facilities in society in order to promote the use of electric vehicles by the public.

A few years ago I called on the Government to install on-shore power supply systems at the container terminals because the quality of air breathed in by residents in Kwai Chung, Tsing Yi and Tsuen Wan should be the worst in the territory due to their proximity to the container terminals. Can we do away with the container terminals? No. Because they are an economic lifeline of Hong Kong. A berthed container vessel will produce emissions because its engines cannot be turned off. The engine must keep running in order to make the vessel stay at its position. Black smoke is emitted as long as a vessel is moored for unloading. So how can there be improvement in the environment? In view of this, I proposed the installation of on-shore power supply systems by the Government but the Government did not pay heed to my suggestion. Now, as the Government has the opportunity to review the ordinance relating to ferries, we hope that it can introduce this forward-looking measure of installing on-shore power supply systems at the piers, so that the vessels can really be replaced and updated, thus enabling the ferry trade as a whole to really achieve good development.

Insofar as ferries and navigation are concerned, the Government really has to make greater efforts to assist the development of the industry. For instance, after the commissioning of the Hong Kong-Zhuhai-Macao Bridge ("HZMB"), insofar as cross-boundary transport is concerned, many people have switched to road transport. But the ferry services from Hong Kong to Macao, Zhuhai, Doumen or Zhongshan may gradually encounter operational difficulties as a result of some passengers switching to road transport. We, however, do not wish to see ferries cease to be a choice for the public as some people think that they cannot accurately estimate the journey time if they travel by HZMB whereas ferries can depart and arrive on time because of the greater stability of sea transport, not to mention that ferry services are also a fallback plan for HZMB as a whole.

Why do we have to raise this point? It is because the Government can provide assistance in this regard. At present, for each passenger travelling by ferry to places such as Zhuhai, Macao and Zhongshan, $11 of his ticket is paid to

the Government as the embarkation fee. This fee is common in many places, and it is more or less like a departure tax. People who travel on road are not required to pay a departure tax but passengers on board a ship have to pay it in the form of this embarkation fee and this, I think, is unreasonable. Nowadays it is very common to travel to and from Hong Kong, especially as there are plans for economic development in the Greater Bay Area, and the levying of this outdated fee is, I think, unwarranted and inappropriate. Macao already abolished this fee in 1995 but it is still collected in Hong Kong now in 2018. Given a possible decrease in the patronage of ferries following the commissioning of HZMB, I call on the Government to consider abolishing the embarkation fee for ferries, so that the ticket price can be reduced for the public to enjoy an inexpensive, convenient and punctual means of transport.

I believe this Ferry Services (Amendment) Bill 2018 is not controversial but why have I talked about so many other issues? Because the local ferry services are an indispensable part of public transport, especially as the population on the outlying islands will be ever increasing. Therefore, we hope that the Government can give more consideration to the proposal made by us before, that the Government should inject funds for procurement of vessels and invite the operators to tender for and operate the ferry services. The purchase of vessels is quite a costly decision to make, for each vessel may be worth over $10 million, which may not be financially affordable to many companies. As a result, the public do not have a choice because the bids for the operation of ferry routes are always submitted by the same one or two companies and so, how can the Government spur them on to improve their services? If the Government is willing to fund the purchase of vessels and then invite companies to operate the services, it would be conducive to upgrading the service quality of the entire trade.

For example, residents of Cheung Chau may sometimes miss the last ferry and therefore, they hope that the ferry operator can deploy big vessels for carrying passengers, so that more passengers can get on board and will not be forced to stay at the pier because if they miss a scheduled ferry, they may have to wait for an hour. At present, there is no way for this situation to be improved. Even though we have put forward this view many times, given the limited resources on the part of the ferry operator, it is indeed difficult to deploy big vessels to provide services. But if the Government can purchase vessels for operation by the ferry operator, I believe these problems can be ameliorated and resolved.

I also welcome the Government's proposal to develop water taxis as stated in the Policy Address, for it is a very good idea that can provide the public with more choices. In respect of marine transport and ferry services, I hope that the Government can take a few steps further to make travelling more convenient for the public.

Deputy President, I so submit.

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

(No Member indicated a wish to speak)

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, my heartfelt thanks go to Mr Frankie YICK, Chairman of the Bills Committee on Ferry Services (Amendment) Bill 2018 ("the Bills Committee"), members, the Legislative Council Secretariat and Legal Adviser for their efforts that enabled the scrutiny of the Ferry Services (Amendment) Bill 2018 ("the Bill") to be completed smoothly.

Ferry service licences are granted by the Commissioner for Transport under section 28 of the Ferry Services Ordinance ("the Ordinance") (Cap. 104) to allow the licensees to operate ferry services. As currently required under section 29 of the Ordinance, the maximum duration of a licence, whether newly granted or extended, is three years on each occasion, whilst the aggregate licence period (including all extended period(s)) shall not exceed 10 years. This requirement does not only create an administrative burden on ferry operators by increasing the number of applications for licence extension under a 10-year period, but also hampers, to a certain extent, ferry operators' ability to make longer-term planning and investment for their ferry services.

In view of this, after consulting the Panel on Transport of the Legislative Council and the local ferry trade, the Government presented the Bill to the Legislative Council proposing to lengthen the period for which a licence to

operate a ferry service may be granted and extended, from three years to five years. Taking into account that a licence period of an excessive length may make it difficult for an operator to project its financial situation accurately, the cap on the aggregate licence period will remain at 10 years. The Transport Department ("TD") will select the most suitable operator for individual ferry routes by inviting expressions of interest or open tenders at an interval of 10 years at the maximum under normal circumstances.

Upon the passage and commencement of the Bill, ferry operators may consider whether to make application for a longer licence period. For applications submitted before the effective date of the amended Ordinance, applicants may consider whether to maintain the licence periods of their original applications or revise their applications for a longer licence period.

Through providing the flexibility so the operators may choose to apply for a longer licence period, we hope to encourage ferry operators to make longer-term planning and investment, and in turn enhance the financial viability of ferry services and bring service upgrades to passengers.

In order to enhance the dissemination of information to ferry operators, TD will actively inform the ferry trade the amendments upon the passage of the Bill.

We also note the views of the Bills Committee on other aspects of ferry services, such as the concerns over the financial viability and service quality of outlying island ferry services, as well as the management of pier facilities. The Government will take into consideration these suggestions in the study on the long-term operational model of outlying island ferry services. TD will also convey members' views to operators of ferry piers and relevant works departments with a view to enhancing the quality of local ferry services.

The amendments in the Bill are technical in nature. Since its presentation to the Legislative Council in June 2018, the Bill was then scrutinized by the Bills Committee in July 2018. The Bills Committee and the Government have not proposed any amendment to the Bill.

The Government provides Special Helping Measures ("SHMs") to six major outlying island ferry routes during the current three-year licence period. Just now, Members asked whether the measures will be applied to other routes.

We plan to examine in the next mid-term review in the first half of 2019 whether SHMs are the best long-term operational model for maintaining the financial viability of ferry services. The review will include an in-depth study of the feasibility of fully subsidizing ferry operators to replace vessels. The objectives is to ensure the service quality while maintaining the financial sustainability and a reasonable fare level. If the Government decides to adopt SHMs as a long-term operational model, the extension of the licence period may help. Even if the Government eventually proposes another operational model, such as outsourcing of services, ferry services during the transitional period must also be licenced. Therefore, we anticipate that it is necessary to extend the licence period in advance. Besides, apart from the six major outlying island ferry routes, other licensed ferry services may also benefit from the longer licence period.

Currently, there are eight other outlying island ferry routes in addition to the six major outlying island ferry routes. We will conduct an in-depth study on whether SHMs should be extended to these eight outlying island ferry routes. A series of factors will be considered, including prudent use of public funds; whether there are alternative modes of public transport to these eight routes; the respective operating environments of the eight routes; and the fact that some of the routes were introduced back then to serve new residential developments, whereas Members have mentioned some individual ones. We must handle the issue on a case-by-case basis instead of making a sweeping generalization.

Ferry and "kaito" services are not excluded from the Public Transport Fare Subsidy Scheme to be implemented in January 2019. In addition to land transport, the Scheme will also cover ferry and "kaito" services. As a matter of fact, we are always aware of the functions and contribution of waterborne transport. Depending on public and visitors' needs, the Government is proceeding with the preparatory work for the tendering and inviting interested operators for the Central to Hung Hom route, as well as for the proposed water taxi service.

Moreover, the Government will inject $200 million into the Maritime and Aviation Training Fund for manpower training, provision of internship positions and staff competency enhancement for the local ferry services, so as to attract the young generation to join the maritime industry and local ferry trade, so that new blood can be injected into the industry. Therefore, I hope Members present will understand that the Government will not forget the roles and contribution of local

ferries and "kaitos". We will continue to provide assistance to them for their sustained development.

Deputy President, the Government has always been concerned about the operating environment of the local ferry services trade. We will strive to enhance local ferry services through various policy measures. I implore Members to support the passage of the Bill.

I so submit. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the Ferry Services (Amendment) 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): Ferry Services (Amendment) 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 Ferry Services (Amendment) Bill 2018.

FERRY SERVICES (AMENDMENT) BILL 2018

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

CLERK (in Cantonese): Clauses 1, 2 and 3.

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

(No Member indicated a wish to speak)

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That clauses 1, 2 and 3 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 Ferry Services (Amendment) Bill 2018 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, I now report to the Council: That the

Ferry Services (Amendment) Bill 2018

has been passed by committee of the whole Council without 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 Transport and Housing 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.

FERRY SERVICES (AMENDMENT) BILL 2018

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Deputy President, I move that the

Ferry Services (Amendment) 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 Ferry Services (Amendment) 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): If not, 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): Ferry Services (Amendment) Bill 2018.

Resumption of Second Reading Debate on Government Bill

DEPUTY PRESIDENT (in Cantonese): This Council resumes the Second Reading debate on the Private Healthcare Facilities Bill.

PRIVATE HEALTHCARE FACILITIES BILL

Resumption of debate on Second Reading which was moved on 21 June 2017

DEPUTY PRESIDENT (in Cantonese): Mr CHAN Han-pan, Chairman of the Bills Committee on the Bill, will first address the Council on the Committee's Report.

MR CHAN HAN-PAN (in Cantonese): Deputy President, in my capacity as Chairman of the Bills Committee on Private Healthcare Facilities Bill ("the Bills Committee"), I report on the major deliberations of the Bills Committee.

The Bills Committee held 12 meetings with the Administration and received representation from organizations and individuals. Members generally supported the Private Healthcare Facilities Bill ("the Bill") which seeks to provide for a new regulatory regime for four types of private healthcare facilities, namely hospitals, day procedure centres, clinics and health services establishments, to replace the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap. 165), and the Medical Clinics Ordinance (Cap. 343) and its subsidiary legislation currently in force.

Regarding the types of private healthcare facilities that would be subject to regulation, members noted that the Administration will propose amendments to the effect that a day procedure centre, clinic or health services establishment primarily used for teaching or research relating to medicine or dentistry and that is managed or controlled by universities specified in the new schedule, including the University of Hong Kong and The Chinese University of Hong Kong, will not fall within the meaning of a private healthcare facility and will not be regulated

under the Bill. Some members considered that despite the putting in place by the two universities of a robust governance structure that is fit-for-purpose with due regard to the nature of their facilities and their unique cohort of stakeholders, they remained concerned that the proposal would set a bad precedent in regulatory control and run contrary to patients' interest.

Besides, members noted that depending on the circumstances, the administration of local anaesthetics, which are pharmaceutical products, to a person for the purpose of pain control is an act of practising Western medicine, and under the Bill as presently drafted, premises where practice of registered medical practitioners or registered dentists takes place will be subject to the new regulatory regime. Some members were concerned that the administration of local anaesthetics for preventing pain during cosmetic tattooing is not uncommon. In response to members' concern, the Administration undertook to relay the issue to the Pharmacy and Poisons Board of Hong Kong for consideration.

Under the Bill, the operator of a private healthcare facility for which a licence is in force or an exempted clinic is required to ensure that the facility has a direct and separate entrance. Some members were concerned that certain facilities already in operation would have difficulties in complying with this requirement. After consideration, the Administration agreed to move an amendment to provide transitional arrangements whereby the requirement on separate entrance should not apply during the specified period of a provisional clinic licence issued under the Bill for clinics already in operation, subject to certain conditions.

Moreover, some members were concerned about whether patients would be provided with adequate compensation in negligence claim arising from medical or dental incidents that occurred in private healthcare facilities the licensee of which is a limited company. The Administration said that a civil action might also be brought against the licensee if the incident that occurred was caused due to a negligence in the operation of the facility.

Members also expressed concern about the requirement under the Bill that the licensee of a private healthcare facility should appoint a chief medical executive to take charge of the day-to-day administration of the facility

concerned. Some members considered that the requirement that the chief medical executive of a day procedure centre or a clinic could not serve at the same time as the chief medical executive of more than two day procedure centres or clinics should be relaxed. After consideration of members and stakeholders' view, the Administration will move amendments to the effect that if a person serves only day procedure centres, the aforesaid requirement that he must not serve at the same time as the chief medical executive of more than two day procedure centres will remain unchanged; if a person serves only clinics, he must not serve at the same time as the chief medical executive of more than three clinics; and if a person serves both day procedure centres and clinics, he must not serve at the same time in that position for more than one day procedure centre and one clinic.

The Bills Committee also discussed in depth the proposed measures for enhancing price transparency of private hospitals. Some members considered that the proposed measures cannot address the private hospitals' common practice of setting different levels of service charges in accordance with the types of ward to which the patients are admitted. Other members considered that private hospitals should introduce packaged charges for more operations or procedures, in order to further enhance their price transparency. After consideration, the Administration agreed to move amendments to the effect that the Secretary for Food and Health may by regulation prescribe the price information to be provided, and the way it is to be provided, by the licensee of a private healthcare facility and prescribe the treatments and procedures for which estimates of fees and charges are to be provided, and the way they are to be provided, by the licensee of a hospital.

Some members were of the view that the chairperson of the Committee on Complaints against Private Healthcare Facilities ("the Complaints Committee") should be a lay person in order to ensure that facility complaints would be handled in an impartial manner. They were also concerned about how balanced participation and the expression of views by those members being registered medical practitioners or registered dentists and those members being lay persons at a meeting of the Complaints Committee could be ensured. The Administration stated that the proposed composition of the Complaints Committee had already ensured the opportunity for balanced participation by

different stakeholders and also provided sufficient flexibility for the Secretary for Food and Health to appoint members of different backgrounds. The Complaints Committee would strive to ensure balanced participation of members at meetings of the Complaints Committee.

On the commencement of the Bill, members noted that subject to the passage of the Bill, the Administration will commence registration of private hospitals, day procedure centres and clinics in 2019, 2020 and 2021 respectively. Provisions prohibiting the operation of the types of private healthcare facilities concerned without a licence and prescribing other related offences would be put in force when the Administration considers that both members of the public and the stakeholders are ready for full-scale regulation of the types of private healthcare facilities concerned.

The Bills Committee also discussed in depth issues such as the scope of the premises of a licenced facility, the conditions of licence for private healthcare facilities, the arrangements for scheduled nursing homes aspiring to becoming private hospitals to provide palliative hospice services, the definition of small practice clinics, and the regulatory standards of private healthcare facilities. A detailed account of these discussions is set out in the report of the Bills Committee. I will not go into the details here.

Deputy President, in response to the concern of the Bills Committee, the Administration will move a number of amendments. Members noted that the Administration will propose some textual, technical and consequential amendments to the Bill. I also noted that with regard to the provision on subjecting nursing homes for the elderly to the Residential Care Homes (Elderly Persons) Ordinance (Cap. 459) as proposed in the Bill, Dr Fernando CHEUNG will later on move an amendment to the minimum area of floor space for each resident in clause 146 of the Bill. In the light of this amendment, the Administration will move an amendment to the clause concerned. These amendments had not been discussed by the Bills Committee. I will leave it to Dr Fernando CHEUNG and the Government to brief Members on these amendments. The Bills Committee has no comment on the other amendments to be proposed by the Administration later on.

Deputy President, this is the report on the work of the Bills Committee. I will express my views after Dr Fernando CHEUNG has spoken. Thank you.

DR PIERRE CHAN (in Cantonese): Deputy President, as doctors, we always accord top priority to the well-being of our patients. The Private Healthcare Facilities Bill ("the Bill") mainly seeks to replace the outdated Hospitals, Nursing Homes and Maternity Homes Registration Ordinance and the Medical Clinics Ordinance to impose comprehensive regulation on private healthcare facilities including hospitals, day procedure centres, and so on, to protect the benefits and rights of patients. The medical sector will undoubtedly support it.

However, I have to highlight in the first place a point relating to a paper for the Legislative Council under the file reference FH CR3/3231/16. It is mentioned in it that in addition to the outdated regulatory framework, the legislation is enacted due to the medical incidents that happened over the past few years involving private healthcare facilities which have aroused public concern about the service quality of this type of facilities. Here, on behalf of the majority of doctors in private practice, I would like to clarify that the so-called "medical incidents" mentioned in the paper took place in beauty centres claiming to provide aesthetic medicine services but not in hospitals or clinics providing treatment to patients.

In fact, subsequent to the fatal medical incident that occurred in a beauty centre, the Government set up the Steering Committee on Review of the Regulation of Private Healthcare Facilities in October 2012. The Committee is underpinned by four working groups, where the first two working groups are related to beauty services, namely the Working Group on Differentiation between Medical Procedures and Beauty Services and the Working Group on Defining High-risk Medical Procedures/Practices Performed in Ambulatory Setting.

Honestly, back then, the concern of the public was about the lack of regulation of high-risk medical procedures performed in beauty centres but not that there were problems with conventional healthcare facilities. Yet, I have no intention querying the Government why it does not enact legislation to regulate these beauty centres claiming to provide aesthetic medicine services after the

review but impose comprehensive regulation on private hospitals, day procedure centres and clinics instead, for we also agree that the regulation of private healthcare facilities should be kept abreast of the times to cater for the need and ensure the safety of patients. But I have to stress that the medical sector does not wish the Government to avoid imposing direct regulation on beauty centres providing high-risk services due to the pressure of the beauty industry, and instead use doctors as an excuse and a means to introduce regulation on the beauty industry, creating a conflict between the medical sector and the beauty industry.

Back to the Bill, over 6 000 private doctors in the territory will be affected by the Bill directly. At the Panel on Health Services as well as the Bills Committee, I have queried the Government about issues of concern to the medical sector and the latter's worries. According to the estimate of the Department of Health ("DH"), there are around 5 000 private clinics in the territory, 70% of which are small clinics with doctors or dentists practicing under sole proprietorship, or five or less than five doctors or dentists practicing under partnership. These doctors and dentists are the mainstay of primary health care in Hong Kong. A vast majority of doctors and dentists comply with the code of professional conduct, making every effort to serve their patients with all their heart and alleviate the load of the public health care sector. Hence, I welcome the Government's decision to grant exemption to eligible small practice clinics from application for licences, so that they will not be troubled by licence application and can continue to serve their patients wholeheartedly.

Nevertheless, after the Bill comes into effect, eligible small practice clinics are not exempt from all procedures, as they will still have to apply to DH for a letter of exemption. The Government says that a period for transition will be specified upon the completion of the legislative procedures. By then, the authorities will first handle hospital licences which are the smallest in number, and for private clinics which are the largest in number, the authorities will handle them lastly. Besides, the provisions on relevant offences will come into effect only when the majority of clinics have applied for licences or been granted exemption. However, doctors and dentists are not well versed in laws and the legislative procedures, so they may not necessarily know the commencement date of certain parts of the legislation and whether they are related to them.

The Government says that upon the passage of the Bill, it will issue a letter to all doctors and dentists in Hong Kong to inform them of the briefings to be held, and it will promote the legisaltion via various types of media, including Internet media, and disseminate the information through various professional organizations of doctors. The Government must cooperate closely with the medical sector in disseminating the information, particularly on information concerning the licence and exemption application, and inform the doctors and dentists affected as soon as possible. It is most imperative for the authorities to allow sufficient time for the 5 000 clinics to apply for licence and obtain the letter of exemption.

