

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 22 June 2022

The Council met at Eleven o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE TOMMY CHEUNG YU-YAN, G.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, S.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 MRS REGINA IP LAU SUK-YEE, G.B.M., G.B.S., J.P.

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

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

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

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

THE HONOURABLE MA FUNG-KWOK, G.B.S., J.P.

THE HONOURABLE CHAN HAN-PAN, B.B.S., J.P.

THE HONOURABLE KWOK WAI-KEUNG, J.P.

THE HONOURABLE ELIZABETH QUAT, B.B.S., J.P.

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

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

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

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

THE HONOURABLE HOLDEN CHOW HO-DING

THE HONOURABLE SHIU KA-FAI, J.P.

THE HONOURABLE YUNG HOI-YAN, J.P.

THE HONOURABLE CHAN CHUN-YING, J.P.

THE HONOURABLE LUK CHUNG-HUNG, J.P.

THE HONOURABLE LAU KWOK-FAN, M.H., J.P.

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

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

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

THE HONOURABLE DOREEN KONG YUK-FOON

THE HONOURABLE CHU KWOK-KEUNG

THE HONOURABLE STANLEY LI SAI-WING, M.H.

DR THE HONOURABLE HOEY SIMON LEE, M.H., J.P.

THE HONOURABLE ROBERT LEE WAI-WANG

THE HONOURABLE DOMINIC LEE TSZ-KING

IR THE HONOURABLE LEE CHUN-KEUNG

DR THE HONOURABLE TIK CHI-YUEN, S.B.S., J.P.

THE HONOURABLE STANLEY NG CHAU-PEI, S.B.S.

DR THE HONOURABLE JOHNNY NG KIT-CHONG, M.H.

THE HONOURABLE CHAU SIU-CHUNG

DR THE HONOURABLE CHOW MAN-KONG

DR THE HONOURABLE DAVID LAM TZIT-YUEN

THE HONOURABLE LAM CHUN-SING

THE HONOURABLE LAM SO-WAI

DR THE HONOURABLE DENNIS LAM SHUN-CHIU, J.P.

THE HONOURABLE LAM SAN-KEUNG, J.P.

THE HONOURABLE ANDREW LAM SIU-LO, S.B.S., J.P.

THE HONOURABLE DUNCAN CHIU

THE HONOURABLE YIU PAK-LEUNG, M.H.

DR THE HONOURABLE WENDY HONG WEN

THE HONOURABLE DENNIS LEUNG TSZ-WING, M.H.

THE HONOURABLE LEUNG MAN-KWONG, M.H.

THE HONOURABLE EDWARD LEUNG HEI

THE HONOURABLE KENNETH LEUNG YUK-WAI, J.P.

THE HONOURABLE CHAN YUET-MING

THE HONOURABLE CHAN PUI-LEUNG

THE HONOURABLE CHAN YUNG, B.B.S., J.P.

THE HONOURABLE SUNNY TAN

THE HONOURABLE JUDY CHAN KAPUI, M.H.

THE HONOURABLE MAGGIE CHAN MAN-KI, M.H., J.P.

IR THE HONOURABLE CHAN SIU-HUNG, J.P.

THE HONOURABLE CHAN HOI-YAN

THE HONOURABLE JOEPHY CHAN WING-YAN

THE HONOURABLE CHAN HOK-FUNG, M.H., J.P.

IR THE HONOURABLE GARY ZHANG XINYU

THE HONOURABLE LILLIAN KWOK LING-LAI

THE HONOURABLE BENSON LUK HON-MAN

DR THE HONOURABLE STEPHEN WONG YUEN-SHAN

DR THE HONOURABLE KENNEDY WONG YING-HO, B.B.S., J.P.

THE HONOURABLE EDMUND WONG CHUN-SEK

THE HONOURABLE KINGSLEY WONG KWOK, B.B.S., J.P.