After proposing the Bill, the Government has granted exemption from regulatory control to healthcare facilities other than hospitals under the University of Hong Kong and The Chinese University of Hong Kong in response to the requests made by the two universities. I think this approach is favouring the two universities and adopting double standards. I have queried that not all the affiliated healthcare facilities of the two universities are used for teaching-related purposes, and some of them are charging fees at market rates, or even above market rates in some cases, for services provided to patients like other private healthcare facilities in the market, and these services are not teaching-related.

The exemption of healthcare facilities under the two universities from regulatory control is comparable to the case where different recruitment requirements are allowed to be adopted by the Hospital Authority ("HA") and the two universities separately in recruiting doctors with limited registration. Doctors with limited registration employed by the two universities will also engage in clinical work, yet the requirements imposed for their recruitment are less stringent than those adopted by HA. It really worries me that if such discrepancy and double standards will create loopholes and unfairness to patients and the medical sector.

Talking about the issue of double standards, the Hong Kong College of Pathologists considers the regulation of medical laboratories in Hong Kong is lagging far behind other advanced economies and urges the authorities to include the regulation of laboratories in the Bill. But the Government has rejected their request. In fact, in the Consultation Report on Regulation of Private Healthcare Facilities published on 18 April 2016, it is mentioned that there is the view considering it necessary to extend the ambit of regulation to medical laboratories.

In the reply to my question, the Government has merely stressed that the regulation of independent medical laboratories is unnecessary at the present stage. Yet, it says that private healthcare facilities providing pathological services, as well as laboratory services in private hospitals, should be subject to regulation under the newly enacted legislation. I wonder why the Government would allow the application of two sets of standards in the regulation of laboratory services for such a long time and why it does not include independent medical laboratories in the regulatory regime when it has the opportunity to do so now. It is de facto condoning the continual application of double standards. Is this approach fair and desirable to patients seeking consultation? I hope the Government will review the current problem of inadequate regulation of independent medical laboratories as soon as possible and enact legislation to regulate medical laboratories with a view to enhancing the protection for the public.

During the scrutiny of the Bill, some members from the dentist sector have reflected that for dangerous drugs like tranquilizer and muscle relaxant prescribed to patients, patients can only take them at the clinic. If a patient has to take the drugs at home, the dentist cannot provide the drugs to the patient direct but can only give the prescription to the patient, so that the patient can purchase the drugs on prescription at a pharmacy. As the people of Hong Kong are under tremendous pressure at work and in daily life, as well as mental stress, it is very common for them to suffer from teeth grinding at night, sensitive teeth or various kinds of pain. If patients cannot obtain the drugs at dentist clinics direct but can only purchase them on prescription at a pharmacy, it is quite troublesome and time-consuming to the people of Hong Kong who are always busy. The existing laws regulating drugs are very outdated. Though the Government has said in its reply that this aspiration of dentists cannot be dealt with in the Bill, I hope the Government will follow up on the issue proactively in future.

Lastly, I would like to talk about the Human Papillomavirus ("HPV") vaccine incident that occurred a couple of months ago. My Member's Office has received 200 to 300 complaints within a short period of time. Most of the complainants are Mainlanders who have made advance payments through agencies for receiving HPV 9-valent vaccinations in Hong Kong but were not provided with vaccines for injection upon their arrival in Hong Kong or after the injection of the first dose of vaccine. In fact, the incident has great impact on the reputation of Hong Kong and adverse influence on the medical sector.

I have written to the Consumer Council ("CC") requesting it to follow up the case. Yet, due to the restriction of the terms of reference, it could only do its best to mediate, so that some of the affected consumers could receive vaccine injections afterwards or refunds arranged by the companies concerned. CC has made particular mention that there is no clear and specific regulation on the operation of private healthcare facilities in vaccine injection and relevant matters under the existing laws, codes of practice or guidelines. Actually, in recent years, similar incidents have occurred from time to time. I hope that in drawing up the codes of practice for private healthcare facilities, the Government will seize the opportunity to consider including provisions regulating vaccine injection and related matters so as to prevent the recurrence of similar incidents.

In view of the opinions and criticisms, I hope the Government will take on board suggestions with a view to improving the codes of practice, enhancing private medical services in Hong Kong and strengthening the protection for patients. I so submit.

MR TOMMY CHEUNG (in Cantonese): Deputy President, on this Bill, originally, I did not have any strong view. I am concerned mainly about the requests of the beauty industry and the representative of the industry, that is, my party comrade Mr SHIU Ka-fai, will surely follow them up closely. However, when the clauses were scrutinized one by one and on coming to clauses 61 and 62, I found that the clauses related to price transparency were way too simple, so I have strong views about them.

We have to know that the Bill regulates all healthcare facilities, including private hospitals and private clinics. As a patient of private hospitals, often, I do not understand why, in the same hospital, depending on whether a patient stays in a general ward or a more private room, even if the painkillers, vitamins and brand of bandages used and the doctors consulted are the same, the fees and charges can still vary greatly.

Members may say that since the room sizes are different, the fees and charges are naturally different. In addition, the order of patients in wards and more private rooms in consulting doctors or receiving other professional health care services may also be different, so the fees and charges are naturally different. But at issue is the point that patients should have the right to know and they cannot rely on their own guesswork. However, it is often impossible to

ascertain the differences through the price lists and patients know about them only after they have received the bill. The so-called price lists do not set out all items clearly and it is necessary for patients to take the initiative to ask questions before they can get vague answers. However, at that time, patients may already be more dead than alive from their illness and may not be clear-headed at all.

In the past, from time to time, we would learn from media reports about the complaints made by members of the public against the most opaque private hospital fees and charges and often, they were even subjected to arbitrary charging, so it can be seen that the requirements imposed by existing regulations related to price items are too simple and private hospitals are required to provide information only according to the relevant code of practice, so the protection for patients is inadequate.

For this reason, I proposed to the Bills Committee a set of amendments to clauses 61 and 62 of the Bill to require that the authorities introduce subsidiary legislation into the Council separately to stipulate that the Director of Health may make regulations specifying the price information to be provided by a private healthcare facility and the treatments and procedures for which estimates of fees and charges are to be provided by a hospital, and that violation of these regulations can constitute a ground for the non-renewal, suspension or revocation of the licence of such a facility.

I thank the Government for being amenable to sound advice and taking on board my relevant amendments by proposing corresponding amendments to clauses 61, 62, 122 and 161 of the Bill today to include my amendments and ensure that the Secretary for Food and Health has to exercise the relevant power by making subsidiary legislation. Although the Administration said that the relevant subsidiary legislation will be presented to the Council for the negative vetting procedure and the time for scrutiny may be shorter, I still consider this acceptable.

I believe that doing so is more effective than relying on a code of practice, as was the case in the past. Here, I call on the Secretary to write up the regulations properly to set out clearly the price information that must be provided by licensees of public healthcare facilities, the way in which information is to be provided, the estimates of fees and charges for treatments and procedures, and so on, to ensure that patients' right to know is duly protected.

As regards the amendment proposed by Dr Fernando CHEUNG, the Liberal Party opposes it. The amendment propose by Dr Fernando CHEUNG is related to the minimum area per nursing home resident, which is raised substantially from the statutory 6.5 sq m to 16 sq m, an increase of almost 2.5 times.

The relevant amendment has never been discussed at the meetings of the Bills Committee and Dr CHEUNG put forward the relevant amendment to the President only after the Bills Committee had completed its scrutiny. The Liberal Party does not agree with such a practice because changing the minimum area per nursing home resident will have considerable implications and such a decision can be made only after a consensus has been reached following extensive discussions in the community. Of course, the larger the space for residents, the better, but at present, there is already a serious shortage of nursing home places in Hong Kong. In the event that the relevant amendment is passed, many problems will arise, including the need to change the partitions of nursing homes immediately, and it is possible that hundreds of elderly people may have to move out, thus seriously affecting residents in their rest and imposing an extra workload on nursing homes. The greatest problem is that, in order to increase the minimum area per nursing home resident, the number of beds will be drastically reduced. Land shortage in Hong Kong has yet to be resolved, so it is easier said than done to increase the space for nursing home residents within a short time.

Although according to the relevant laws, the Government has the power to exempt nursing homes that do not meet the standard, if we propose a new statutory standard, in the long run, there is a responsibility to meet the statutory requirement. Before the community has had extensive discussions on the statutory minimum area per nursing home resident, it is unsatisfactory to rashly prescribe the area at 16 sq m. Therefore, it is appropriate for the Government to subsequently introduce an amendment to delete the original provision specifying a space of 6.5 sq m, so that the relevant problem can be dealt with separate from this Bill. The Liberal Party will support the Government's amendment.

Deputy President, I so submit.

MS ALICE MAK (in Cantonese): Deputy President, the content of this Private Healthcare Facilities Bill ("the Bill") is rather complicated. The printed copy of the Bill alone is already as thick as a dictionary. It is indeed hard for me to express my feelings about the entire Bill in just a couple of words. However, I have one brief comment to make. That is, the legislative and consultation process of the whole Bill is slow. The scrutiny period has lasted a year. Not only is the scrutiny period lengthy. The establishment of the whole regulatory regime for private healthcare facilities has also taken quite a long time.

Let me recap some background information here. I believe many people can recall why this Bill came about. It actually originated from the incident of "lethal injection" involving the DR Medical Beauty Group in 2012. This sentinel event resulting in one death and three injuries aroused public concerns about medical beauty care.

To address the concerns in society, the Government set up the Steering Committee on Review of the Regulation of Private Healthcare Facilities ("the Steering Committee") in October 2012 to conduct a holistic review of the regulation of private healthcare facilities. Subsequently, based on the report and findings of the Steering Committee, the Government presented the Consultation Document on Regulation of Private Healthcare Facilities in December 2014 and conducted a three-month public consultation exercise, thereby ushering in the main framework of the present Bill.

Back then, in response to the consultation exercise, the Hong Kong Federation of Trade Unions also submitted its views in the hope that the Government could expeditiously implement the three-tiered regulatory framework mentioned in the consultation document. Eventually, in April 2016, the Government published the Consultation Report on Regulation of Private Healthcare Facilities, setting out the consultation outcomes and finalizing the direction for a new regulatory regime.

However, six whole years have passed since the DR incident in 2012. The Second Reading debate of the Bill did not resume until now. During such a slow process, there was a vacuum period in which advertisements and promotion of medical beauty care became more frequent. Over the past few years, apart from the burst of concerns in 2012, it seems members of the public or other organizations have subsequently loosened up in dealing with medical beauty care.

More importantly, what is really meant by medical beauty care? In fact, medicine and beauty care should be separate from each other. Beauty treatments should be performed by beauticians, whereas medical or health care treatments should be left to doctors. However, now there are too many medical beauty centres in the community in which beautification processes are carried out by doctors with the claim that such treatments have cosmetic effects. In the past few years, we saw that be it the incident of "lethal injection" involving DR in 2012, the incident of a dance teacher who died after liposuction in 2014, or the incident of a university student who went into a coma after liposuction in the same year, the relevant processes were in fact conducted by doctors. Hence, how should we exercise proper regulation to prevent unscrupulous businessmen from continuing to exploit the loopholes in law, neglecting the safety of consumers? Over these six years, many similar medical beauty centres have emerged. How should we enhance regulation and resolve these problems expeditiously?

In the past six years, I have handled a lot of similar cases, many of which took a long time to follow up or find out the truth. Just now I mentioned the case of a dance teacher undergoing liposuction in a hair transplant centre. It just sounded weird. Actually, at that time the dance teacher wished to have a the liposuction treatment performed by a doctor. That doctor then took her to the hair transplant centre to do the liposuction, and in the end she died after slipping into a coma. This tragedy occurred exactly because of the lack of regulation on premises used for conducting medical processes. We thus realized the importance of regulation on premises used for performing medical treatments.

Just now I mentioned another case in 2014. Similarly, at that time a female student aged 21 received a liposuction treatment in a beauty centre operated by a conglomerate, but she fell into a coma after anaesthesia. Several months later, she came round and stepped into a long recovery process. Now she still has not fully recovered.

As shown in these cases, if treatments are conducted on improper premises, consumers will really lack protection and be exposed to great danger. For this reason, we hope the currently proposed regulation will take effect as soon as possible.

To a certain extent, the content of this Bill has indeed enhanced protection for consumers. For example, under the future regulatory framework and

licensing regime, not only private hospitals but also the commonly seen day procedure centres which perform a lot of high-risk medical procedures shall apply for a licence. This change is rather significant because the licensing regime can be premises-based. That means if specific high-risk medical procedures are conducted on certain premises, the person-in-charge must apply for a licence for such premises, or else he commits an offence. In the two incidents of death or coma caused by liposuction mentioned by me just now, was the relevant premises actually equipped with sufficient resuscitation equipment and a safe environment? Had the Bill been passed a few years ago, at least these two accidents might have been avoided.

More importantly, when the person-in-charge applies for a licence for the premises, he has to ensure that the premises can meet the standards of facilities and clinical quality prescribed in the Bill. For example, resuscitation equipment, infection prevention measures, etc. shall be put in place. In theory, if the relevant premises fail to meet the prescribed standards, it will not be granted a licence, so as to strengthen protection for consumers and patients.

Another point we wish to make is that protection for consumers and patients cannot be attained solely by licensing. The departments concerned should regularly conduct inspections and random checks to ensure that the day procedure centres maintain the relevant facilities at specific standards, rather than merely doing some superficial work. If the licence is issued to no avail, it cannot genuinely enhance protection. For this reason, inspections and random checks are crucially important after the licensing regime is established in future.

I also wish to point out that very often, consumers are not aware of the risk posed in the beauty services received by them. Come to think about it. When customers go into a beauty or medical beauty centre, their purpose is to receive beauty services. But without sufficient information, consumers actually have no idea that they will turn out to undergo high-risk medical procedures. As we have noticed, this time the authorities have proposed some amendments to the Bill, requiring a separate and independent entrance on the relevant premises, and the person-in-charge must set out information on the doctors concerned. In other words, if medical processes will be conducted on the premises, there must be an entrance separate from and independent of that of the beauty centre. Information on the doctors performing such procedures must also be set out.

This should help members of the public and consumers realize that they are going to receive medical treatments rather than ordinary beauty services. I consider it the right direction.

(THE PRESIDENT resumed the Chair)

In fact, as I have repeatedly pointed out, the crux of the present problem is that very often, there is no clear definition of medical beauty care. In the past, the Steering Committee had set up various working groups to review issues in different specific domains, including the Working Group on Differentiation between Medical Procedures and Beauty Services the objective of which was to delineate the line between cosmetic and medical procedures. At that time it was proposed that some services definitely belonging to medical procedures, such as invasive procedures including injections, must be performed by doctors, but there were still many items on which no consensus could be reached. Now the Working Group has already concluded its work, but it seems there is no more follow-up.

I wish to point out that insofar as consumer protection is concerned, the Government absolutely should not stay in a rut. The past few years have seen a series of the so-called incidents of medical beauty care, but I think they were actually medical practices. In fact, regarding this kind of incidents, the Government should not put a full stop to its work just because of the passage of this Bill. Instead, it should continue to follow up the work which the Working Group has not completed back then and examine how best regulation can be effected as soon as possible. Meanwhile, the Government should send out constant reminders and conduct education and publicity so that consumers will be made aware of the risks they need to consider in receiving such treatments. It should also ensure that they will receive the relevant medical treatments on appropriate premises or licensed centres.

I wish to talk about another issue of concern to us from time to time, since a case of death after Botox injection has recently occurred, and the relevant procedure was also performed by a doctor. Some people ask how such a case would actually be affected after the passage of this Bill being examined by us on this occasion. The Bill requires a chief medical executive to ensure that the

premises comply with the safety standards. This time the doctor involved in the incident, with 10 years' clinical experience under his belt, can in fact meet the requirements for being such an executive. If only one doctor served in the centre where the incident happened, it could even be exempted from applying for a licence. Hence, would the proposed regulation in this Bill serve any purpose in this tragedy? The Government has got to ponder over this point. It implies that the relevant regulation is not sufficient because even if this Bill is passed, it would not have any effect on the tragedy which has just happened.

In other words, as I said just now, regarding the regulation of medical beauty care, the Government cannot stay in a rut just because this Bill is passed. Upon the passage of this Bill, the Government should continue to examine how to enhance the other regulatory procedures to ensure that consumers can undergo treatments conducted by professionals in a safe environment without being exposed to certain risks. I thus hope that after this Bill is passed, the Government will continue to follow up the matter.

Earlier on, the Government has talked about the regulation of medical devices and advanced therapies, but it still remains at the stage of consultation and drafting of reports. When will the relevant Bill ever be presented? Please do not forget that after the passage of this Bill, there will be a transitional period. We understand that the purpose of providing for a transitional period is to give operators an appropriate period of time to apply for a licence or undertake other relevant procedures. But in that case, we can imagine what the situation will be. The scrutiny of this Bill has taken a year, and after its passage, there will be a transitional period. In fact, how many years will it take to genuinely become effective and afford consumers protection?

Now it seems this Bill can only impose regulation or ensure a safe environment in respect of premises. As regards regulation over the methods of performance of other processes and advanced therapies or medical devices mentioned just now, it still has not entered the stage of law drafting or Second Reading. How many more years do we have to wait before there will be comprehensive and holistic legislation to protect members of the public in undergoing medical processes for cosmetic purposes?

I hope the Government will not stop after the passage of this Bill. The work on other relevant Bills and regulation should also be conducted expeditiously. Upon the passage of this Bill, there will actually be a transitional

period during which the Government should also enhance enforcement because now an increasing number of this kind of medical beauty centres have indeed emerged. Apart from enforcement, the Government should also enhance publicity and education so that consumers will know how to protect themselves, aware that they must select safe premises and professionals for conducting such processes.

President, I so submit. Thank you, President.

DR FERNANDO CHEUNG (in Cantonese): President, I speak in support of the Private Healthcare Facilities Bill ("the Bill") which seeks to regulate private hospitals, clinics and day procedure centres. Particularly, in the wake of a series of incidents in relation to medical beauty services, we realize that there may exist a bunch of loopholes regarding these premises, whilst the statutory regulation of them is rather lax. To this end, the obsolete and sloppy Hospitals, Nursing Homes and Maternity Homes Registration Ordinance ("the Ordinance") is to be repealed in this revamp exercise, and it will be replaced by a new ordinance regulating the premises concerned. I consider this necessary.

In fact, when looking up the Ordinance which will be repealed shortly, I discovered that the requirements on hospitals, nursing homes and maternity homes are kind of slipshod. Virtually, there is only one single paragraph setting out the requirements on nursing homes, which mainly stipulates that the Administration has the power to inspect them. The Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes ("the Code") will also lapse upon the repeal of the Ordinance. Therefore, if we pass the Bill today, an amendment of the Code would require immediate action.

I consider the regulation set out in the Code not comprehensive enough and they can basically be regarded as rather sloppy. Almost no regulation is imposed on nursing homes and the requirements are very lax. Generally speaking, the Bill will put in place regulation more stringent compared with that in the past. The part with which I cannot agree mainly relates to the exemption of university clinics. As Dr Pierre CHAN said, I do not see any significant difference between university clinics and other private clinics. A certain proportion of the work in university clinics is of course related to teaching, but some of the work may not. As we can see, university clinics nowadays also provide to the public at a fee plenty of medical consultation services which have

no direct relationship with teaching whilst the fee rates vary a lot. Therefore, I am worried that granting university clinics full exemption from regulation will give rise to loopholes or unfairness, and the staff employed by university clinics will not be subject to regulation of the new ordinance as well.

As regards my amendment, I should thank the President, your goodself, for granting me the approval to move it. My amendment has prompted the Government to delete one of the clauses. In other words, if the Government deletes clause 146 of the Bill, which stipulates that the statutory minimum area of floor space for each resident in nursing homes is 6.5 sq m, I cannot move my amendment which seeks to increase the area of floor space for each resident to 16 sq m. Mr Tommy CHEUNG said just now that Members should not support my amendment since it has not gone through extensive public discussion. There has not been full discussion in society concerning whether a requirement on the area of floor space for each resident in nursing homes should be imposed and the area to be prescribed. But in fact, the existing Ordinance does not set out any requirement on the statutory area of floor space for each resident in nursing homes either.

As a matter of fact, the Government has added in the Bill the provision specifying the minimum area of floor space for each resident in nursing homes at 6.5 sq m without going through any extensive public discussion. Having worked in the social welfare sector for many years, I am concerned about the needs of nursing homes and residential care homes for the elderly ("RCHEs") in taking care of frail elderly persons. I cannot turn a blind eye to this matter. An area of 6.5 sq m is equivalent to the statutory requirement of the area of floor space for each resident in RCHEs currently stipulated in the Residential Care Homes (Elderly Persons) Ordinance, a requirement which is applicable to care and attention homes for the elderly.

According to the webpage of the Social Welfare Department ("SWD"), elderly persons with deficiency in activities of daily living who are assessed to be of moderate impairment level under the Standardized Care Need Assessment Mechanism for Elderly Services may be admitted to care and attention homes for the elderly, whereas those assessed to be of severe impairment level may be admitted to nursing homes. We are discussing about nursing homes today. Elderly persons living in nursing homes are obviously much frailer than those living in care and attention homes for the elderly. Such being the case, how can

I accept that the statutory minimum area of floor space for each resident in nursing homes and that in care and attention homes for the elderly be made identical? It is obviously inappropriate.

President, I also wish to point out that, in the Working Group on the Review of Ordinances and Codes of Practice for Residential Care Homes, Mr SHIU Ka-chun, two other Members and I are deliberating on how to increase the statutory minimum area of floor space for each resident under the Residential Care Homes (Elderly Persons) Ordinance. The deliberation has yet to finish and there are some discussions in society currently. The process is still ongoing but the Government has already added in the Bill that the statutory minimum area of floor space for each resident should be 6.5 sq m. We have suggested that the minimum area of floor space for each resident in residential care homes of a lower care level be increased. However, the Bill requires residential care homes of a higher care level to being their minimum area of floor space for each resident on par with that. I consider it illogical and unreasonable. It is hence necessary for me to propose an amendment to raise the minimum area of floor space for each resident to 16 sq m. If I turn a blind eye to this matter and let the Government add in the Bill the provision specifying the minimum area of floor space for each resident as 6.5 sq m, it will be even more difficult for us to put forward the request of raising the minimum area of floor space for each resident in residential care homes of lower care level in the future. The problem faced by us nowadays is overcrowded and cramped residential care homes. There is also an increasing number of frail elderly persons against the background of an ageing population. Such a provision will have impacts not only today and tomorrow. In fact, no amendment has been made to the minimum area of floor space for each resident under the Residential Care Homes (Elderly Persons) Ordinance for more than 20 years. In this connection, we should review the future need in respect of the area of floor space for each resident in residential care homes, especially nursing homes affected by the Bill.

Mr Tommy CHEUNG stated just now that the matter had not gone through discussion. Yet, the Government has in fact formulated regulations on the construction of nursing homes and drawn up a schedule of accommodation in respect of building standards. It is stated in the schedule of accommodation, which has been uploaded onto SWD's webpage, that in a 100-place nursing home, the area of the dormitory should be 8.7 sq m per capita. President, it is 8.7 sq m. To our surprise, the Government has set out in the Bill the minimum area of floor space for each resident to be 6.5 sq m. SWD, being a government department,

has required that the area of the dormitory alone should be 8.7 sq m. Adding to this other amenities such as medical consultation room, nursing station, dining room, activity room, laundry, kitchen, office area, nurse station, etc., the area of floor space for each resident is as many as 15.59 sq m, excluding shower room and toilet. These are the standards prescribed by SWD.

President, I do not intend to discuss the requirement of 16 sq m in detail here. But I wish to point out that it is not entirely groundless for me to propose the requirement of 16 sq m in my amendment as it is derived from the SWD standards. SWD's schedule of accommodation has clearly stated that the existing requirement of the minimum area of floor space for each resident in nursing homes exceeds 16 sq m. My amendment is in fact relatively conservative. Mr Tommy CHEUNG just now described my amendment as somewhat disastrous, and the Government responded to my amendment in the same way, claiming that some 500 elderly persons will be forced to move out from RCHEs and a huge sum of public expenditure will be incurred. If this is the case, the President would not rule my amendment admissible. The President has ruled my amendment admissible since the Bill does not regulate government institutions whilst SWD has the power to grant exemption with regard to the regulation of subvented institutions. In fact, about 70% of the subvented residential care homes for persons with disabilities are still operating with a certificate of exemption since the enactment of the Residential Care Homes (Persons with Disabilities) Ordinance in 2011. In other words, the Government can grant an exemption to residential care homes even if they do not meet the licensing conditions as long as they are operating reasonably. As a result, the problem of a few hundred elderly persons being forced to move out from residential care homes will never arise. If this logic holds true, thousands of persons with disabilities should have already been forced to move out from the residential care homes.

President, I therefore hope the Government will learn a lesson this time and refrain from adding a requirement prescribing such a low standard for nursing homes. In the meantime, the manpower requirement on nursing homes proposed by the Bill is rather sloppy as well. The existing Code of Practice for Residential Care Homes (Elderly Persons) is no less stringent than the Code. Upon the passage of the Bill, nursing homes will be regulated by SWD in accordance with the Residential Care Homes (Elderly Persons) Ordinance. Whilst SWD should be the enforcement department, the Labour and Welfare Bureau should shoulder the responsibilities as well. No matter which

department is responsible, I hope the Government will issue a code of practice for nursing homes as soon as practicable. In addition to private hospitals and clinics, the code of practice for nursing homes should not be more slipshod than the existing Code of Practice for Residential Care Homes (Elderly Persons). Therefore, President, I hope the Government will give this serious consideration when it draws up the statutory minimum standards for nursing homes or other residential care homes in the future. It should not casually set standards which are unacceptable to an average man, or which even fail to meet the standards laid down by the Government itself.

President, I will give a more detailed explanation later on. I will support the Government's amendment to delete clause 146 of the Bill as I do not wish to see the Government set some unsatisfactory standards. Therefore, the chances of me moving my amendment should be quite slim. I believe the majority will support the Government's amendment to delete the provision prescribing the statutory minimum area of floor space for each resident in nursing homes as 6.5 sq m. I so submit.

MR CHAN HAN-PAN (in Cantonese): President, the entire scrutiny process of the Private Healthcare Facilities Bill ("the Bill") was very long time since the Bill is voluminous and a substantial number of provisions are contained therein. Given that the original ordinances were enacted in the 1960s, the amendment of these obsolete ordinances required a great deal of time and it took one year to complete the scrutiny. Throughout the entire scrutiny process, members of the Bills Committee and the Government's team in charge of the Bill carried out this legislative exercise conscientiously and were willing to communicate. When problems were encountered in this course, not only did we exchange views at the meetings, the Government would also contact members after the meetings to understand the matter in question and convene informal meetings. The entire scrutiny process was thus conducted more efficiently as a result. In addition, useful suggestions made by the members have also been incorporated into the Bill. Therefore, although I have chaired the Bills Committee for a prolonged period, I consider that the entire scrutiny process was very smooth and I am glad about this. Here, I would like to thank all of the members and responsible officers of the government departments for their cooperation which has enabled the smooth completion of the entire scrutiny process.

The reason of introducing amendments through the Bill—just now some Members have also mentioned it—is the emergence of medical beauty services in the beauty industry. In the past few years, we can see that medical services and beauty services have been combined to form medical beauty care. Yet, no one can differentiate clearly whether such services should be categorized into beauty or medical processes. However, medical care and beauty care are clearly defined in the Bill which mainly seeks to require medical practitioners to provide beauty care on medical premises.

The beauty industry is very concerned about this amendment exercise. They are worried about their survival after the passage of the legislative amendments as they will be required to engage medical practitioners to station on-site during their operation and make room for medical practitioners to provide beauty care. In this connection, we have communicated with the beauty industry and explained to them that these legislative amendments would instead be conducive to the beauty industry. It is because a clearer line will be drawn between medical and beauty care to prevent some medical practitioners from setting up clinics which no one knows whether they are providing medical or beauty care combined, driving all consumers to choose to patronize clinics set up by medical practitioners. After drawing clear definitions, we can differentiate which are medical services and which are beauty services. The beauty industry will then develop more smoothly with better prospects. We have communicated with the beauty industry in the hope that they would understand the aforesaid situation. During this process, the beauty industry has also expressed a point of enormous concern to them: If a beauty centre has medical practitioners stationed on-site, it can open another entrance/exit to provide the medical practitioners' operation with an independent entrance/exit. This is certainly a good arrangement as the public would know whether they are patronizing a beauty centre or a clinic when there is an independent entrance/exit, making the whole picture much clearer. Yet, I have also pointed out that the deed of mutual covenant of some buildings prohibits the boring of a hole in the wall or the installation of an additional door—some deeds of mutual covenant indeed contain such prohibitions—the Government has hence put in place a transitional arrangement. That said, clear definitions must be drawn to differentiate clearly whether the site concerned is used for providing medical or beauty care which must be clearly distinguished. I also hope the authorities will effect enforcement earnestly to make the whole picture clearer. They should not render the public at a loss due to their inability to effect enforcement which would give rise to uncertainties.

During the scrutiny of the Bill, the Bills Committee has also discussed matters relating to day procedure centres. Day procedure centres, at which the public can receive surgeries, have sprung up and are very common nowadays. In the past, patients receiving a surgery at a hospital often have to spend a night there, but they no longer have to be hospitalized if they receive a surgery in day procedure centres where they can have examinations. Particularly, there are more and more day procedure centres upon the introduction of the Colorectal Cancer Screening Programme. This is a good phenomenon as the public can receive examinations without paying a lot. Nevertheless, there should be an ordinance to regulate this aspect and the Bill can make up for the inadequacy in this respect. I reckon this can accord greater protection to the public.

Meanwhile, Dr Fernando CHEUNG mentioned just now the area of floor space for each resident in nursing homes and I respect his views. A requirement on the area of floor space for each resident is currently in place, so I believe the Government has incorporated the existing area requirement into the Bill because of this. It is in fact not necessary to incorporate the requirement into the Bill as it can be dealt with in another ordinance. The Government should have incorporated the relevant requirement into the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance or the Residential Care Homes (Elderly Persons) Ordinance instead of having it written into the Bill. As such, incorporating the requirement into the Bill is not a must and it is appropriate for the Government to withdraw this part. Of course, during the entire discussion process of the Bills Committee, we did not have the opportunity to discuss this point raised by Dr Fernando CHEUNG. Because we have focused on other aspects in the whole process, hence we have not discussed the issue regarding the area of floor space for each resident raised by Dr Fernando CHEUNG. I consider it appropriate for the Government to withdraw the relevant clause in the light of the concerns expressed by Members as society indeed needs more time to discuss whilst discussion is necessary. Dr Fernando CHEUNG may propose 16 sq m, that means to increase the area from 6 sq m to 16 sq m, or even to 18 sq m. While these are only our personal views, they may bring problems to the ecology of the whole industry and even the operation of residential care homes for the elderly. Worse still, as mentioned by Mr Tommy CHEUNG, elderly people already have to wait for a long time for places in these residential care homes. Will the waiting time be further lengthened by five years or ten years after the passage of the legislative amendments, thereby leading to various social effects? Our original intention of improving the situation may fall

through in the end. Hence, I think society should engage in more discussion. We are all eager to improve the elderly persons' living environment but we can discuss the matter during the scrutiny of other Bills and make amendments then. Instead of fragmenting the coverage of the Bill, we should concentrate our efforts on issues relating to private healthcare facilities for the time being.

The Bill has prescribed a transitional period to allow the industry and the public to make sound preparations before its full implementation. There are certainly merits with a transitional period. We all know that the relevant ordinances have undergone no amendment for years, thus the industry needs time to adapt to the operation after the enactment of the law. The Government will hence gradually implement the enacted ordinance in phases. However, the Government should note that despite the enactment, progress should be attained in implementation. I also urge the Government to increase resources and manpower to facilitate the implementation of the ordinance, so as to prevent any failure in implementing the ordinance due to a shortage of manpower and resources, for otherwise it would lead to non-compliance and non-enforcement of the law which is undesirable. In this connection, I hope the Government will keep an eye on its manpower and resources arrangements to ensure the smooth implementation of the ordinance.

Lastly, here I wish to extend my gratitude to members of the Bills Committee and the relevant government departments for their efforts in taking forward the Bill. Thank you.

MR CHAN CHI-CHUEN (in Cantonese): President, the Private Healthcare Facilities Bill ("the Bill") examined by us today is a new piece of legislation. Spanning a great length, it is used to replace some existing laws, including the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance and the Medical Clinics Ordinance. We certainly support this direction. This separate piece of legislation which clearly regulates private healthcare facilities, including hospitals, day procedure centres, clinics and health services establishments, can be described as a spring belated in coming.

We have spent a long time on scrutinizing this Bill. Now I can only say this is "better than nothing". After the passage of the Bill, patients will have greater protection when seeking medical services. Their rights and interests will

also receive greater respect, and transparency of the fees charged will be enhanced. Furthermore, we can have a more satisfactory and independent mechanism for addressing complaints. In my view, in the past these private healthcare facilities have been free from regulation unless they have contravened other laws or committed medical blunders.

At present, the services of these facilities are under the purview of the Office for Regulation of Private Healthcare Facilities ("ORPHF") under the Department of Health ("DH"). Having crossed swords with ORPHF before, I wish to share some of my experiences with Members. Actually, I joined the Bills Committee because of a case I had received in the past. This case of complaint relating to the services of a private healthcare facility had prompted me to examine in depth whether the lack of protection of the rights and interests of patients under the existing laws will be improved under this new piece of legislation. Unfortunately, after such a long scrutiny, I am still unable to tell this assistance seeker that his situation will be subject to regulation under the new law, or people having similar experiences will not run into such misery like him. For this reason, here I wish to spend some time to speak on this case.

This case was about a member of the public whose son had received services in a private hospital. But he was not happy with the services of this hospital and had even filed a complaint with the hospital about the medical procedures. However, after a long period of time, the hospital remained rather uncooperative. Even though he had requested the medical report, the hospital kept stalling with various excuses. One minute it bargained on his request, and the next it said there was a problem of communication. Eventually, it only gave him a photocopy of the records on the patient's chart board. Since his son was seeking consultation in a public hospital, the doctors needed the patient's medical report from the private hospital before they could administer any further treatment.

What was the most unreasonable part in this case? Let me tell Members what happened and seek their judgment. After haggling for quite some time, that private hospital eventually stated that it would no longer discuss with the assistance seeker. Without giving him any explanation, the hospital merely issued him a letter, stating that it would never provide him with any medical service again. Not only this. The hospital even indicated that it would never provide any medical service to his families. This is most outrageous indeed.

Certainly, when a shop opens its doors to do business and comes across customers stirring up troubles, sometimes it will show them the door and refuse to serve them. However, do healthcare facilities have such a capacity or power to do so? Worse still, this hospital even shut out the assistance seeker's families. This member of the public kept complaining to the hospital and relevant government departments. He considered it unreasonable of the hospital to ban him and his relatives from patronizing it again in future. That said, after such an unhappy experience and having been shown the door, he would never ever patronize this hospital again. There is a great variety of hospitals he could choose from in Hong Kong, including public and private ones. Yet he felt indignant. Furthermore, even if private hospitals treat their services as a kind of business, does that mean they can act in whatever way they like? When they cannot offer any clear explanation, fail to make the patients understand what has happened or even know that they themselves are in the wrong, can they refuse to communicate with the patients and even tell them not to come again, shutting them out and refusing to earn money from them?

President, at that time I had mentioned this case in the Bills Committee. The Government's reply was as follows: "According to the Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes currently in force, private hospitals were required to provide services which were of quality and appropriate to the needs of patients with due regard to the safety of patients. When a private hospital was not able to provide medical services for a patient meeting his or her medical needs or expectations, it should clearly explain to the patient concerned in this regard and advise him or her to approach other healthcare institution(s) for appropriate treatments.". I actually do not understand what the authorities said, and this cannot resolve the problem I faced.

If a certain hospital does not have an obstetric department and a patient is going to give birth to a baby, so the hospital cannot receive this patient, I can appreciate this situation. However, if the relevant services are available in the hospital but it refuses to provide such services to a customer's relatives simply because of the customer's poor attitude, this is unjustifiable no matter what. I had accompanied the assistance seeker to ORPHF of DH to request assistance. Similarly, ORPHF read out the relevant provisions, pointing out that if there was discrimination on the part of the hospital, such as specifying that it refused to provide any medical service because the patient was an Indian, then there was certainly a problem. However, the hospital had only refused to serve him

without stating the reason. What could the assistance seeker do? At that time we looked at each other, realizing that ORPHF was unable to provide any assistance either. Consequently, apart from the hospital, the patient's families complained about ORPHF, too.

According to the Bill, a private healthcare facility, including private hospitals, shall put in place a first-tier complaints handling procedure for addressing complaints received against the facility. If a complaint remains unresolved, it will be referred to an independent Committee on Complaints against Private Healthcare Facilities ("the Complaints Committee") at the second tier. The said proposal shows a breakthrough in the Bill, but a limitation has yet to be broken.

The breakthrough in the Bill is that complaints against private healthcare facilities will be handled by a third party, that means the second-tier Complaints Committee. Regarding complaints about non-medical incidents, inquiries can be conducted by an independent party, rather than solely relying on ORPHF of DH. What is the limitation? The limitation is that after all, private hospitals are private organizations. Regarded as an ordinary industry, private hospitals can of course choose their customers and refuse to serve certain people. If they choose not to earn money from certain customers, they will have all the say. As shown by the Government's reply, even after the enactment of this Bill, so long as a private organization has given a clear explanation, it can refrain from providing any service to a patient. For this reason, regarding the case mentioned by me just now, that means when the organization concerned has indicated its refusal to provide any more service to a certain person or his families, we are not sure whether the Bill can help handle such a case after enactment.

I told the complainant in the case about the situation mentioned just now. He said he was not asking the hospital to admit its fault and provide him with services again. He was only seeking justice and hoped the Government could perfect the relevant mechanism. I told the assistance seeker that since that private hospital had issued him a letter, stating that it would not provide him with any more medical service, he might go to the hospital to seek consultation again after the Bill is passed and enacted. If it really refuses to provide him with any service, he may lodge a complaint through a two-tiered procedure, complaining to the hospital at the first tier and the Complaints Committee at the second tier. By that time, the Complaints Committee will listen to the explanation of that private healthcare facility on its reason for refusal to provide services and then decide

whether it will accept its explanation. However, even if the Complaints Committee eventually proves that the hospital has unreasonably shut out the customer, does it have the power to demand the hospital to admit its fault and agree to provide services to the customer again? To date, I am still not sure about this point. Although I brought up this question for discussion at the meeting of the Bills Committee, I did not get any clear reply in the end.

This Bill will be the first piece of legislation which comprehensively regulates private healthcare facilities. But after the passage of the Bill, will the quality of private healthcare facilities, especially that of private hospitals, be comprehensively improved? I think it remains to be observed. First of all, when we read this Bill in detail, we found frequent appearance of the following phrase: "code of practice". The law will empower the Government to formulate a code of practice on the specifications of operation for private healthcare facilities, and the Government will have the power to inspect private healthcare facilities to ensure that the operation of such facilities complies with the requirements of the code of practice. If members of the public discover any non-compliance with the code of practice, they may lodge a complaint in accordance with the complaint mechanism under the law.

As a matter of fact, using a code of practice to improve the quality of private healthcare facilities is not anything novel. The Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes has been put in place for some 10 years. Before the Bill came about, such a code of practice does not carry any legal effect. But after the enactment of the Bill, the Government will have the power to monitor the operation of private healthcare facilities in accordance with the code of practice made under the Bill. In my view, however, there are both merits and demerits in regulating private healthcare facilities with a code of practice. It also has inadequacies.

The Government wishes to continue to exercise regulation with a code of practice instead of setting out the relevant requirements explicitly in the law. It may be because a code of practice can be revised without going through the complicated procedures of legislative amendment in the Legislative Council. The authorities can thus make amendments in the light of the actual situation more quickly and efficiently. Although this approach is faster, I consider it less transparent. It is difficult for members of the public to make requests and offer their views. For this reason, I hope that when the Government formulates or amends the relevant code of practice in the future, it will be as transparent as

possible and listen to more public views. The authorities should also launch public consultations for a longer period and engage representatives, including non-industry ones, in reviewing the code of practice, so as to ensure that the code of practice can genuinely help users (i.e. patients) and improve the quality of private healthcare facilities.