THE HONOURABLE YANG WING-KIT

REVD CANON THE HONOURABLE PETER DOUGLAS KOON HO-MING,
B.B.S.

THE HONOURABLE TANG FEI, M.H.

THE HONOURABLE TANG KA-PIU, B.B.S., J.P.

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

PROF THE HONOURABLE LAU CHI-PANG, B.B.S., J.P.

THE HONOURABLE KENNETH FOK KAI-KONG, J.P.

THE HONOURABLE LOUIS LOONG HON-BIU

THE HONOURABLE NGAN MAN-YU

THE HONOURABLE CARMEN KAN WAI-MUN

DR THE HONOURABLE TAN YUEHENG, J.P.

THE HONOURABLE SO CHEUNG-WING, S.B.S., J.P.

THE HONOURABLE YIM KONG

MEMBERS ABSENT:

THE HONOURABLE NIXIE LAM LAM

THE HONOURABLE ROCK CHEN CHUNG-NIN, S.B.S., J.P.

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE TERESA CHENG YEUK-WAH, G.B.M., G.B.S., S.C.,
J.P.

SECRETARY FOR JUSTICE

DR THE HONOURABLE LAW CHI-KWONG, G.B.S., J.P.

SECRETARY FOR LABOUR AND WELFARE

THE HONOURABLE FRANK CHAN FAN, J.P.

SECRETARY FOR TRANSPORT AND HOUSING

PROF THE HONOURABLE SOPHIA CHAN SIU-CHEE, J.P.

SECRETARY FOR FOOD AND HEALTH

THE HONOURABLE MICHAEL WONG WAI-LUN, J.P.

SECRETARY FOR DEVELOPMENT

THE HONOURABLE CHRISTOPHER HUI CHING-YU, J.P.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE TANG PING-KEUNG, P.D.S.M., J.P.

SECRETARY FOR SECURITY

DR BERNARD CHAN PAK-LI, J.P.

UNDER SECRETARY FOR COMMERCE AND ECONOMIC
DEVELOPMENT

DR RAYMOND SO WAI-MAN, B.B.S., J.P.

UNDER SECRETARY FOR TRANSPORT AND HOUSING

CLERKS IN ATTENDANCE:

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

MS MIRANDA HON, ASSISTANT SECRETARY GENERAL

LAYING OF PAPERS ON THE TABLE OF THE COUNCIL

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

Subsidiary Legislation	<i>Legal Notice No.</i>
Money Lenders (Amendment) Regulation 2022	139 of 2022
International Organizations (Privileges and Immunities) (AALCO Hong Kong Regional Arbitration Centre) Order	140 of 2022
Declaration of Increase in Pensions Notice 2022	141 of 2022
Widows and Orphans Pension (Increase) Notice 2022	142 of 2022
Declaration of Change of Titles (Innovation and Technology Bureau, Secretary for Innovation and Technology, Under Secretary for Innovation and Technology, Secretaries of Innovation and Technology Bureau, Administrative Assistant to Secretary for Innovation and Technology and Political Assistant to Secretary for Innovation and Technology) Notice 2022	143 of 2022
Interpretation and General Clauses Ordinance (Amendment of Schedule 6) Order 2022	149 of 2022

Other Papers

Securities and Futures Commission
Annual Report 2021-22 (including Financial Statements and Independent
Auditor's Report)

Investor and Financial Education Council
Annual Report 2021-22 (including Financial Statements and Independent
Auditor's Report)

Report No. 12/2022 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

Report of the Bills Committee on Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022

Report of the Bills Committee on Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Public dental services

1. **MS CHAN HOI-YAN** (in Cantonese): *There are views pointing out that comprehensive public dental services are not available in Hong Kong at present. When members of the public have oral health problems, they need to seek consultation from private dental clinics which charge exorbitant fees, or wait for general public dental services which have limited quotas and only provide basic treatment such as tooth extraction and pain relief. Besides, the service targets of the School Dental Care Service of the Department of Health are limited to primary school students and students under the age of 18 who are studying in special schools. In this connection, will the Government inform this Council:*