Moreover, I agree with a point made by a Member just now. Specifically, when a stronger set of laws and regulations is in place, the Government needs to allocate complementary resources. There should be sufficient manpower for conducting regular, frequent and even surprise inspections of private healthcare facilities to ensure the implementation of the Bill. The Government must fully monitor the operation of private healthcare facilities to pre-empt the situation of having regulations but not enforcement, as we have often mentioned. We have spent more than a year gauging extensive views and formulating a new law. However, if there is no manpower to carry out inspections and identify problems, this law will be rendered non-existent and a "toothless tiger".

Besides, after the passage of the Bill, the Government will have greater power to monitor private healthcare facilities, and there will be a clear mechanism for members of the public to lodge complaints about the service quality or incidents of private healthcare facilities, but I think there is still a deficiency, that is, the time limit for lodging complaints. According to clause 84 of the Bill, the Complaints Committee may refuse to appoint a case panel to consider a complaint if the event to which the complaint relates occurred more than two years before the day on which the complaint is made.

We pointed out in the Bills Committee that the two-year limit was too stringent. The Government responded that since the complaints management system of the Hospital Authority ("HA") would only deal with an incident which had taken place within two years before the complaint was made, it decided, drawing reference from the existing approach of HA, to set the time limit for lodging a complaint as two years. I am certainly not satisfied with the Government's explanation. In fact, is the two-year limit set by HA satisfactory? If such an approach still warrants improvement, we should not take what is wrong as right. Neither should we extend such an unreasonable requirement to the Bill. Furthermore, the Government's powers in supervising public and private healthcare facilities are different. After all, the Government is the boss of HA. HA still needs to rely on the Government. Yet private healthcare facilities can

indeed act like an independent kingdom. What these facilities wish the most is that the Government will leave them alone and let them do business on their own because they regard themselves as an industry which does not need to rely on the Government. In view of this, can the Government set a longer time limit for lodging complaints?

In the past, many complaints relating to medical incidents were made by the complainants after such incidents had occurred for a relatively long time. Why did they not make the complaints right away and wait for such a long time? Did they not know that the earlier they made the complaints, the earlier they could get help? They did know it. Sometimes that was really the case. Some victims, not sure who should be held responsible, did not know they could make a complaint. When they knew they could do so, it might be quite a long time after the incident. It might be after they had heard other people say they could make a complaint that they realized they need not just blame themselves for running into bad luck. For this reason, regarding the provision on the time limit, I find the present limit too short. Certainly, the Government considers it necessary to set a time limit, but I hope the Government can look into an extension of the time limit in future and give more consideration to public concerns.

MR SHIU KA-CHUN (in Cantonese): President, I would first like to state at the outset my stance on the Private Healthcare Facilities Bill ("the Bill"). I support the Government formulating the Bill.

In fact, private healthcare facilities comprise privately-owned premises providing medical diagnosis and treatment on the Mainland. Since the 1960s, regulated private healthcare facilities have been only private hospitals and non-profit-sharing medical clinics registered under respectively the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap. 165) and the Medical Clinics Ordinance (Cap. 343). The scope of regulation was rather narrow. The existing regulatory framework has become outdated. In the light of the many medical incidents involving private healthcare facilities in recent years, the public has grown concerned about the regulation of private health care services. The Bill, through the new legislation, will introduce regulation on the licensees of hospitals, day procedure centres, clinics and health services establishments, price transparency, complaint handling procedures, etc. I lend it my support.

President, I wish to make a declaration of interest at the same time. I am a member of the Working Group on the Review of Ordinances and Codes of Practice for Residential Care Homes under the Social Welfare Department. The Working Group is now reviewing the Residential Care Homes (Elderly Persons) Ordinance, the Residential Care Homes (Persons with Disabilities) Ordinance and the relevant codes of practice, and make amendment recommendations thereto. President, I support Dr Fernando CHEUNG's amendment to the Bill and express my anger at the Government's amendment regarding the minimum area of floor space per resident in nursing homes. Dr Fernando CHEUNG has proposed the amendment for the sake of, as nursing homes will be brought under the ambit of the Residential Care Homes (Elderly Persons) Ordinance, changing the prescribed minimum area of floor space per resident from the Government-proposed 6.5 sq m to 16 sq m. It is noteworthy that the existing Hospitals, Nursing Homes and Maternity Homes Registration Ordinance does not stipulate any requirement for the minimum area of floor space per resident in nursing homes, whereas the Residential Care Homes (Elderly Persons) Ordinance and the Residential Care Homes (Persons with Disabilities) Ordinance, which regulate residential care homes for the elderly ("RCHEs") and residential care homes for persons with disabilities, require that the minimum area of floor space per resident in residential care homes must be at least 6.5 sq m.

How big exactly is a space of 6.5 sq m? Judging from my experience of paying multiple visits to private RCHEs and residential care homes for persons with disabilities, 6.5 sq m of floor space per resident can accommodate a 2.5 feet by 6 feet bed, a passage not wide enough for a wheelchair to get through and a small low cabinet—these together form a dormitory about or less than 30 sq ft. Moreover, such residential care homes also contain a very cramped living room, where a few dozens of residents squeeze in at different corners to eat, watch television and play games—if there are games to play—it is the so-called communal space. Then what about rehabilitation facilities? None. Personal wardrobes? None. Consultation and treatment space for the use of doctors and nurses? None. Due to their physical conditions, some residents stay inside such a space of 6.5 sq m for prolonged periods of time and spend the rest of their life there.

At present, the average living space per person for public rental housing is 13.2 sq m and the standard size of a solitary cell in a maximum security prison is 7 sq m. However, the Residential Care Homes (Elderly Persons) Ordinance and the Residential Care Homes (Persons with Disabilities) Ordinance, which are

enacted for the sake of frail and vulnerable elderly persons and persons with disabilities, require the minimum area of floor space per resident to be only 6.5 sq m. How ruthless and ridiculous! The narrow personal space provided in residential care homes and the lack of privacy have led to conflicts and arguments among residents in the past, even causing deaths and injuries. We have learnt about such situations in newspapers. Indeed, a review of the requirement for the minimum area of floor space per resident in residential care homes should have been carried out long ago.

After the elderly abuse incident in Cambridge Nursing Home in 2015 and the sexual assault in the Bridge of Rehabilitation Company in 2016, the Government was obliged to set up the Working Group on the Review of Ordinances and Codes of Practice for Residential Care Homes last year, which is responsible for examining various ordinances and codes of practice and making recommendations. As regards a review of the various statutory requirements for residential care homes, there has already been a consensus in the community. Society has long been expressing anger at the inhuman management and poor living environment of residential care homes. It is indeed already too late to start the review of the Residential Care Homes (Elderly Persons) Ordinance and the Residential Care Homes (Persons with Disabilities) Ordinance.

This time the Government will bring nursing homes, which are currently subject to relevant legislation, under the ambit of the Residential Care Homes (Elderly Persons) Ordinance through the Bill, and it has stipulated that the requirement for the minimum area of floor space per resident is 6.5 sq m. The Government has earlier explained that such a move is to dovetail the statutory requirement for the minimum area of floor space per resident in nursing homes with the existing requirement for other RCHEs. Such legislation that only seeks uniformity in effect disregards two facts: first, the physical conditions of elderly persons residing in nursing homes; second, the unreasonable provisions of the existing laws.

To start with, I will discuss the first point. What kind of description does the Social Welfare Department ("SWD") give of nursing homes? "Nursing Homes provide residential care, meals, personal care, regular basic medical and nursing care, and social support for elders who suffer from poor health or physical/mental disabilities with deficiency in activities of daily living but are mentally suitable for communal living, and are assessed to be of severe impairment level under the Standardised Care Need Assessment Mechanism for

Elderly Services." The description given by SWD clearly tells us to what kind of elderly persons do nursing homes provide services. They are those in very frail physical conditions and have severe impairment. Many elderly persons residing in nursing homes are intubated and using medical equipment, and are cared for by nurses. An area of 6.5 sq m per resident is not adequate for such an elderly person to safely survive, not to mention live. A space of 6.5 sq m is not even enough to house medical equipment, let alone gerontechnology, in which the Government has now invested $1 billion as promotion. It is difficult for elderly persons on wheelchairs to move in and out of the room. And care workers have difficulty holding and supporting the elderly persons in the narrow space, possibly posing a substantial risk of falling and getting injured to elderly persons.

The purpose of formulating a new regulatory regime for nursing homes is to protect the well-being of frail elderly persons. But the 6.5 sq m requirement for the minimum area of floor space per resident completely fails to ensure the basic and minimal safety of frail elderly persons. Therefore, out of the need for providing care, most of the 45 registered nursing homes currently provide their residents with more than 16 sq m of floor space per resident. Only a small fraction of them provide less than 16 sq m. As stated in the information supplied by the Social Welfare Department, only one nursing home provides less than 10 sq m of floor space per resident, and one that provides only 6.5 sq m is even unheard of. The Government has forcibly lowered the requirement for the minimum area of floor space per resident to make it dovetail with the statutory requirement for other residential care homes. Absolutely unreasonable, such an act disregards the realistic circumstances.

Second, the Government has proposed a standard of 6.5 sq m as the minimum area of floor space per resident in nursing homes, mainly drawing reference from the requirements in the existing Residential Care Home (Elderly Persons) Ordinance and the Residential Care Homes (Persons with Disabilities) Ordinance. However, the existing Residential Care Homes (Elderly Persons) Ordinance was enacted in 1996, and the requirement for the minimum area of floor space per resident stipulated therein has not been reviewed in the past 22 years. I often say I would look at myself and find out what has not changed for 22 years. Other than my gender and my name, what has remained unchanged of me for 22 years? Yet the Residential Care Homes (Elderly Persons) Ordinance has remained unchanged for 22 years. And the Residential Care Homes (Persons with Disabilities) Ordinance was enacted in 2010. Back then when the

legislation was being drafted, the requirement for the area of floor space per resident was set out with reference from the Residential Care Homes (Elderly Persons) Ordinance.

It is noteworthy that when SWD issued the code of practice for residential care homes for persons with disabilities in 2002, it stipulated that the minimum area of floor space per resident in residential care homes for severely disabled persons was 8 sq m. Nevertheless, when the Government enacted the Residential Care Homes (Persons with Disabilities) Ordinance in 2010, it reduced the minimum area of floor space per resident to 6.5 sq m, in order to provide allowance for private residential care homes for persons with disabilities that failed to meet the standards. Lowering the standard of the minimum area of floor space per resident is in essence undermining the basic assurance afforded to persons with disabilities of receiving care and rehabilitation services, catering only to the needs of businessmen. Businessmen's interests are more important than the basic protection for the most helpless people—it is the mentality mirrored by the law. It is a shame on Hong Kong.

The Government has now proposed to bring nursing homes under the ambit of the Residential Care Home (Elderly Persons) Ordinance, and thus set the standard of the minimum area of floor space per resident in nursing homes at 6.5 sq m, following the outdated requirement laid down in the Residential Care Home (Elderly Persons) Ordinance in 1996, instead of making adjustments to prove its commitment to elderly services. It is hardly convincing, and only regrettable.

In addition, as Dr Fernando CHEUNG has also pointed out earlier, according to the Schedule of Accommodation devised by SWD for the planning of nursing homes, the standards of the area of floor space per resident in 100-place, 150-place and 200 place nursing homes are respectively 15.6 sq m, 14.77 sq m and 14.37 sq m. Such standards do not include the areas of bathrooms, toilets, staff toilets and public toilets. As such facilities are all basic facilities in nursing homes, we have reasons to believe that the SWD standards for the planning of nursing homes are already higher than the 16 sq m minimum area of floor space per resident as proposed by Dr Fernando CHEUNG.

In the Director of Audit's Report No. 63 published in October 2014, a review was made of the long-term care services for elderly persons in Hong Kong in a chapter entitled "Provision of long-term care services for the elderly". As

indicated in the analysis by the Audit Commission of records of SWD, the average net floor areas per resident in subvented RCHEs and contract RCHEs are respectively 17.5 sq m and 20.8 sq m, both higher than the requirement for the minimum area of floor space per resident proposed by Dr Fernando CHEUNG in his amendment. They are clearly standards set by SWD itself. Also, currently nursing homes all provide more than 6.5 sq m of floor space per resident. It proves that the standard of 16 sq m is feasible, which is also based on the actual needs of frail elderly persons. Nonetheless, the Government now has to act against such a practice and lower the requirement for the minimum area of floor space per resident in nursing homes, making frail elderly persons suffer in extremely cramped living space, where they spend the rest of their life.

Precisely due to the failure of both the Residential Care Homes (Elderly Persons) Ordinance and the Residential Care Homes (Persons with Disabilities) Ordinance in protecting the well-being of elderly persons and persons with disabilities in residential care homes, the area of floor space per resident in private residential care homes persistently remains at low levels. In approximately 41 000 private residential care homes, the median area of floor space per resident is only 7 sq m. And in residential care homes for persons with disabilities, the area of floor space per resident of nearly 4 000 private places is 6.5 sq m to 7 sq m. It is the very structural reason for the occurrence of incidents in many residential care homes. I often say that incidents of elderly abuse or abuse of residents are related not only to the unprofessional conduct and dereliction of duty of frontline staff of residential care homes, but are also linked to the legislation as a whole. There are structural reasons for incidents of elderly abuse or abuse of residents. I do not find it necessary to give particular descriptions of such incidents here, but now the Government is actually proposing to put nursing homes under the regulation of an outdated and inhuman ordinance. A low requirement for the minimum area of floor space per resident will eventually lead to a drop in the quality of nursing homes, to the detriment of frail elderly persons. In particular, given the prevalence of private RCHEs, coupled with the reduced planning for subvented residential care homes by the Government, the situation will only worsen. Currently, among some 700 RCHEs, more than 500 are private RCHEs. The current situation is so lopsided, and the Bill will only aggravate such an imbalance, leading to the continual occurrence of incidents of elderly abuse or abuse of residents.

Dr Fernando CHEUNG and I have been advocating the "8+8" proposal regarding the area of floor space per resident in residential care homes, i.e. requesting that the relevant ordinances of residential care homes provide for the minimum area of floor space per resident in a dormitory to be 8 sq m and the minimum area of floor space per resident in non-dormitory space to be also 8 sq m. The combined 16 sq m minimum area of floor space per resident is set exactly with reference drawn from the Schedule of Accommodation of SWD. Neighbouring regions, such as Taiwan, have prescribed stringent standards for the minimum area of floor space per resident in residential care homes. The requirement for the minimum area of floor space per resident in the dormitory alone is already 7 sq m, the requirement for the overall area of floor space per resident in residential care homes is 16.5 sq m. As an affluent city, Hong Kong is so ruthless to the most helpless elderly persons who are in dire need of care services. I give the comment "having nothing but cash" in conclusion.

President, actually Fernando and I are the most rule abiding and obedient Members who conduct business most closely in accordance with the guidelines. Our "8+8" proposal simply adheres to the standards of the Schedule of Accommodation, but we have been accused of "doing a disservice with good intentions" and "being too idealistic". President, who would seek justice for us, for elderly persons and for the home residents? Therefore, Dr Fernando CHEUNG has proposed such an amendment for us today, and I have presented my views as foregoing, for the record.

Thank you, President.

DR HELENA WONG (in Cantonese): President, I rise to speak in support of the Second Reading of the Private Healthcare Facilities Bill ("the Bill") and hope that the Bill will be implemented and enforced expeditiously.

President, the existing regimes regulating private hospitals and private healthcare facilities are slipshod and the relevant ordinances outdated. At present, private hospitals, nursing homes and maternity homes are regulated by the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap. 165) enacted in 1936, whereas non-profit-sharing medical clinics are regulated by the Medical Clinics Ordinance (Cap. 343) enacted in 1963.

According to the original regulatory legislation, these private healthcare facilities are required to register with the Department of Health ("DH"). DH has issued a Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes and a Code of Practice for Clinics Registered under the Medical Clinics Ordinance to set out the respective standards of good practice. The private healthcare facilities concerned must comply with the relevant requirements as a condition for their registration and renewal of registration. However, as we all know, these codes are not legally binding as they are not part of the official provisions in law.

The aforesaid two Ordinances have not undergone any substantive amendments since 1966. Separately, the Audit Commission conducted a review of DH's regulatory control of private hospitals and private healthcare facilities in 2012 and made a number of recommendations in the Report No. 59 of the Director of Audit, requesting the Government to follow up on the relevant regulation.

We have also seen cases that aroused grave public concern, particularly those involving high-risk medical procedures performed in ambulatory setting, including the incident of DR Medical Beauty Group in October 2012—the same time when I first joined this Council as an elected Member—which involved the performance of high-risk invasive procedures; and a surgical procedure of liposuction provided by a hair transplant centre in June 2014. We were all shocked by such news, puzzled over why a hair transplant centre would provide the surgical procedure of liposuction and wondering whether beauty centres and hair transplant centres were subject to regulation in law. Both of the unfortunate incidents had caused casualties. And I moved my first Member's motion on medical beauty services in the Legislative Council.

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

In the wake of the DR Incident in 2012, the Government established a Steering Committee on Review of the Regulation of Private Healthcare Facilities in October that year to conduct a holistic review of the regulation of private healthcare facilities. Two years later (in 2014), the Administration published a

public consultation document to gauge public views and collect opinions on regulation of private healthcare facilities. In April 2016, a report on the consultation exercise was released. It was not until last year—five years after the DR incident—that the Government finally presented the Bill to the Council. I joined the relevant Bills Committee and took part in the scrutiny of the Bill.

The Bill mainly regulates four types of private healthcare facilities, namely, hospitals, day procedure centres, clinics and health services establishments. A new regulatory regime for these four types of private healthcare facilities will be set out in the Bill to replace the existing Hospitals, Nursing Homes and Maternity Homes Registration Ordinance, the Medical Clinics Ordinance and their relevant subsidiary legislation which I mentioned just now.

The scope of the Bill includes formally introducing a licensing regime to replace the previously adopted registration system, and providing an exemption arrangement for small practice clinics. The Bill also sets out in detail regulatory measures and a complaints management system concerning private healthcare facilities, providing for such issues as how the complaints system will be set up, how complaints will be handled as well as other related matters.

The Democratic Party welcomes this belated Bill and hopes for its expeditious passage. The Bill seeks to respond to public aspirations and resolve the problem of the lack of a modern regulatory regime for private healthcare facilities. After the Bill's passage, it is hoped that the new regime will mainly serve to improve the corporate governance of healthcare facilities, ensure the quality, efficiency and safety of their services and enhance the price transparency of private healthcare facilities and private hospitals, thereby protecting the safety and rights of patients and consumers. That is why the Democratic Party supports the entire legislative intent of the Bill and the regulation proposed under it.

The Bill is certainly no panacea that can resolve all the problems which we have seen at the moment. For instance, on the regulation of clinics, I believe many small practice clinics have reflected their views to the Government, pointing out that it would be impossible for this type of thinly-staffed clinics, which are numerous in Hong Kong, to cope if they were required to each create the position of chief medical executive. Hence, I see that the Government has made a compromise. Insofar as the regulation of clinics is concerned, only larger clinics with more than five registered medical practitioners or registered

dentists will be subject to the Bill, whereas small practice clinics with no more than five medical practitioners or dentists will not be regulated. While this is done to respond to the demands of small practice clinics and save them the need of finding extra resources for employing a chief medical executive, I hold that, in respect of regulation, clinics of all sizes should all be regulated, albeit under different regimes. Is the regulation of small practice clinics unnecessary? If medical incidents occur yet again in small practice clinics, how should they be handled? I hope the Government, in the interest of the public, will ponder over whether another regulation loophole will be created in respect of small practice clinics.

In the course of taking part in the deliberations of the Bills Committee, I have identified some other problems of the Bill. The Democratic Party very much supports enhancing the price transparency of private hospitals. The amendments proposed by a member to this end were ultimately adopted by the Government. Under the original clauses 61, 62 and 63 of the Bill, the licensee of a private healthcare facility has to make available to the public information about the prices of chargeable items and services provided in the facility as specified by the Director of Health. Additionally for private hospitals, a budget estimate system has to be put in place to provide estimates of the hospital fees and charges for the specified treatments and procedures for patients' information. Historical statistics on the fees and charges for the treatments and procedures have to be published as well. We hope that with these statistics openly and transparently disclosed, members of the public who need to undergo operations or receive treatments in private hospitals can make comparisons in advance and determine whether the charges and fees of a given hospital are reasonable and affordable, instead of finding out only after the completion of operations or treatments in the form of an exorbitant bill which they can hardly afford.

The relevant provisions of the Bill will certainly help enhance the price transparency of private healthcare facilities. However, as I pointed out in the deliberation process, the relevant measures may not necessarily resolve the issue of complicated pricing practices adopted by private hospitals. These hospitals levy charges on all manners of items and services, including medicines, injection, doctors' ward round fees, food consumed by patients in wards, even a single piece of cotton wool used. And the level of these charges are often linked to the grades of ward occupied by patients. That being the case, prices chargeable for the same bowl of congee or the same piece of cotton wool could be starkly different, depending on whether the patient concerned is staying in a first-class

ward, a private ward or a semi-private ward. Do hospitals adjust the level of the relevant charges according to the grades of ward or bed? Or, is the difference in fees and charges a result of the different level of services rendered in different wards even though the items used are the same? The Bills Committee has discussed the issue. We hope that the charges of the relevant operations and treatment procedures can be more detailed and transparent.

As I said just now, the Bill regulates four types of private healthcare facilities. In terms of price transparency, however, I have spotted a problem in the Bill which I hope the Government will follow up later on. The problem concerns the prices charged for private patient services provided by public hospitals. While we know that there is naturally a set of charges for public services at public hospitals, these hospitals also allow some of their doctors to engage in private patient services, providing treatments to and performing surgeries on the relevant patients. However, the Bill has apparently left this issue not addressed. Can the Bill regulate private patient services provided by hospitals under the Hospital Authority ("HA")? Probably not, for according to the Government, the Bill targets four types of private healthcare facilities. As a matter of fact, private patient services provided by hospitals under HA are still private services, yet, they are beyond the bounds of regulation. As far as I know, there is a lack of transparency in the charges of these private patient services as well, as they do not list past pricing records beforehand, or take the initiative to explain to their patients how the charges for their treatments, operations and related procedures will be calculated. These private patient services often set out only the charges for inpatient service in different wards, with those for operations or other items remained completely unspecified. Patients who do not make the enquiry will probably have no way of obtaining those information. Even if they do, the information made available to them may not be complete. They may remain ignorant of the charges even after operations, before the bills from the accounting department came up. Hence, I hope the Food and Health Bureau and HA will follow up the price transparency issue of private patient services under public hospitals later on.

Moreover, in respect of the Electronic Health Record Sharing System, we are aware that the Bill does not require all private healthcare facilities to register as health care providers of the System as such participation is voluntary in nature. I hope the Government will address this issue squarely.

DR KWOK KA-KI (in Cantonese): Deputy President, I rise to speak in support of the Private Healthcare Facilities Bill ("the Bill"). Each Bill has its former life and present life. Why did the Government suddenly propose amendments to the relevant legislation now, more than 50 years from 1963? As some Members pointed out, this is because some rather unfortunate incidents related to beauty care or medical beauty had happened, so the Government wanted to take some measures. However, will the passage of the Bill serve to resolve the complaints against the beauty industry received by the Consumer Council a couple of days ago, or all along for that matter? Sorry, it cannot, because the greatest problem does not lie in private healthcare facilities alone. As we all know, the beauty industry in Hong Kong is unregulated. In fact, in the beauty industry, it is only necessary to obtain a business registration and put up a plague before all sorts of things can be done, including such things as misleading sale practices, instances of "shut the door, strip the clothes, swipe the card", which we have all heard of, many instances of not being able to exchange coupons for beauty services, instances of "crying up wine but selling vinegar", etc.

In fact, the Government is well aware of all of these. The present Legislative Council and former Legislative Councils have discussed the same subject for more than three decades. In the 1980s, Members of the then Legislative Council already raised the subject of regulating the beauty industry, that is, three decades ago, it was already noticed that the profits of the beauty industry were quite substantial but due to the lack of government regulation, many consumers or members of the public had inadvertently fallen into these consumer traps. Can the present Bill help the public after its passage? Of course not. The Bill in its final state is inconsistent with the Government's original intention because the original intention was that due to the incidents related to the DR Medical Beauty Group and other aesthetic medicine incidents, the Government had no choice but to deal with the problem. In fact, the most appropriate party to deal with this problem is not the Food and Health Bureau. The Government knows full well that to deal with the problem, other Policy Bureaux, in particular, the Commerce and Economic Development Bureau, also have to take measures jointly. Unfortunately, however, both the Secretary of the last term and the incumbent Secretary, Mr Edward YAU, apparently did not show much interest. However, how can tragedies be prevented from recurring if not by way of regulation? Each time the Government tabled papers to the Legislative Council or the former Legislative Councils with a view to dealing with the problems of the beauty industry somewhat, we could see the massive financial power of this industry coming into play by approaching various major political parties, in particular, the political parties of the pro-establishment camp,

and organizing sieges of the Legislative Council, and there would be talk of how many people being rendered unemployed as a result, and so on. Each time, by dint of these somewhat intimidating actions, the Government was deterred from regulating the industry. In view of these actions, even if we support the Bill, so what? Can all this chaos be resolved? Of course not. The beauty industry can continue to place advertisements, mislead consumers, swipe cards until the credit limits are reached, sign long-lasting contracts that do not match the reality, adopt the pre-payment mode of consumer transactions, etc. There are innumerable ways.

Each year, various political parties would receive a lot of complaints and many aggrieved people also revealed their scars when complaining against the beauty industry. The problem is: Due to the profits at stake, it is useless to direct accusations against the beauty industry. Members all know that at present, many beauty companies have been listed in the stock market, the capital involved can easily run into billions of dollars and many employees and doctors are hired to do business. The Government can punish doctors and delist them but it is totally incapable of regulating the perpetrator behind the scene, that is, the beauty industry which is making big bucks. Even if the Government arrests doctors and disqualifies them, the beauty industry can still hire other doctors easily. I doubt if such a situation is consistent with the Government's original intention. If the Government really summons up its resolve to do a good job of protecting the public and consumers by bringing the beauty industry, medical beauty services, etc. into the scope of regulation, it definitely cannot bring this about by relying solely on the Bill, which is incapable of regulating the beauty industry.

Mr Edward YAU has no time to attend the meeting and other government departments also have nothing to do with this matter, so each time, it was the Food and Health Bureau that got the raw deal. If no one wants to do the work, then it will be the one. Coming back to the present subject matter, it is blameless to amend a law that has not been amended for more than 55 years and this should rightly be done. The question is whether or not the Government can rectify the chaotic situation involving private hospitals and I am worried about this. Of course, the existing ordinances do not cover this area but the future ordinance will regulate people like the chief medical executives or people who are legally accountable for the operation of private hospitals. However, just like the bosses behind the beauty industry, the bosses behind private hospitals are beyond reach of the long arm of the Government. Moreover, there are also

many large organizations at the back of these private hospitals. Among them, some are religious groups or charitable organizations with a lot of networks and clout of their own that constrain the Government. I also know that the Secretary often extends congratulations to private hospitals on their inauguration and I am really concerned about such practices. In particular, in view of the present circumstances, how can the public be protected? We all know that in recent years, the Government has been following a set of principles, that is, there is an upper limit to the Government's commitment to health care, so no matter if we find that the expenditure is $40 billion, $50 billion or $60 billion, a golden rule will always apply, that is, the Government's public expenditure—for example, it is sometimes 17% or 2.7% of GDP but it will not exceed 3%—the Government has set its own figure and drawn a line, so no matter what the circumstances are, if you demand that the Government improve health care services, it will not do so. Rather, it will only quietly tell people to see doctors in private practice; alternatively, it will tell the public to take out private health care insurance policies and get a tax deduction through the Voluntary Health Insurance Scheme approved by us last week, while making no effort to hide the fact that it is favouring the insurance sector and promoting business for it.

However, there is actually only one way in which compensation can be claimed under these insurance policies, that is, to seek consultation in private hospitals. The Government is unwilling to provide for seeking consultations in outpatient clinics or receiving necessary checkups, so on the one hand, it says it wants to impose regulation, yet on the other, it forces the public to spend their money in those places, so what does it want? The Government lets the public get tax deductions and it is promoting business for the insurance sector, then it says it is necessary to spend money and swipe one's credit cards in private hospitals, yet the regulation imposed by it is tenuous. Why am I saying this? Because those chief medical executives are hired by hospitals and to put it a bit bluntly, after sacking them, so long as they are offered a better compensation package, there will not be any problem and in the end, the Government is powerless against those gargantuan organizations operating behind them. Actually, something can be done: First, the Government should not renew the licences so automatically. I have never seen the Government revoke the licences of private hospitals that had done something really outrageous.

Secondly, many private hospitals have deviated from their initial pledges and are no longer charitable organizations. If they have reneged on their pledges and become profit-making organizations, why is it still necessary to offer them

special tax treatment, such that they are entitled to tax concessions? These are the two best ways of regulation. Even if the Government uses the levied profits tax for specific purposes—nowadays, the Government likes to talk about specific purposes, so in respect of the plastic bag levy, it says it will be used to promote environmental protection and I agree with this. In the same vein, since it also levies tobacco duty, I ask it to use the money to make all members of the public refrain from smoking—if profits tax is levied from private hospitals, I ask the Government to use it to improve health care services. In that case, I will raise even my legs in support of it. Nevertheless, of course, the Government has not done so and actually, it has given them a special favour and in doing so, it still makes a differentiation of affinity.

In this Bill, the exemption for universities is mentioned a number of times. Perhaps the Secretary has a background of working in a university. I wonder if it is necessary for her to make a declaration of interest. I am concerned that after completing her contract as the Secretary and returning to the university to do teaching there, she will also be a member of the teaching staff of a university. Why can universities levy fees and charges, just like commercial organizations or private healthcare facilities, but are granted exemptions? Why is a special favour extended to them?

As we all know, at present, if one seeks consultation at Queen Mary Hospital or the Prince of Wales Hospital and waits for consultation in public clinics, it is necessary to wait one, two or three years. However, there is another queue for seeking consultation with professors and well-known academics and one needs only pay. So long as one pays, one can see a doctor and have a surgery sooner. In fact, such a situation already runs counter to justice because we all know that professors are paid entirely from public coffers. Since public funds are used, they should devote all of their time to teaching, research and providing treatment to patients who have no money. However, at present, the professors of the medical schools of the two universities are falling over themselves to accept private patients and private patient clinics have even been set up in universities. More outrageously, take the University of Hong Kong as an example, it has probably bought its own magnetic resonance imaging ("MRI") and computed tomography ("CT") scan equipment. Is the waiting time for patients of Queen Mary Hospital too long? There is a second clinic and one can seek consultation in the centre certified by HKU. If one spends money there, one can see a doctor much sooner. In fact, this is the chaos created by a Government bent on having its own way.

Is the purchase of a set of CT scan or MRI equipment very costly? The $1,000 billion to be invested in the artificial islands will suffice for buying 1 million sets of such equipment but the Government will not do so and it is intent on creating a queue. Why can it do so? Why did it show some parties a special favour and grant them exemptions? No explanation can be offered. The Government says that everything is related to research and in the past, I would also believe this because no professor in private practice could pocket a single cent—I am talking about the professors in private practice in teaching hospitals—and all money had to be submitted to the universities. Back then, it was still possible to tell the public that the fees and charges or funds levied by them will be used to support research but now, since half the money can go into personal pockets, one cannot even catch sight of these professors and it is necessary to go to private hospitals to find them. In fact, they also provide treatment to patients but they only pick cases that can serve as subjects of their research or papers. As regards other patients who cannot become the subjects of their papers, they have to find these professors in private hospitals or the clinics of universities. Why does the Government show them a special favour? The Secretary has to rectify this injustice done to us. The Secretary also came from an academic background, so I wonder if she wants to protect her former colleagues in medical schools, but this is a despicable course of action.

I also wish to point out that I support the amendment proposed by Dr Fernando CHEUNG because it looks like the Government wants to fish in troubled waters by imposing an unreasonable area on nursing homes in an amendment introduced this time around. Since the time may not enough, I will continue to speak on the unreasonable area originally imposed on nursing homes by the provision after the Government has proposed its amendment and Dr Fernando CHEUNG has spoken. I so submit.

DR CHENG CHUNG-TAI (in Cantonese): Deputy President, today we are having the Second Reading debate on the Private Healthcare Facilities Bill ("the Bill"). First of all, I wish to talk about the background of the Bill because we have the responsibility to let members of the public know clearly the purpose of enacting the Bill at this juncture.

As mentioned by other Members just now, before the formulation of the Bill, two long-standing Ordinances have been in force, namely, the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap. 165) and the

Medical Clinics Ordinance (Cap. 343). Just now various Members have also pointed out that these two Ordinances are rather outdated, especially the former which was enacted in 1937 and last amended in the 1960s. As mentioned by Dr KWOK just now, there has been no amendment to the Ordinance for 55 years. Certainly, the outdatedness of the relevant Ordinances forms the background of the Bill being examined by us today. In my view, however, this may not be directly related to the recent medical beauty incidents reported by the press. The two may be related, but this may not be the only reason.

I think the most important point is that after 2010 or 2011, there were significant circumstantial or internal changes in private hospitals or the private health care industry in Hong Kong, since it had never occurred to us that so many Mainlanders would come to Hong Kong to give birth. Consequently, distortions emerged in the structure or system of health care in private hospitals. This was something we had never imagined before. In its report released in 2012, the Audit Commission pointed out that the accounts of and prices charged by private hospitals were confusing, and there were also incomprehensible situations in terms of culture. Why did private hospitals become purely profit-making? Two points were mentioned in the report. The first point was that these hospitals would sublease health care premises and some hospital sites were even set aside for housing development. I wonder if Members still remember a case in 2012 involving Union Hospital in Sha Tin.

As shown in all such backgrounds, the present Bill was proposed not simply because of the medical incidents. Rather, it is because of the changes in the environment of the public and private health care sectors. That is particularly the case with private hospitals. We have never expected such circumstantial changes which have arisen in recent years, including the increase in the number of consumers and that in demand, thus causing our concern about the service quality. Meanwhile, there are phenomena in private health care services which we find increasingly incomprehensible, such as the drastic increase in the number of persons seeking consultation in the obstetrics and gynaecology department. We expect remedies or amendments to be made in these aspects. Hence, Deputy President, the intent of the Bill is, on the whole, positive.

Nevertheless, I have doubts about the details. For example, it seems the authorities are attempting to incorporate all matters outside the public health care system into the scope of this Bill, thus making the contents of the Bill rather

extensive and complicated. All healthcare facilities other than those managed by the Government, the Hong Kong Garrison, the Hospital Authority ("HA") or the Board of Governors of The Prince Philip Dental Hospital are included in the Bill, making the Bill very complicated. For this reason, the focuses placed by various Members in their speeches are vastly different, ranging from homes for the elderly, infirmaries, nursing homes to private hospitals or clinics. Deputy President, I really cannot understand why the authorities would make such an arrangement for the Bill. I believe the authorities will need to make amendments very soon. Since the scope is indeed too wide, many Honourable colleagues consider the Bill not meticulous enough.

Furthermore, given the present design, the staff of the Department of Health must be up to their ears in work. They have to prepare 10-odd codes of practice. How can they cope? Do Members appreciate their situation? All the 10-odd codes of practice for healthcare facilities other than those managed by the Social Welfare Department and HA, that means private hospitals, nursing homes, maternity homes, etc., are under their charge. We can imagine how voluminous the clerical or administrative work involved is. For this reason, I think the authorities should split up the Bill.

Now we just do not know how to conduct the discussion. I have only 15 minutes' speaking time. Strictly speaking, it is impossible to discuss each clause in detail. As such, Deputy President, members of the public cannot rest assured. Since we can hardly discuss each part of the Bill in detail, I will just focus on one point. Actually, to be honest, I do not have knowledge of some specific operations. For example, I do not understand the contents about the procedure of anaesthesia or preoperative preparations. However, from the consumers' perspective, I am only concerned about one thing, i.e. whether prices are extortionate and whether patients are aware of the relevant charges.

During the discussions of the Bills Committee in the past two years, Mr Tommy CHEUNG raised a viewpoint which was then accepted by the Bureau. It was about requiring private hospitals or other private healthcare facilities of the same type to explicitly set out the actual prices. In the past, when we went to a private hospital to seek consultation, very often it was not until the critical moment, for example, when the doctor was holding the patient's kidney, that we learnt about the medical expenses incurred. Let me cite an example. Recently, my friend went to a certain private hospital in Aberdeen to

seek consultation—I will not name it. We all know which one it is. His pinky toe had a fracture. After diagnosis, the doctor in the hospital determined that a plaster cast would do. So he had a plaster cast. However, a week or so later, he still had not recovered. He went there to seek consultation again. The same doctor told him it turned out that the plaster cast did not work, so he recommended him to have a surgery. When he asked how much the surgery would cost, the doctor said he could not answer it at the moment because another doctor would be responsible for the surgery. Can Members appreciate such a situation? In other words, to put it bluntly, now going to a private hospital to seek consultation is, to a certain extent, like going to a "fleecing fold". If one does not have much money, one had better not go inside. Hence, in the relevant discussion, especially about explicitly setting out the actual prices, we should support the requirement for greater transparency on private facilities providing information on charges or market prices.

As regards whether this measure can indeed make the private health care market become healthy or come back onto the right track, I think it is open to question. After all, although prices have become transparent, it is a situation of oligopoly insofar as service provision is concerned. For example, there are only 11 private hospitals in Hong Kong, so consumers' choices are limited to 11. Even if these 11 private hospitals enhance the price transparency, we may not understand the relevant charges. Certainly, members of the public may decide by themselves whether to choose the relevant services or not.

During the discussion on this part, someone has raised another question. The price transparency can be enhanced or the actual prices can be set out explicitly, so to speak, but in terms of supply, there is still an oligopoly because there are only 11 hospitals providing services. Why did the Bureau not take the opportunity to discuss the issue relating to the present charges for private health care services which are deemed expensive by the public? In this connection, a topic which must be discussed is separation of prescription from dispensary. This is something we must discuss. Despite the transparency of medical expenses, doctors still have all the say and full power to decide the treatments to be received by patients. Doctors do not care whether patients will accept their treatment proposals because they have numerous patients or customers. There are 1.3 billion customers waiting to come to Hong Kong to receive treatments. Deputy President, the problem of surging medical expenses remains unsolved.

Hence, on this point, I can only say that the present arrangement is better than nothing, since patients will know that to receive a treatment in a private hospital, they will have to pay at least $100,000. If they do not have this amount of money, they should not go to a private hospital to seek consultation. Such a situation is indeed distressing. At present, even though patients know they will be ripped off if they seek consultation in a private hospital, there is still room for argument. In the future, when private hospitals have clearly set out the prices, that means if a patient does not have $1 million, he should not go in to seek consultation. Such being the case, I can only say that the relevant arrangement is better than nothing. As regards whether this is a good amendment, to put it equivocally, this is sort of good.

Regarding separation of prescription from dispensary, I will cite a scholar's article. The article I am going to cite was written by Dr SHAE Wan-chaw, our Honourable colleague Dr Helena WONG's husband. In his article entitled "Eight Comments on Medical Monopoly in Hong Kong" ("八評香港醫學霸權"), he pointed out that in respect of separation of prescription from dispensary, a question we must ponder is how to empower consumers and facilitate their greater participation in determining the prices and quality of private hospital services. The first point we should consider is preventing potential conflicts of interests arising from the practice of conducting prescription and sale of drugs at the same place. It means when doctors and prescriptions are inseparable, patients are unable to know whether their doctors have prescribed excessively expensive drugs. Secondly, prescriptions made by doctors can be checked at an additional level, with a view to protecting patients. This is quite clear because after separation of prescription from dispensary, pharmacists will have greater power to provide information on drugs.

If the Government can enhance the price transparency, why did it not deal with the problem in this part? What has puzzled me is that over these two years, there was no discussion on separation of prescription from dispensary. Separation of prescription from dispensary is the only direction for plugging the greatest loophole of the present Bill in pricing. Of course, it may be because this part will affect the interests of too many parties, including drug manufacturers, the medical sector or professional sectors. For this reason, I hope the Bureau will follow up separation of prescription from dispensary and conduct an in-depth study. In a normal modern society or country, the people's health and treatments cannot possibly be put under the complete control of a

single industry. Deputy President, it is impossible to allow a single profession to control the lives of all the people of Hong Kong.