- (1) *whether it will consider extending the School Dental Care Service to cover secondary school students; if so, of the details; if not, the reasons for that (including the difficulties that it will face);*
- (2) *whether it will, by drawing reference from the model of the School Dental Care Service, consider according priority to the provision of dental care services once a year for people in specific age groups (e.g. the elderly); if so, of the details and timetable; if not, the reasons for that; and*

- (3) *whether it will consider drawing reference from the experience of overseas regions, for instance, the “8020 Movement” introduced by the Japan authorities for helping its nationals to keep at least 20 natural teeth at the age of 80, so as to formulate the oral health policy and the development direction of dental services for Hong Kong; if so, of the details and timetable; if not, the reasons for that?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, my reply to the question raised by Ms CHAN Hoi-yan is as follows:

Proper oral health habits are key to the effective prevention of dental diseases. As such, the Government’s policy on dental care seeks to raise public awareness of oral health and encourage proper oral health habits, through promotion and education, thereby improving oral health and preventing dental diseases.

(1) and (2)

Dental care services in Hong Kong are mainly provided by the private sector and non-governmental organizations. In accordance with the prevailing policy, the Government mainly undertakes publicity, education (including the School Dental Care Service (“SDCS”)), promotion of oral health and provision of emergency dental services for the public; and takes forward initiatives targeting persons with special dental care needs, in particular elderly persons with financial difficulties and persons with difficulties in accessing general dental services such as the Outreach Dental Care Programme for the Elderly and the Community Care Fund Elderly Dental Assistance Programme. Elderly persons may also use vouchers under the Elderly Health Care Voucher Scheme to receive private dental services.

Moreover, the Oral Health Education Division (“OHED”) of the Department of Health (“DH”) has implemented oral health promotion programmes targeting different age groups and disseminated oral health information through different channels to raise public awareness of oral hygiene and oral health.

In addition to the above measures, primary school students in Hong Kong, as well as students aged under 18 years old with intellectual disability and/or physical disability (such as cerebral palsy) studying in special schools, can join SDCS of DH to receive annual check-ups at designated school dental clinics, which cover oral examination as well as basic treatment and preventive care services. SDCS also helps educate students about the importance of maintaining good oral hygiene and preventive care at an early stage. In each of the past three school years, over 94% of primary school students (i.e. more than 330 000 primary school students from ordinary or special schools) participated in SDCS.

To sustain the efforts made in primary schools, OHED has launched a school-based programme named “Teens Teeth” for secondary schools since 2005. Under this programme, senior secondary school students are trained to promote and educate lower-form schoolmates about the importance of oral healthcare and hygiene with a peer-led approach (i.e. train-the-trainers). Once students develop good dental care habits since childhood (especially when in primary schools), they can continue to protect their teeth on their own when they go to secondary schools.

- (3) Regarding setting oral health goals for Hong Kong, the FDI World Dental Federation (“FDI”) and the World Health Organization (“WHO”) jointly established the first Global Oral Health Goals in 1981 to be achieved by 2000. A review of these goals revealed that, while a majority of population had achieved or exceeded them, a significant proportion of the world’s population still has not achieved these goals. Therefore, in 2003, FDI and WHO suggested the concept “think globally, act locally” and considered that it would be more practical for different countries and regions to set their respective oral health policy development and organize different activities so as to achieve the goals that suit their situation. Early in 1991, Hong Kong established the oral health goals to be achieved by 2010 and 2025 and planned for the implementation of the recommendations.

DH conducts a territory-wide Oral Health Survey (“OHS”) every 10 years. Following OHS 2001 and 2011, DH commenced OHS 2021 in November 2021 to collect information about the prevailing oral health conditions of the local population. The Expert Group of DH will review and advise on the setting of appropriate oral health goals taking into account the age groups (including children and the elderly) set in OHS 2001 and 2011, the local situation, and the results of OHS 2021.