As regards whether the present arrangement can address the problem of varying quality of private healthcare facilities, the answer is certainly in the negative. The problem is that high prices do not necessarily guarantee better quality. A case reported yesterday already told us the actual situation. A female banker unfortunately died after receiving a Botox injection in a cosmetic surgery, and the renowned doctor responsible is already aged over 80. Why would such an incident happen? The answer is simple: because there is such a market. Given the huge market, even if doctors tell patients in full degree of transparency the high prices, there will be no problem. The Bill really cannot improve this situation.

Deputy President, there will be another consequence which we have not yet thought about—perhaps I have strayed a bit too far—now these private facilities may charge different prices. To put it bluntly, they may rip off Mainlanders. Deputy President, I guess you also understand that private hospitals may charge outsiders higher prices. This seems to be the present unspoken rule. However, now that the Government requires them to openly set out the prices of chargeable items, how will they respond? If I were the person-in-charge of a hospital, I would certainly fleece the locals to seek profits. This is a situation which has never come to Members' minds but which will indeed happen.

Of course, another situation will also arise. That is, the market is so huge that private hospitals will openly state the implementation of differential pricing. When a local gives birth in a hospital, the charge may be $70,000 to $100,000, but when a Mainlander gives birth in the hospital, the charge is $300,000. There may be 1.3 billion people willing to accept this price. In other words, as long as the hospitals are not afraid of pressure from public opinions, they can act in this way. However, when the difference between the two is too big, the Government may exert pressure on private hospitals owing to the pressure from various parties, since excessive price discrimination is not acceptable. When the profits of private hospitals reduce, they will target the locals. For this reason, I hope we will ponder at depth over the matter of price transparency. This may not be truly beneficial to Hongkongers. Under the current circumstances, the practice of explicitly setting out the actual prices may not necessarily be beneficial. The problem is that private healthcare facilities currently have all the say.

I have come to the last two points. In exercising regulation, such as the appointment of and handling of complaints by the Complaints Committee, I hope the Bureau will not deal with the matter with the existing attitude and approach, mistaken that now there is already balanced and adequate participation which can resolve the following potential problems. That is not the case.

In conclusion, the requirement in the Bill on explicitly setting out the actual prices is certainly better than nothing. It will enable consumers in Hong Kong to learn about the market information or market mechanism more clearly. However, given the extensive and complicated contents of the Bill, I strongly advise two things. First, I hope the Secretary should establish a permanent review mechanism for review of this law. Second, the authorities should seriously consider the need to set up a Hong Kong health care development board. I am not talking about managing Hong Kong's public healthcare facilities by HA. In fact, there is no long-term planning or development for health care in Hong Kong. This comment I am going to make may be harsh: it may not be feasible for doctors to be responsible for management work because someone versed in the profession may not necessarily be so in management. Deputy President, I so submit.

MR LEUNG CHE-CHEUNG (in Cantonese): Deputy President, we are conducting the Second Reading debate on the Private Healthcare Facilities Bill ("the Bill") today. I reckon we have different opinions or views on the Bill and are now having a debate on it.

The Government has proposed to introduce amendments through the Bill, which aims at enabling the ordinance to regulate the present health care system in a more comprehensive manner. I consider it worthy of support. As a matter of fact, the relevant ordinance is very old-fashioned already given that it was enacted in 1963. Now we are going to revamp the contents and title of the relevant ordinance, which I think is a move to keep it abreast of the times. Such being the case, this amendment exercise will inevitably touch the interests of some operators or stakeholders. Certainly, I may not apprehend the interests therein, but according to what I heard from many Honourable colleagues just now, they are somehow affected as well.

The Bill proposes an extensive scope of regulation encompassing private hospitals, day procedure centres, clinics and health services establishments as we have mentioned. Insofar as small private clinics are concerned alone, there are as many as 5 000 of them. Quite a lot of private clinics exist in almost every community. Of course, the Bill allows these clinics to apply for exemption but some criteria have been stipulated, for instance, the clinic should be operated by not more than five persons. This requirement will certainly bring problems to clinics currently operated by more than five persons as they may need to dissolve the partnership and operate as two or three clinics. This is to avoid the need to apply for a licence, since more requirements will be imposed on the premises for which a licence is applied. Nevertheless, these requirements are necessary, otherwise the patients' rights will not be protected. We certainly believe that regulation by the Government can afford protection to us.

What is more, the Bill has clearly prescribed the requirements on private hospitals, including the operating structure of the board of directors and even the entire institution, distribution of interests, etc. Therefore, basically I support the Bill.

Having said that, I have some views on one of the amendments which seeks to delete the requirement on the minimum area of floor space for each resident in nursing homes at 6.5 sq m. That is to say, the Bill will not impose any regulation on the minimum area. I guess the Government must have its own reasons. Why should the requirement be deleted? Because the Social Welfare Department ("SWD") is now conducting a review of the Residential Care Homes (Persons with Disabilities) Ordinance—I am a member of the Working Group—which covers two aspects, and some nursing homes may fall under the scope of SWD's review as well. In this connection, if the authorities and SWD both draw up its own set of standards, they may not tally with each other. For this reason, Dr Fernando CHEUNG has proposed an amendment. Dr Fernando CHEUNG may explain his rationale later on but I do not intend to debate with him now.

However, against this backdrop, I think there is no reason for the Government to "trim the toes to fit the shoes". It should instead explain clearly whether it will adopt the findings of SWD's review in future, or it will simply draw up another set of standards and introduce amendments later. To my

understanding, SWD will only submit its review findings to the Legislative Council for making amendments in 2020 at the earliest. If it is the case, it will take a few years' time. Now the requirement regulating the minimum area in the Bill may be deleted. When these nursing homes apply for a licence from the authorities in the future, their area of floor space for each resident may be 6 sq m or 6.5 sq m, will the authorities grant them a licence? SWD has indicated that the minimum area should be increased to 8 sq m or even more, similar to the requirement of 16 sq m proposed by Dr Fernando CHEUNG. A conflict will then arise in the future. I think it is worthy of consideration by the Secretary.

The authorities have now withdrawn this requirement, but I find it quite perplexing. Hence, I hope the Secretary will give a specific reply in this respect.

I so submit. Thank you, Deputy President.

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 Food and Health to reply. After that, the debate will come to a close.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Deputy President, the Private Healthcare Facilities Bill ("the Bill") presented to the Legislative Council by the Food and Health Bureau in June last year provides for a new regulatory regime for four types of private healthcare facilities, namely, hospitals, day procedure centres, clinics and health services establishments, which will replace the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance, and the Medical Clinics Ordinance and its subsidiary legislation currently in force.

While private healthcare facilities in Hong Kong comprise a wide range of privately-owned facilities providing medical diagnosis and treatment, the current scope of regulation under the law is narrow and the existing regulatory

frameworks are outdated. In the past few years, a number of medical incidents involving private healthcare facilities have attracted public attention on the service quality of private healthcare facilities.

To cope with the evolving needs and circumstances of private health care services, the Government has conducted a comprehensive review of the regulation of private healthcare facilities and rolled out in December 2014 a three-month public consultation. The community has expressed broad support for the proposals made in the consultation document. Based on the outcomes of consultation and the views of various sectors of the community, we have drawn up a new piece of premises-based legislation, namely, the Bill, to replace the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance and the Medical Clinics Ordinance currently in force.

The key features of the Bill are as follows:

Types of private healthcare facilities to be regulated

Under the Bill, there will be four types of private healthcare facilities subject to regulation, namely, hospitals, day procedure centres, clinics and health services establishments. Comparing to the current situation where only private hospitals and a small number of clinics are regulated by the Department of Health, the coverage of the new regulatory regime is more proper and comprehensive.

Regarding these four types of private healthcare facilities to be regulated, a distinguishing factor between day procedures centres and clinics is that certain medical procedures entailing higher risks can be performed only in day procedure centres or private hospitals, but not in clinics. These medical procedures (known as scheduled medical procedures) are listed in Schedule 2 to the Bill, and may be amended by the Secretary for Food and Health when a need arises.

As for health services establishments, given their extensive coverage, they can cater for possible regulatory needs in response to the evolving medical technology and changing needs of society. Under the current proposal, facilities for conducting clinical trials as described in Schedule 8 to the Bill will be incorporated as a category of health services establishments subject to regulation.

When, in the future, there are new modes of operation or new medical services and when the types of private healthcare facilities at the time cannot properly regulate the relevant premises, the Secretary for Food and Health may specify new categories of health services establishments to tie in with new regulatory needs.

(THE PRESIDENT resumed the Chair)

Management of licensed private healthcare facilities

In the management of a private healthcare facility for which a licence is required, the licensee and the chief medical executive play an important role. The Bill has set out explicitly the requirements, authorities and responsibilities of them. To put it simply, the licensee of a private healthcare facility is wholly responsible for the operation of the facility and must appoint a chief medical executive to take charge of the day-to-day administration of the facility. Depending on the scope of services, the associated risk and modus operandi of different types of private healthcare facilities, the chief medical executive must have certain qualifications and years of experience.

Price transparency

Like Members, the Government very much supports the enhancement of price transparency of private healthcare facilities. Enhancing price transparency and certainty of private healthcare facilities will produce a positive effect to improving the balance of the public-private health care sectors. Together with the Hong Kong Private Hospitals Association, we rolled out as early as in October 2016 a pilot programme for enhancing price transparency for private hospitals. We have also launched a dedicated webpage for the public to look up the relevant information.

To further enhance price transparency of private healthcare facilities, we have stipulated in the Bill that the licensee of a private healthcare facility must make available to the public information about the prices of chargeable items and

services. For hospitals, the licensees will be required to put in place a budget estimate system and publish historical statistics on fees and charges in respect of certain treatments and procedures.

Complaints management system

Price transparency aside, we appreciate the public's expectation for a sound complaints management system under the new regulatory regime. In this connection, the Bill proposes to put in place a two-tiered complaints management system to handle complaints against licensed private healthcare facilities. The first tier will be at the service delivery level where the licensee of a private healthcare facility must put in place a complaints handling procedure for receiving, managing and responding to complaints against the facility. At the second tier, an independent Committee on Complaints against Private Healthcare Facilities ("the Complaints Committee") will be established as a centralized mechanism to look into complaints unresolved at the service delivery level. The proposed composition of the Complaints Committee has ensured balanced participation by different stakeholders in order to increase the transparency, neutrality and credibility of the Committee.

Regulatory standards for private healthcare facilities

Under the new regime, different types of private healthcare facilities will each be subject to a set of regulatory standards (promulgated in the form of codes of practice) commensurate with the risk of the services they provide. Clause 102 of the Bill empowers the Director of Health to issue a code of practice on matters as set out in the ordinance.

We have done a lot of work over the past few years to prepare the standards for various types of private healthcare facilities under the new regime. To draw up regulatory standards for day procedure centres and to give advice on the standards for clinics, a Project Steering Committee on Standards for Ambulatory Facilities was set up by the Department of Health and the Hong Kong Academy of Medicine ("HKAM") in mid-2015. The Project Steering Committee and its Task Forces comprise, among others, experts nominated by HKAM and the Academy of Nursing, representatives of the medical school of local universities, as well as other medical practitioners and dentists from the

public and private sectors. The drafting of the standards for day procedure centres and clinics under the new regime has been broadly completed. The relevant standards are gradually made available on the webpages of the Food and Health Bureau and the Department of Health. We will consult the stakeholders on various types of regulatory standards in the light of the implementation timetable for the new regime.

Implementation timetable and transitional arrangements

President, after the passage of the Bill in the Legislative Council, the regulatory regime will commence in phases based on the risk levels. Our plan is to commence registration of private hospitals in 2019 as the first step. As for day procedure centres and clinics, subject to the readiness of the stakeholders, their registrations are tentatively scheduled to start in 2020 and 2021 respectively.

President, to ensure that the operators of existing day procedure centres and clinics are well prepared before the commencement of the new regime, Part 9 of the Bill provides for transitional arrangements. If the Bill is passed smoothly in the Legislative Council this week, the Private Healthcare Facilities Ordinance ("the Ordinance") will be gazetted on 30 November. For day procedure centres or clinics already in operation on the day of gazettal, their operators, when applying to the Director of Health for a licence in the future and upon meeting certain simple conditions, will be issued with a provisional licence for the facility to operate continuously, so as to allow sufficient time for the operators to meet the formal licensing requirements. Day procedure centres and clinics that commence operation after the gazettal of the Ordinance on 30 November will have to be prepared to apply for a formal licence under the new regime in accordance with the stipulations in the Ordinance. No provisional licence will be issued to them.

Bills Committee and the amendments

The Bills Committee tasked to scrutinize the Bill has held a total of 12 meetings. I am very grateful to the Chairman of the Bills Committee, Mr CHAN Han-pan, members of the Bills Committee, the Secretariat and the Legal Adviser, for their concerted efforts which enabled the scrutiny of the Bill to be completed smoothly. The Bills Committee has also held a public hearing to

receive representation from a number of organizations and individuals. Here, I express my gratitude to all the organizations and individuals who have taken part in the discussion and provided valuable input.

The Bills Committee has discussed various related issues in depth. After listening to the views of the Bills Committee and the stakeholders, the Government will propose appropriate amendments to the Bill. I will propose and explain these amendments in detail at the committee stage and I hope that Members will support the amendments proposed by the Government.

President, in the following I wish to say a few words about the amendment proposed by Dr Fernando CHEUNG to the Bill. This amendment seeks mainly to amend the area of floor space for each resident in the nursing homes newly introduced under the Residential Care Homes (Elderly Persons) Regulation. As mentioned by the President in the ruling, that Dr Fernando CHEUNG, being a member of the Bills Committee, did not submit his amendment to the Bills Committee for discussion "is an undesirable practice which should not be encouraged, as it compromises the role and functions of a Bills Committee". This amendment involves the policy on welfare for the elderly and has far-reaching implications. Hence, it should be discussed thoroughly on the relevant platform currently available in full consultation with the stakeholders. For this reason, the Government has proposed an amendment to delete the relevant clause in the Bill in order to allow flexibility for future discussion. I hope that Members will support this amendment proposed by the Government. I will provide more information in my speech at the committee stage.

President, after consultation and discussion for years, it is the wish of various sectors of the community that the new regulatory regime for private healthcare facilities can commence as early as possible, in order to provide greater protection for patients while facilitating the sustainable development of the local health care sectors. I believe Members also noticed a fatal medical incident that happened several days ago. The passage of the Bill to step up regulation can really brook no delay. I implore Members to support the passage of the Bill and the Government's amendments, in order for the new regulatory system to be introduced early to cope with the evolving environment and regulate private health care services more effectively. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Private Healthcare Facilities Bill be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Private Healthcare Facilities Bill.

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

CHAIRMAN (in Cantonese): Council now becomes committee of the whole Council to consider the Private Healthcare Facilities Bill.

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

PRIVATE HEALTHCARE FACILITIES BILL

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

CLERK (in Cantonese): Clauses 1, 4 to 11, 13 to 35, 37 to 49, 52, 54, 55, 57 to 60, 63 to 69, 71, 73 to 81, 83 to 91, 94, 95, 97 to 117, 119, 120, 121, 126 to 145, 147 to 153, 155 to 160, 162 to 195, and Schedules 1, 2 and 4 to 9.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses and schedules read out by the Clerk stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

CHAIRMAN (in Cantonese): Council now deals with the clauses and schedule with amendments, as well as the new clauses and schedule.

I now propose the question to you and that is: That the following clauses and schedule stand part of the Bill.

CLERK (in Cantonese): Clauses 2, 3, 12, 36, 50, 51, 53, 56, 61, 62, 70, 72, 82, 92, 93, 96, 118, 122 to 125, 146, 154 and 161, and Schedule 3.

CHAIRMAN (in Cantonese): The Secretary for Food and Health will move her three groups of amendments as set out in the Appendix to the Script: The first group of amendments cover all the clauses and the schedule with amendments, except clause 146; the second group of amendment seeks to delete clause 146; the third group of amendments seek to add new clauses and a new schedule to the Bill. Dr Fernando CHEUNG also proposes an amendment to clause 146.

Members may refer to the Appendix to the Script for details of the amendments.

Members may now proceed to a joint debate on the original clauses and schedules, and the amendments (including the new clauses and the new schedule).

I will first call upon the Secretary to speak and move her first group of amendments. Then I will call upon Dr Fernando CHEUNG to speak, but he may not move his amendment at this stage.

Upon the conclusion of the joint debate, the committee of the whole Council will first vote on the Secretary's first group of amendments, and then deal with the remaining amendments according to the arrangements set out in the Appendix to the Script.

Secretary for Food and Health, you may move your first group of amendments.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Chairman, I move my first group of amendments to amend clauses 2, 3, 12, 36, 50, 51, 53, 56, 61, 62, 70, 72, 82, 92, 93, 96, 118, 122 to 125, 154 and 161 and Schedule 3, as set out in the Appendix to the Script.

I will move a total of three groups of amendments today. As the committee of the whole Council will proceed to a joint debate on my three groups of amendments and Dr Hon Fernando CHEUNG's amendment, I will present my three groups of amendments to Members in one go.

I will first talk about my first and third groups of amendments. These two groups of amendments respectively cover the amendments made and new clauses added to the Private Healthcare Facilities Bill ("the Bill") in response to the discussions of the Bills Committee and the views of stakeholders. Both groups of amendments have the support of the Bills Committee, and the major issues which Members are more concerned about are as follows:

In respect of the amendments to clauses 2, 3, 12, 92 and 123, and new Schedule 1A of the Bill, they seek to exclude specified private healthcare facilities managed or controlled by the University of Hong Kong ("HKU") and The Chinese University of Hong Kong ("CUHK") primarily used for teaching or research relating to medicine or dentistry from being regulated. After careful consideration of the proposal put forward by the two universities, the Government takes the view that HKU and CUHK are independent and autonomous statutory bodies, each with its own ordinance and governing council and enjoys academic freedom and institutional autonomy, and they have also put in place a robust governance structure. Requiring such facilities to duplicate the relevant efforts at governance, clinical management, complaints handling, etc. in accordance with the requirements of the Bill may not be an optimal use of resources.

In fact, a similar exclusion is also in place in the Medical Clinics Ordinance (Cap. 343) to be replaced by the Bill. Under the Ordinance, the relevant premises maintained or controlled by the two universities are excluded from the definition of "clinic" regulated by the Ordinance. In addition, if the relevant healthcare facilities of the two universities no longer meet the criteria for exclusion in the future, the Department of Health may immediately request the two universities to apply for a licence for the healthcare facilities concerned.

As regards the arrangement relating to a chief medical executive, a person must not serve at the same time as the chief medical executive of more than two day procedure centres or clinics. Some members of the Bills Committee and stakeholders have suggested that the Government should consider relaxing the requirement. In this connection, after consulting the stakeholders and assessing the impact of the proposal, we have proposed amendments to clauses 50, 53 and 56 to allow each chief medical executive to take charge of at most three clinics at the same time. In other words, with the passage of the amendment, each chief medical executive may at the same time take charge of at most:

(a) two day procedure centres;

(b) three clinics; or

(c) one day procedure centre and one clinic.

Apart from that, we have proposed amendments to clauses 61, 62, 122 and 161 to empower the Government to make regulations pertaining to two price transparency measures, namely provision of price information and budget estimates. Specifically, the relevant amendment empowers the Secretary for Food and Health to prescribe the price information to be provided, and the way it is to be provided, by the licensee of a private healthcare facility; prescribe the treatments and procedures for which estimates of fees and charges are to be provided, and the way they are to be provided, by the licensee of a hospital; and make consequential amendments.

We also note the difficulty some existing operators have in complying with the requirement on separate entrance under clause 67 of the Bill, as indicated by some members of the Bills Committee and stakeholders. In view of this, we have proposed the addition of new clause 136A to the effect that the requirement on separate entrance should not apply during the validity period of a provisional clinic licence, subject to certain conditions.

Apart from the aforesaid major issues, my first and third groups of amendments also cover some technical, textual or consequential amendments, and amendments in respect of individual subjects. As stated by me earlier, these two groups of amendments have been discussed at the Bills Committee stage.

As to the second group of amendment that I will move afterwards, it seeks to delete clause 146 of the Bill. Chairman, I wish to explain the background of clause 146 of the Bill. As set out in the Bill, the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap. 165) in force will be repealed under the new regime. As nursing homes for the elderly are not healthcare facilities, we have transferred the regulatory regime for nursing homes for the elderly originally under Cap. 165 to the Residential Care Homes (Elderly Persons) Ordinance (Cap. 459) and its regulation, so that it will not be lost between two stools. The relevant provisions of the Bill seek to set out the

existing regulatory requirements for nursing homes in the Residential Care Homes (Elderly Persons) Regulation (Cap. 459A) in light of the transfer of the regulatory regime for nursing homes. Given that the Department of Health currently uses the minimum area of floor space of 6.5 sq m per resident under the Residential Care Homes (Elderly Persons) Ordinance as reference for its regulation of nursing homes, clause 146 of the Bill has reflected the existing arrangement by setting out the relevant requirements.

Dr Fernando CHEUNG's amendment to clause 146 of the Bill seeks to substantially increase the statutory minimum area of floor space per resident in a nursing home from 6.5 sq m provided for under the clause to 16 sq m.

We consider that Dr Fernando CHEUNG's amendment is outside the scope of the Bill and would have a charging effect. I reiterate that the Government has no intention to significantly change the existing regulatory requirements for nursing homes, including the area of floor space per resident, through the Bill. Dr Fernando CHEUNG, as a member of the Bills Committee, has never mentioned the requirement on the area of floor space per resident for nursing homes throughout the 12 Bills Committee meetings. As stated by the President, it is an undesirable practice which should not be encouraged.

I am aware that the Labour and Welfare Bureau and the Social Welfare Department have been holding in-depth discussions with various shareholders on ways to improve the living conditions of the elderly staying in residential care homes. While I appreciate Dr CHEUNG's strong views on this issue, the Bill is not a suitable platform for deciding such a material change. In fact, in the absence of proper planning and discussion and without thoroughly consulting the relevant stakeholders, introducing such a material change to the requirements for nursing homes will lead to disastrous and far-reaching consequences. Putting such an issue with far-reaching impact to vote hastily at this moment is also unfair to Members here.

In light of the foregoing, the Government has decided to move an amendment, i.e. the second group of amendment that I am going to move, to delete clause 146 of the Bill, removing the requirement on the statutory minimum area of floor space per resident in a nursing home from the Bill. The amendment will not affect the transfer of the regulatory regime for nursing

homes, while allowing thorough and comprehensive discussions about the requirement on the area per resident in a nursing home by the Legislative Council and various sectors in the community on a more suitable platform, so that we may, with concerted efforts, come up with a better-designed and more feasible plan to improve the living conditions of the elderly. We will also ensure that the area of floor space per resident in a nursing home will not fall below 6.5 sq m, even with the deletion of clause 146 of the Bill. I implore Members to support the Government's second group of amendment.

Lastly, I implore Members to support the passage of all the three groups of amendments proposed by the Government. If the Government's second group of amendment cannot be passed, I implore Members to vote against Dr Fernando CHEUNG's amendment, which has not been thoroughly discussed. Thank you, Chairman.

Proposed amendments

Clause 2 (See Annex I)

Clause 3 (See Annex I)

Clause 12 (See Annex I)

Clause 36 (See Annex I)

Clause 50 (See Annex I)

Clause 51 (See Annex I)

Clause 53 (See Annex I)

Clause 56 (See Annex I)

Clause 61 (See Annex I)

Clause 62 (See Annex I)

Clause 70 (See Annex I)

Clause 72 (See Annex I)

Clause 82 (See Annex I)

Clause 92 (See Annex I)

Clause 93 (See Annex I)

Clause 96 (See Annex I)

Clause 118 (See Annex I)

Clause 122 (See Annex I)

Clause 123 (See Annex I)

Clause 124 (See Annex I)

Clause 125 (See Annex I)

Clause 154 (See Annex I)

Clause 161 (See Annex I)

Schedule 3 (See Annex I)

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the first group of amendments moved by the Secretary for Food and Health be passed.

DR FERNANDO CHEUNG (in Cantonese): Chairman, first, I am grateful to you for allowing me to propose my amendment. As the Secretary said, if my amendment is out of scope or has a charging effect, it would practically be

impossible for me to propose it here, nor would you allow it. For this reason, the situation mentioned by the Secretary basically does not hold water. Moreover, after I had proposed my amendment, I found that the response given by the Secretary and the Government was despicable. I will explain point by point how their views are despicable later on but first of all, I wish to point out that in the whole matter, the rationale of the Secretary is self-contradictory.

The Secretary said that this is a Bill about private healthcare facilities and since nursing homes are not healthcare facilities, they should be categorized as residential care homes for the elderly ("RCHEs") and be regulated by the Residential Care Homes (Elderly Persons) Ordinance ("the RCHE Ordinance"), instead of making an amendment to the part on nursing homes. For this reason, when we discussed the Bill, the part related to nursing homes was not touched in any way. The focus of the Private Healthcare Facilities Bill ("the Bill") is not on nursing homes at all but on healthcare facilities. However, when the Bill comes into effect, we will repeal an outdated piece of legislation regulating private healthcare facilities, nursing homes and maternity homes at the same time, so seizing the opportunity arising on this occasion, we split them up and deal with them separately, so this is quite reasonable.

This being so, we should not make any change to the part related to nursing homes. Under the existing legislation, originally, there is no provision on the minimum area of floor space per resident of nursing homes but when bringing these homes under the regulation of the RCHE Ordinance, why is the requirement of 6.5 sq m included for no reason? This came out of the blue. Originally, there is no such requirement and since they said that these homes have to be transferred to the category of RCHEs, we let them do so. However, had the Government not added the requirement of 6.5 sq m, why would I have proposed the amendment?

Why do I have to amend the requirement of 6.5 sq m? In fact, I also explained earlier that at present, under the Standardised Care Need Assessment Mechanism for Elderly Services put in place by the Government, only people assessed as having serious functional disability will be arranged to stay in nursing homes, whereas the care and attention homes regulated by the RCHE Ordinance at present are classified according to the level of care and assistance required by residents, that is, people requiring high, medium and low levels of care and assistance. Chairman, under the Standardised Care Need Assessment

Mechanism for Elderly Services, even residents requiring a high level of care and assistance in care and attention homes are evaluated as elderly people suffering from a medium level of functional disability. That is to say, at present, the frailty of elderly people cared for by nursing homes is greater than that of elderly people taken care of according to the RCHE Ordinance.

In that case, how can nursing homes which require an even higher degree of care and greater demand in terms of equipment and accessibility of passageways be considered as being in the same category as the existing RCHEs? Just now, Mr LEUNG Che-cheung also mentioned that we were appointed to a working group set up by the Government, which is responsible for examining the existing requirements under the RCHE Ordinance and examining the requirements under the existing legislation, including such aspects as the minimum area of floor space per nursing home resident and manpower as well as the Code of Practice. What is the direction of our study or work? It is to make improvements by increasing space and manpower.

Under the existing legislation, the minimum area of floor space per nursing home resident is 6.5 sq m and actually, we think this is too small. Mr SHIU Ka-chun also stated clearly just now that 6.5 sq m does not refer to the area of the dormitory for each person, rather, it is derived by dividing the total area of the residential home by the total number of beds in the residential home. An area of 6.5 sq m equals to 70 sq ft. An area of 7 ft times 10 ft is even smaller than a parking space. Moreover, it is derived from adding up the areas of all places. As we can see, since 6.5 sq m is a statutory requirement, the result is that many private organizations or residential homes that have made profit-making as its primary goal, in order to save costs, will just meet the minimum requirement of minimum area of floor space per nursing home resident and usually, the dormitories do not accommodate just one person, rather, there are two beds in most of them, with a board separating the two beds on one side and it is not even possible to push a wheel chair into the space between them. Then, a bedside cabinet is placed next to each bed and it is as simple as that.

Therefore, the whole affair of imposing such a requirement on nursing homes is unreasonable. If the Government wants to do so, should I not propose an amendment? If I just look on, our efforts at bringing about improvements to the minimum area of floor space per nursing home resident of care and attention homes in the working group will apparently contradict the existing legislation, because if even residential homes providing an even higher level of care are

required to provide only 6.5 sq m of minimum area of floor space per nursing home resident, how can a higher requirement be introduced in care and attention homes in the future? This will not be possible.

Chairman, therefore, I wish to give a clear account of the whole matter here. Had they not come up with something out of the blue, I would not have proposed my amendment. If they had not put forward this matter of 6.5 sq m, all would have been well. As pointed out by the Secretary, if we want to debate the requirements for residential homes, be it the minimum area of floor space per nursing home resident or the manpower, we should choose another battlefield because the Bill now before us deals with healthcare facilities. There is no problem whatsoever with this and I agree with it. For this reason, I support the Secretary in withdrawing the clause on 6.5 sq m and I also think she should do so. So long as she withdraws it, it would also be impossible for me to put forward my proposal of increasing it to 16 sq m.

I do not wish to argue with her here, nor is this a suitable venue. Indeed, we did not have any chance to discuss the requirement of the minimum area of floor space per nursing home resident, yet arguments broke out all of a sudden here. Chairman, I did not cause them, rather, it is them who suddenly added the provision. Had they not added it, everything would have been fine but since they did so, I had to propose the amendment. Moreover, I have done so not arbitrarily. They said that we had not had any discussion but in fact, for more than a year—Mr LEUNG Chi-cheung also knows this—when discussing the minimum area of floor space per nursing home resident for RCHEs, there was a lot of argument. We proposed "8+8", that is, we request 8 sq m of dormitory space and 8 sq m of other types of space. You may say that 16 sq m is a large area and that it is too idealistic, but all people are entitled to holding their views and we can continue to discuss this. The relevant battlefield has not yet unfolded. However, now it is proposed that an area of 6.5 sq m be specified in a provision, so I will surely adhere to my own principle. This is very simple. Since I proposed 16 sq m even for care and attention homes, I cannot possibly let the minimum area of floor space per nursing home resident be lower than 16 sq m.

Chairman, I also have to point out that the Schedule of Accommodation prepared by the Government spells everything out clearly. The requirements for the dormitory can be found therein. I mentioned just now that in the Schedule of Accommodation prepared by the Social Welfare Department ("SWD"), no matter if a nursing home has 100, 150 or 200 places, the requirement is that the

dormitory alone should be 8.7 sq m per capita in area. The requirement for nursing homes is 8.7 sq m per capita and it is even higher than that for care and attention homes and of course, there is a reason for that. This is prepared by SWD itself. Excluding other shared spaces, the requirement is 8.7 sq m. Now, the Government specifies in the provision that the minimum area of floor space per nursing home resident is 6.5 sq m, so how can we tolerate this? The Government even described my amendment as "disastrous", claiming that I will make elderly people wait for a long time and that 570 elderly people will be driven out onto the streets, thus making them homeless—indeed, "homeless" is the word used by the Government—" … may be displaced from their nursing homes and rendered 'homeless' should the amendment be passed. Also, many more eligible elderly applicants awaiting a nursing home place would have to wait indefinitely longer, as the Government would be compelled to identify new nursing home places to 'reprovision' the displaced elderly residents as a matter of priority. The disruptions that the amendment might bring about in the field of nursing home services, possibly proliferating to other areas of elderly home care services, would be insurmountable and indeed disastrous.".

Chairman, it would be truly disastrous only if the Government sets the area at 6.5 sq m in the Bill. If 6.5 sq m is going to become an indicator for future private care and attention homes—this is added by the Government itself—what is more, this would be the newest piece of legislation regulating care and attention homes passed in 2018 which states that the requirement of 6.5 sq m is permitted, will the Government take the trouble of looking at the Schedule of Accommodation prepared by itself? It is set down therein that a dormitory is required and the requirement for the dormitory rooms is that there must be an appropriate space between beds for infection control purposes. There must be fire escape routes leading out of the dormitory rooms and there must be sufficient space for using such equipment as wheelchairs and walking frames, and there must be privacy in the areas for putting wheelchairs and walking frames. Washrooms, shower rooms, dining/multi-purpose room, pantry, small group activity room and nursing stations cum medical consultation rooms have to be provided; each nursing station has to come with its sick/isolation/quiet room. In addition, an accessible toilet cum shower room should be attached to each sick/isolation/quiet room. Also, an accessible toilet cum shower room and a communal toilet have to be provided. All the areas of the aforementioned places are not included in the calculation. Moreover, it is also necessary to provide a rehabilitation area, interview/meeting/family room, general store, laundry, cleaner's room, refuse room, kitchen cum store, reception area, general office,

conference room, etc., and the space for passageways is not included in the calculation. All of these facilities combined will not yield an area of just 16 sq m, so how possibly could the Government think that merely 6.5 sq m is enough?

In view of this, in the whole matter, a controversy was stirred up for no good reason. Had some people not aroused the controversy, I would not have had to spend so much time explaining how this area of 16 sq m was derived. I have to debate with the Government and tell it that the "disastrous" scenario described by it would not occur at all. If it would, how possibly would the President grant his permission? The Government even said that in order to take in the 570 displaced elderly people, three nursing homes with 200 places had to be built and the construction cost will be as high as $660 million. This really makes one laugh until it hurts but in fact, a cost of $660 million is quite cheap. Members, if spending $660 million could help 600 severely frail elderly people, I really hope the Government can commit more resources to this area. There is really no need to build any artificial island or undertake too many "white elephant" projects and it is by spending money in these areas that the public can truly be helped. Moreover, nursing homes are designed to take in dying elderly people and the latest Schedule of Accommodation prepared by SWD also recommends the provision of end-of-life care facilities, that is, space for the so-called palliative care and a lot of equipment has to be provided in this type of space. Frankly speaking, not to mention medical equipment like oxygen generators, sputum suction machines or ventilators requiring a lot of space, it is also necessary to have privacy as they are elderly people—Chairman, the elderly people I am talking about can be any one of us. When we are dying, if we find ourselves in a space of just 6.5 sq m, it is surely unacceptable. We should at least follow our own standards and do a better job. I hope the legislation will not provide for such a bad requirement for no reason. How can this be? Secretary, these are nursing homes, places taking care of elderly people in the final stage of their life journey and these people can be our parents, they can be we ourselves or they can be our next generation. Once the legislation is enacted, it will not be amended for a long time, so Chairman, I wish to set the record straight. I would rather the Government withdraw its requirement of 6.5 sq m, so that I cannot propose an area of 16 sq m. We will find another venue to have a debate on RCHEs again. I so submit.

MR CHAN CHI-CHUEN (in Cantonese): Chairman, we are now in the joint debate on the original clauses, provisions of the Secretary's amendments, schedules, the new clauses and the new schedule.

My speech will focus on the first group of amendments proposed by the Secretary, which deals with the exclusion of certain private healthcare facilities established by the University of Hong Kong ("HKU") and The Chinese University of Hong Kong ("CUHK") from the scope of regulation. As the Secretary said earlier in her speech, the Bills Committee on Private Healthcare Facilities Bill ("the Bills Committee") has held a public hearing to listen to the views of various groups on the Private Healthcare Facilities Bill ("the Bill"). At the meeting, representatives from the Faculties of Medicine of HKU and CUHK requested that those private healthcare facilities managed or controlled by HKU or CUHK for the primary purpose of teaching or research rather than service provision should be excluded from the application of the Bill in order not to stifle their teaching or research activities.

Why do the amendments have to be proposed in this session? It is evident that the Government had not considered this point when it drafted the Bill in the first place. After listening to the representations of the two universities, the Government has noted that the relevant facilities are primarily used for teaching or research purposes, and that robust governance structures that are fit-for-purpose with due regard to the nature and the unique cohort of stakeholders of these facilities have already been put in place in HKU and CUHK respectively. In other words, the Government agrees that the two universities have put in place a robust governance structure that is fit-for-purpose. With regard to this question, the Bills Committee has spent quite some time discussing and arguing why the Government would be convinced by the two universities so easily and take the initiative to propose the amendments. On what basis does the Government trust that a robust governance structure that is fit-for-purpose has been put in place for the relevant healthcare facilities of the two universities respectively? The Government has now moved amendments to amend clauses 2, 3, 12(3), 92(6) and 123 of the Bill and add a new Schedule 1A to the Bill to stipulate that a day procedure centre, clinic or health services establishment primarily used for teaching or research relating to medicine or dentistry and that is managed or controlled by a scheduled university, that is, HKU and CUHK, will not fall within the meaning of a private healthcare facility. In other words, these healthcare facilities will not be subject to the Bill.

I recall that at the Bills Committee, apart from me, Dr Fernando CHEUNG, Dr KWOK Ka-ki and Dr Pierre CHAN have also queried the necessity to exempt certain facilities managed and controlled by the two universities from regulation. We have spent a long time on listening and discussing the issue, yet the Government has failed to convince Members who have strong views to agree that the regulation of these healthcare facilities under the Bill is unnecessary because robust governance structures that are fit-for-purpose with due regard to the nature and the unique cohort of stakeholders of these facilities have already been put in place in HKU and CUHK respectively. We raised queries because some of the 14 facilities are providing health care services which are not teaching or research activities to the public and they may request patients to pay for medical services provided to them. These situations will occur. Other private healthcare facilities or medical groups which will be subject to the Bill may also claim that they have operated for a long time, their structure is very robust, their records are good, their governance is good, and that their risk management or the standard adopted has reached a higher level—I recall the Government saying at the time that certain standards adopted by the two universities are above average. If this argument is valid, I think it will set a bad precedent in regulatory control and may undermine patients' interest, which should be the prime concern of this new regulatory regime which we have expended such effort and time to formulate.

Let me cite an example. We are very concerned about the charges of private healthcare facilities. Though we cannot impose regulation on their charges for the time being, we can at least expect that prices are set out clearly. In the past, patients are robbed blatantly. But now, patients are at least provided with a price list setting out the prices clearly when they are robbed. In fact, the Government has no way to monitor the levels of charges.

Regarding the venues and premises where healthcare facilities of the universities are located, they are receiving direct or indirect subsidies from the Government. Take the CUHK Eye Centre as an example. The Centre, locating on the top floor of the Hong Kong Eye Hospital, provides treatment services. In other words, the Centre is set up on premises of the Government and I believe the rental will not be too high, not as high as that of private premises. A patient will usually have to pay a few hundred dollars or over a thousand dollars for a checkup. Honestly, since the university has already received subsidy and these healthcare facilities are using resources provided by the Government, I think the pricing should have transparency and the prices should be set at a level lower than

market prices. If the prices are lower, will it attract patients intending to seek consultation from the public health care system, such as the Hong Kong Eye Hospital in Kowloon, to switch to services provided by these healthcare facilities?

Since the facilities managed by the universities are not subject to the Bill as a result of the amendment by the Government, the Government will not and cannot restrict the level of charges set by these healthcare facilities, as it cannot do so to other healthcare facilities either. Yet, the Government has assured us that it will encourage, just encourage, scheduled universities to publish such information. Yet, when this practice of listing and publishing charges can only be pursued through encouragement, it means that the universities are walking the extra mile if they adopt such practice today, and it is alright if they do not do so. Is it necessary to create such a margin for the two universities?

I recall that at the Bills Committee, Dr Pierre CHAN has expressed particular concern about the Government's claim that activities of the facilities of the scheduled universities will not be quantified to assess their meeting the criterion of being "primarily used for teaching or research relating to medicine or dentistry". In other words, it boils down to one word "trust". The Government says that since the two universities are independent and autonomous statutory bodies—the Government will say so when it wants to—and each of them has its own ordinance and governing council, we should respect their academic freedom and institutional autonomy. When the Government does not want to exercise regulation or want to let them go, it will give them all the power and claim that the universities will be held responsible.