The Government is well aware of Members’ and the public’s keen demand in regard of dental care services. The Government will listen to different views and formulate relevant policies with a view to achieving oral health goals, promoting oral health of the public, and continuing to take care of persons with special needs, in particular persons with intellectual disability who have special dental needs and elderly persons with financial difficulties. To this end, the Government will also review and consider regularization of dental services funded by different schemes (including the Elderly Health Care Voucher Scheme, the Community Care Fund Elderly Dental Assistance Programme, etc.) with a view to ensuring more effective dental services for the elderly and needy, and will also examine dental services as part of primary healthcare services under the framework of the Primary Healthcare Blueprint.

Thank you, President.

MS CHAN HOI-YAN (in Cantonese): *As explained by the Secretary in the main reply just now, SDCS for children will be “discontinued” after primary school since secondary schools do not have this service. When the Secretary mentioned the “Teens Teeth” programme, her last sentence was “they can continue to protect their teeth on their own when they go to secondary schools”, which means that secondary school students have to take care of themselves.*

Dental services are all about manpower. At present, SDCS is mainly provided by dental therapists who perform scaling, tooth-filling and even tooth extraction, etc. for school children, whereas dentists only play a supervisory role. Yet, the profession of dental therapists are currently subject to many limitations. They can only serve in DH and provide dental care for persons under 18 years of

age. Besides, there are only 10 training places per year, so they are already overwhelmed and exhausted by the work of SDCS alone. Therefore, I would like to ask the authorities whether they will review the development and manpower planning of the Dental Therapist Grade working under DH. Is it possible to increase the number of training places in the future, and to expand the scope of their work in a gradual manner, so as to provide sufficient manpower for dental services and create favourable conditions for improving public dental services? Thank you.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Ms CHAN for her supplementary question. Ms CHAN is right in saying that our dental services are constrained by the manpower of such services. Since most dentists are serving in the private sector, there is limited manpower serving in the public sector.

Regarding the dental therapists mentioned by Ms CHAN a moment ago, in fact, the number of training places available each year is relatively small according to the current planning. If dental services are to be developed, such as extending SDCS to secondary schools as suggested by Ms CHAN, I believe it will certainly be helpful to the expansion of dental services in the future if we can increase the manpower of professionals other than dentists, including dental therapists.

We have increased the number of dental students from about 50 to more than 70 earlier on. The number is still a drop in the bucket although the rate of increase is very significant. I believe that the additional students will probably graduate this year, and it is my hope that there will be more new joiners to help by then. But in the long run, I agree that we should explore how other dental professionals can help in developing more and better dental services. Thank you, President.

MS STARRY LEE (in Cantonese): *I believe today is the last time for the Secretary to come to the Legislative Council and answer our questions in her capacity as Secretary. I would like to thank the Secretary for her efforts in the past, and it has been quite difficult to face the epidemic during her term of office. The Secretary is an official who is willing to communicate with Members. Of course, I do not agree to every policy of the Secretary, including dental services. I remember that shortly after the Secretary had assumed office, I already raised to the Secretary that dental services, especially dental services for the elderly, were*

grossly inadequate. And I hoped that the Secretary would promote dental services for the elderly step by step during her term of office. The Secretary has made quite a lot of efforts which deserve my recognition. Notwithstanding this, I must ask whether the Secretary would consider dental services as an area where not enough has been done, such that impressive results have not been achieved from the perspective of the elderly? Will she ask the Secretary of the next term to actively study adopting different approaches to consider how dental services for the elderly can be further expanded to the 18 districts?