The Administration has also expressed that duplicating relevant efforts in governance, clinical management and complaints handling simply to ensure that day procedure centres, clinics or health services establishments primarily used for teaching or research relating to medicine or dentistry and managed or controlled by the two universities also comply with another set of regulatory requirements under the Bill may not be an optimal use of resources. The remark that "it may not be an optimal use of resources" is cryptic. Whose resource is it referring to? Does it mean that if private healthcare facilities of universities are to be subject to regulation upon the passage of the Bill, universities have to make an extra effort to ensure these facilities are in compliance with the requirements under the Bill and it will cost the universities additional resource? Or does it mean that the Government will have to allocate additional resource to impose regulation on the

healthcare facilities of the two universities? Does the Government consider that "it may not be an optimal use of resource" for these reasons? That is to say, for the sake of saving resources, the authorities will impose less regulation on these facilities and leave it to the universities to self-regulation. On the one hand, universities do not have to make an extra effort to try to cope with the authorities' requirements or set up a checking system to be subject to regulation, and on the other, the authorities will save some manpower if they do not have to regulate these facilities. Yet, which aspect, resource for governance or patient's rights and interests, should be accorded a higher priority?

In addition, regarding the patient flow and care model applied to patients by these healthcare facilities, the Government says that "they are different from those in ordinary private healthcare facilities, so the regulatory regime for ordinary private healthcare facilities may not sit well with the operational models of these private healthcare facilities". I do not understand this remark too. These healthcare facilities will also have the opportunities to have contact with patients, and they are providing services to patients even if it is for teaching purpose. In what ways are these healthcare facilities of universities different from the private healthcare facilities or hospitals and clinics operating as a business?

At present, 11 out of 14 of these facilities are providing fee-charging services. According to the Government, in setting the fees and charges of patients' services, HKU and CUHK would give due regard to factors including the cost of services, prevailing market rates and affordability of patients, with the aim of ensuring that sufficient patients are available for the purposes of teaching or research. The Government is implying that their charges will not be too expensive for they need to maintain the number of patients attending, and if there is no patient, they cannot do their teaching and research. Is this what it means? In other words, they should plead with patients to seek consultation, so their prices have to be competitive to attract patients to receive consultation and treatment on the one hand and use the cases as teaching materials on the other. Despite the lengthy remarks of the Government, we remained not convinced at the Bills Committee that the Government has to take all the trouble to propose amendments to the Bill at the committee stage, so that the private healthcare facilities of the two universities will be "set loose" or the regulation of them relaxed.

Another point which worries me is that the Government says it will not actively inspect the premises of the private healthcare facilities of the scheduled universities excluded from regulation of the Bill. I can understand this point. If these facilities are not subject to any regulation of the Government, how can the Government do any inspection? How can it do spot checks? Why would it bother? When will the Government attend to the issue? It will do so when it receives complaints and reports. If the Government receives complaints and reports, I do not know which laws the Government will invoke to regulate the private healthcare facilities providing fee-charging services to patients under the two universities. Certainly, this is one of the points mentioned in this group of amendments. Yet, regarding the Government's proposal to exempt private healthcare facilities managed and controlled by the two universities from the regulation of the Bill, I can neither accept nor support it.

Just now, Dr Fernando CHEUNG has made it very clear that it is the Government who provokes the controversy. To phrase it in a lay tongue, it is picking a quarrel with us. The authorities started it. They set a standard, yet we consider the standard not up to standard. We also worry that such a practice will set a bad precedent. Hence, we will definitely put forth amendments without hesitation and responsibly. I know that upon the proposal of amendments, they will say, "Dr CHEUNG, you should not do so for it will cause a big problem, and once your amendment is passed, we have to drive the elderly concerned away because we cannot meet the requirement you set." If so, why do the authorities have to include the requirement of 6.5 sq m per resident? To settle the dispute, I agree that the Government should withdraw this amendment. The authorities say that they have nothing to do with it, for the issue fall within the purview of the Labour and Welfare Bureau, and since the present discussion is about the legislation on private healthcare facilities, the authorities are merely acting out of good intentions to standardize the relevant requirements on space on this occasion. Yet, they have to understand Dr CHEUNG's motive for proposing the amendment and our motive for supporting Dr CHEUNG's amendment. They should not say here that, "What you do in the best intention to support Dr CHEUNG's amendment may do a disservice and create troubles out of the blue". In fact, they are the one creating troubles. Dr CHEUNG's amendment is not a problem. Had they not raised this point, Dr CHEUNG would not have to put forth the amendment and we would not be discussing the issue.

I cannot support the first group of amendments of the Government, as it proposes excluding the universities from the scope of regulation. Yet, if the Bill will not address the issue concerning average area of floor space per resident, I hope Dr CHEUNG and other Members will zero in on the battlefield. I also hope the Government will understand that if the Bill includes this provision, the pro-establishment camp and the pro-Government camp will be caught in a dilemma, struggling whether or not they should support the Government's ridiculous act of including the area of floor space per resident of 6.5 sq m in the Bill, when the Bill is put to vote later. Now that the Government has deleted this provision, shall we regard that a political crisis has been defused? No matter how, it does not mean that nothing has happened. In fact, we have an opportunity to discuss the issue this time around—had not the Bill been put forth, we would not have a chance to discuss this issue. Now the issue has been raised because of the Bill, and Members who are concerned about the issue will understand the painstaking effort made by Dr CHEUNG in proposing the amendments. Though we know that the amendment is unlikely to be passed, yet some people will besmirch him and say that he is doing a disservice and creating chaos and troubles. Yet, I would like to clarify here that the Government is the one who initiates all this. It is after the Government had put forth that figure that Dr Fernando CHEUNG considered he has the obligation to propose the amendment to make the area desirable and realistic.

MR SHIU KA-FAI (in Cantonese): Chairman, the Liberal Party and I support the Private Healthcare Facilities Bill ("the Bill") in principle. I am very grateful to the staff of the Food and Health Bureau, because during the course of scrutinizing the Bill in the past year and longer, some members of the beauty industry were very worried that the beauty parlours they operated were actually not healthcare facilities but would be classified so. I am also grateful to the Bureau for heeding the views of the industry. As we all know, there is not a great number of medical practitioners in Hong Kong nowadays. If the Bill is passed, in the future some clinics will have to engage visiting medical practitioners on an attachment basis. As regards some day procedure centres, the Bureau has, in response to the views of the industry which is worried about the shortage of medical practitioners, relaxed requirement that a chief medical executive shall not be employed by more than originally two day procedure centres or clinics to three day procedure centres or clinics. The industry is thankful for it.

Moreover, I wish to discuss the requirement of separate entrances on premises. On the assumption that some beauty parlours provide massage services as well as aesthetic medicine services, then according to the original requirement of the Bill, such beauty parlours will have to provide separate entrances. However, the deed of mutual covenant of the building may not permit this. I am grateful that the Bureau has made transitional arrangements to provide room for existing operators to find ways to ensure their premises comply with the requirement of separate entrances. In this connection, the industry in general is grateful to the Bureau.

The Bill has mentioned prohibition of unlicensed operation. The industry has misgivings about it, which I have reflected to the Bureau in the Bills Committee. In the meetings of the Bills Committee, the Bureau often told us that the Bill would regulate only dentists and medical practitioners, not concerned with other medical procedures. Let me give an example. An eyebrow tattooing service is usually rendered by beauty practitioners, not medical practitioners. However, it is commonly known that the anaesthetic ointment, which has to be applied onto the skin before eyebrow tattooing for pain relief, can be readily purchased at dispensaries. Yet, once anaesthetics are administered, the service concerned constitutes medical treatment and the premises in question a clinic. Then the beautician concerned will possibly break the law inadvertently. The authorities told me the Bill only targets dentists and real clinics, but the Bureau ought to look into this matter to prevent some beauticians from breaking the law inadvertently.

During the course of the debate, I have heard some people continuously insult the beauty industry. The Bill actually seeks to regulate healthcare facilities, which certainly involve the beauty industry. I have to make special mention of Dr KWOK Ka-ki—he is not present in the Chamber now—who said earlier that the beauty industry was very dangerous and asked the authorities why the beauty industry, which has caused harm to people and consumers, was not subject to regulation. Secretary, I believe the people in Hong Kong have paid more attention to the issue as a result of the DR Group aesthetic medical incident that caused the tragic death of a citizen. However, I would like to point out that now many Members keep requesting the Government to bring healthcare facilities under regulation, including giving a definition to the premises of healthcare facilities, and asking what ways it will use to regulate the beauty industry so that beauty services or procedures will be conducted in a more stringent and safer manner. Indeed, their ultimate intention is to have medical

practitioners stationed on-site as medical executives in clinics and beauty parlours. But is it true that citizens in Hong Kong are absolutely safe when there is an on-site medical practitioner? In the DR Group aesthetic medicine incident which I have just mentioned, the person concerned died unfortunately after treatment by a medical practitioner. In another aesthetic medicine incident that occurred prior to it, the victim, a Latin dance instructor, died after a liposuction procedure, which was carried out by a medical practitioner. Two days ago, an 80-odd-year-old medical practitioner carried out aesthetic medicine procedures on a 52-year-old woman, who unfortunately died eventually. It was also a medical practitioner who handled the procedures for her. Dr KWOK Ka-ki said regulation of the beauty industry has to be stepped up and the means to do so is to hire more medical practitioners as executives of such premises, but each of the incidents arose because of medical practitioners. I am not saying that medical practitioners are bad. The absolute majority of medical practitioners in Hong Kong uphold professional ethics and have conscience. I believe the few cases I have referred to were unfortunate events, and the medical practitioners involved did not intend to cause deaths.

Nevertheless, I wish to point out clearly here that medical practitioners are not omnipotent. And I also urge some Members to stop describing beauticians working at beauty parlours as thieves. Dr KWOK Ka-ki claimed just now that all beauty enterprises are listed on the stock exchange. I would like to ask—he still has the chance to speak and may he please refute me—in which industries are thriving companies not listed in Hong Kong? In Hong Kong, 99.9% of the companies in the beauty industry are not listed. Indeed most of them are medium and small enterprises and small businesses operated mainly by female entrepreneurs. Why does he keep destroying them? Must any company in the beauty industry be a listed company? Even if it is the case, is there any problem with it? Sound business operation may be listed. Does Dr KWOK not want to better the economy of Hong Kong? He criticizes anyone, as if it is fun doing so.

Dr KWOK has mentioned private hospitals. As we all know, the current health care system in Hong Kong causes extremely long waiting times in public hospitals. The Government has introduced a tax deduction measure for health care insurance to encourage people to seek medical consultation at private hospitals. In doing so, the waiting time at public hospitals can be shortened. People who cannot afford the fees of private hospitals can only wait for the services of public hospitals, while people who have taken out insurance can go to private hospitals for consultation, so as to divert patients. What is wrong with

it? Why did he make criticisms of it as well? He also said it will benefit the insurance companies. "Brother Kin-por" is not present. Dr KWOK again made criticisms of the insurance sector that he represents. He even criticized private hospitals, as if it is so interesting to direct criticisms at everything. He criticized charitable organizations, such as the Tung Wah Group of Hospitals and Yan Chai Hospital, and also said it was not right that they were given tax rebates. Does Dr KWOK know the Tung Wah Group of Hospitals often waives the payment of consultation fees by patients and helps many people in Hong Kong? Such organizations benefitting from tax concession measures is de facto helping people in Hong Kong and the poor general public. Why did he even make criticisms of this aspect? It is baffling indeed.

The Chinese University of Hong Kong ("CUHK") and the University of Hong Kong ("HKU") are the two institutes training medical practitioners in Hong Kong. Dr KWOK has mentioned that nowadays medical practitioners, apart from conducting research, are all undertaking practice in the private sector. I do not have a clear understanding of this aspect, so perhaps the Secretary may give a response later on. Is it true that professors of the Faculties of Medicine employed with public funds all do not instruct classes and conduct research but only go into practice in the private sector in secrecy? Is it the case? If so, Dr KWOK is right; otherwise I hope medical practitioners from CUHK and HKU would make clarifications in public. Or else, Dr KWOK's comments will severely affect the reputation of the Faculties of Medicine of the two universities. He has portrayed medical practitioners in such light … pardon me, not medical practitioners. He has never mentioned medical practitioners from beginning to end.

Chairman, I wish to make a point. What effects will be created if the private hospitals, charitable organizations and universities that I have just mentioned make more income? Does it affect private medical practitioners? Other than being a Member, does Dr KWOK Ka-ki operate a clinic? I have no idea. Chairman, did he make a declaration of interest just now? Is there a conflict of interest? It is truly preposterous that he criticizes each and every person. Moreover, Secretary Prof Sophia CHAN has also heard Dr KWOK call her contemptible and suggested that she is now looking for an outlet so as to prepare for other development in the future. Will Dr KWOK please stop such behaviour? Do not portray all staff in the Government as bad guys and only he himself as the good guy. Why can women in the beauty industry not run their business amid hardship? Must they all be thieves? Can only listed companies

carry on economic activities in Hong Kong? Private hospitals, charitable organizations and universities are all unscrupulous while he is the only good man. I ask him to not implicate other medical practitioners as the absolute majority of them in Hong Kong are all good people.

Thank you, Chairman.

SUSPENSION OF MEETING

CHAIRMAN (in Cantonese): I consider that the Council will not be able to complete the debate on the Bill before 8:00 pm today. I now suspend the meeting until 9:00 am tomorrow.

Suspended accordingly at 7:29 pm.

Annex I

Private Healthcare Facilities Bill

Committee Stage

Amendments moved by the Secretary for Food and Health

Clause	Amendment Proposed
2(1)	By adding in alphabetical order— "***scheduled university*** (附表大學) means a university specified in Schedule 1A;".
3	By deleting the clause and substituting— "**3. Meaning of *private healthcare facility*** (1) A private healthcare facility is any of the following facilities that is not managed or controlled by a specified authority— (a) a hospital; (b) a day procedure centre; (c) a clinic; (d) a health services establishment, other than a day procedure centre, clinic or health services establishment primarily used for teaching or research relating to medicine or dentistry and that is managed or controlled by a scheduled university. (2) Also, a private healthcare facility does not include any premises that are not normally used for medical purposes but are temporarily used for emergency or rescue purposes.".
12(3)	In the definition of ***excepted premises***, by deleting paragraph (e) and substituting— "(e) a day procedure centre, clinic or health services establishment primarily used for teaching or research relating to medicine or dentistry and that is managed or controlled by a scheduled university;

(f) any premises that are not normally used for medical purposes but are temporarily used for emergency or rescue purposes;".

36(3) By deleting "6" and substituting "12".

50 By deleting "3" and substituting "4".

51(c) In the Chinese text, by deleting "行止端正" and substituting "行事持正".

53(4) By deleting everything after "executive" and substituting—

"of—

(a) if serving only day procedure centres—more than 2 day procedure centres;

(b) if serving only clinics—more than 3 clinics; or

(c) if serving both—more than 1 day procedure centre and 1 clinic.".

53(5) By deleting "3" and substituting "4".

53(5)(b) By deleting "10" and substituting "8".

56(2) By deleting "3" and substituting "4".

61(1) and (2) By deleting "specified by the Director" and substituting "prescribed by regulations for the purposes of this subsection".

62(1) and (2) By deleting "specified by the Director" and substituting "prescribed by regulations for the purposes of this subsection".

70 In the heading, by deleting "**Names or descriptions not be used for certain rooms**" and substituting "**"Operating room" etc. not to be used except with prior approval**".

72(1) By deleting paragraph (b) and substituting—

"(b) one or more legal advisers.".

82(1) By adding—

"(ab) a next of kin of the patient;".

92(1)(a) In the Chinese text, by adding "及" after "詞語；".

92(6) By deleting everything after "in relation" and substituting—

"to—

(a) premises managed or controlled by a specified authority; or

(b) a day procedure centre, clinic or health services establishment primarily used for teaching or research relating to medicine or dentistry and that is managed or controlled by a scheduled university.".

93(1) By deleting "section 42," and substituting "section 42, or in a notice under section 44,".

96(1) By deleting paragraph (b) and substituting—

"(b) if proceedings for a compoundable offence have been commenced, apply for a stay and compound the proceedings.".

118(1)(a) By adding "costing and" before "financing".

118 By adding—

"(1A) The Secretary may in writing authorize a public officer to exercise the power under subsection (1), and the officer may be assisted by any person the officer reasonably requires to exercise the power.".

118(2) By deleting everything after "than" and substituting—

"the following persons, and the information may only be disclosed and used for the purpose of formulation of healthcare policies—

(a) the Director;

(b) the Hospital Authority;

(c) a public officer authorized under subsection (1A);

(d) a person referred to in subsection (1A) who assists the public officer.".

118(4) By adding—

"(da) type of ward;".

118(4)(h) By deleting "size." and substituting "items and their amounts;".

118(4) By adding—

"(i) any other information that the Secretary may reasonably require.".

122(2) By adding—

"(fa) prescribe the price information to be provided, and the way it is to be provided, by the licensee of a private healthcare facility for the purposes of section 61;

(fb) prescribe the treatments and procedures for which estimates of fees and charges are to be provided, and the way they are to be provided, by the licensee of a hospital for the purposes of section 62;".

123 By deleting "Schedules 1" and substituting "Schedules 1A, 1".

124 In the definition of ***registered hospital***, by adding "of a hospital" after "certificate of registration".

124 In the definition of ***scheduled nursing home***, by adding "of a nursing home" after "certificate of registration".

125(2) In the Chinese text, by deleting "該等相聯處所(整個處所或根據第(3)款可包括在申請內的某部分)" and substituting "根據第(3)款可包括在申請內的所有該等相聯處所，或(如根據第(3)款，該等處所只有部分可包括在申請內)處所部分".

New By adding—

"**125A. Application for licence where scheduled nursing home already registered**

(1) This section applies in relation to a person's application for a hospital licence made under section 13 if—

(a) the person is a registered person in relation to a scheduled nursing home;

(b) the certificate of registration is valid at the time of the application; and

(c) the application is made within the period specified by the Director under subsection (3).

(2) If a person applies for a hospital licence under section 13 in reliance on this section, the application needs only to be accompanied by the fee specified in item 12 of Schedule 3.

(3) The Director may, by notice published in the Gazette, specify a period within which an application for a hospital licence under section 13 may be made in reliance on this section.".

New By adding—

"**136A. Shared entrance acceptable in some cases**

(1) This section applies in relation to a clinic if—

(a) a provisional clinic licence is issued for the clinic under section 135(2); and

(b) on the date the licence is issued—

(i) the clinic has a private entrance that is shared with premises (***shared entrance***) that serve a purpose that is not reasonably incidental to the clinic (***other premises***); and

(ii) to access the clinic, it is necessary to pass from the shared entrance through part of the other premises (***passage area***).

(2) Section 67 does not apply in relation to the clinic during the validity period of the provisional clinic licence while—

(a) the other premises are also managed or controlled by the licensee of the clinic;

(b) any notice or sign of the clinic is displayed only at, or in the immediate vicinity of, the direct entrance to the clinic;

(c) the passage area is not designated for a purpose other than passage or waiting (for example, it is not designated as a changing room);

(d) there is nothing in the passage area that blocks access to the clinic; and

(e) access to the other premises does not involve passing through the clinic.

(3) Subsection (2) does not limit any conditions to which the provisional clinic licence may be subject under section 135(4).

(4) The licensee must ensure that access to the clinic through the passage area is granted to the Director or an authorized officer for the purposes of section 113.

(5) In this section—

private entrance (私人入口) means an entrance to premises that do not consist of any common area of the building in which the premises are situated.".

154 By adding—

"(4) Section 22(5A)(i), Chinese text—

Repeal

"診療所"

Substitute

"診所".

(5) Section 22(5A)(ii), Chinese text—

Repeal

"診療所"

Substitute

"診所".".

161 In the proposed section 3(7), by deleting "specified by the Director of Health under the Private Healthcare Facilities Ordinance (of 2017" and substituting "required under the Private Healthcare Facilities Ordinance (of 2018".

New By adding before Schedule 1—

"Schedule 1A

[ss. 2 & 123]

Scheduled Universities

1. The University of Hong Kong

2. The Chinese University of Hong Kong".

Schedule 3 By deleting "[ss. 25, 108, 123, 125," and substituting "[ss. 25, 108, 123, 125, 125A,".

Private Healthcare Facilities Bill

Committee Stage

Amendment moved by the Secretary for Food and Health

Clause	Amendment Proposed
146	By deleting the clause.

Private Healthcare Facilities Bill

Committee Stage

Amendment to be moved by Dr the Honourable Fernando CHEUNG Chiu-hung

Clause	Amendment Proposed
146 NOT PROCEEDED WITH	In the proposed item 1A, by deleting "6.5 m^2" and substituting "16 m^2".