Lastly, I would like to take this opportunity to wish the Secretary a happy life.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Before all else, I would like to thank Ms Starry LEE for her blessing. In fact, I have also realized that Ms Starry LEE is very concerned about dental services when I communicated with her during the early days. Actually, I believe that many Members are very concerned about the provision of dental services for the elderly, especially in view of the ageing population. We are facing the challenge of manpower shortage, and therefore, at this stage we can only focus our resources on taking care of the special groups which are most in need and find it most difficult to access such services in the private sector. For instance, it is indeed very difficult for persons with intellectual disability to access dental services in the private sector, whereas outreach services for the elderly are not easily available. As such, we would enable those who are most in need to receive the services through the coordination of the Community Care Fund (“CCF”).

Nevertheless, we understand that apart from those who are most in need, a vast majority of the people in society would have other needs. Therefore, looking ahead, we will increase our manpower and continue to conduct OHS during this year, so as to gauge the overall dental health conditions of the public at present for policy formulation in the future. In fact, this survey has been delayed due to the epidemic. Therefore, we hope to complete the work such as data collection as expeditiously as possible and within this year. We will report to Members of the Legislative Council as soon as possible after carrying out an analysis. Thank you, President.

MR CHU KWOK-KEUNG (in Cantonese): *Thank you, President. The Government has all along been committed to training local dentists. Despite so, according to statistics from 2019 up to the present, the actual strength of the Dental Officer Grade in DH has dropped from 343 in the past to 322. While the Government has been actively training local dentists, what strategies does it have in place to attract dentists to join the public dental services? Thank you.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): My thanks go to Mr CHU for his supplementary question. This is a very good question. In fact, the Dental Service of DH is facing manpower shortage, mainly because it has not been able to attract dentists to join the Government's public services to fill the existing vacancies. Of course, we have made our best effort to not only provide public services, but also expand services in this aspect through non-governmental organizations, CCF and various schemes, etc. It is hoped that we can make more efforts under a framework that is not entirely under the Government.

As regards the elderly healthcare vouchers ("HCVs"), I understand that different people have different needs. However, quite a number of elderly persons would use HCVs to receive private dental services. This is also one of the alternatives at this stage.

In the long run, I think we still need to study with the Faculty of Dentistry of the university on how to encourage more graduates to engage in public dental services, so as to alleviate the understaffing problem faced by public dental services to avoid persistent manpower shortage. Looking into the future, I believe we must start to deal with the relevant work. Thank you, President.

DR DAVID LAM (in Cantonese): *Thank you, President. Secretary, I know that SDCS in Hong Kong is actually doing quite well, especially at the primary school level, but it seems that the pre-school or kindergarten stage has been neglected. The Hong Kong Dental Association has conducted a study which reveals that tooth decay problem is very common among pre-school children. A large number of children under the age of five are suffering from early childhood caries or tooth decay, with most of the cases left untreated. Will the Government put in more efforts in this respect to provide better dental care for pre-school children? Thank you.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Dr LAM for his supplementary question. To my understanding, the Faculty of Dentistry of the University of Hong Kong, with funding support from the Hong Kong Jockey Club, has launched the Jockey Club Children Oral Health Project to supplement the needs of pre-school children in Hong Kong for oral care services. This is a pilot project launched in the 2019-2020 school year, and it has been implemented in all kindergartens across the territory commencing from the 2020-2021 school year to provide free-of-charge dental check-up to over 180 000 children in local kindergartens, and use certain methods to control tooth decay. The Project also organizes seminars about oral health and oral care education for parents, during which dentists of the team would give a briefing on the common oral health-related problems among children and oral care. School children having severe tooth decay and their parents will even be provided with individual consultation for the sake of improving the children's oral health. Besides, the Project offers training to kindergarten teachers to enable them to deliver oral health messages to children in kindergartens more effectively.

We strongly believe that dental care should start from an early age. If parents, teachers and children are able to maintain good oral health, the need for care services or the challenges of tooth decay would probably be reduced at primary or secondary schools. Thank you, President.

MR EDWARD LEUNG (in Cantonese): *Thank you, President. I would like to ask, at present, how many elderly persons in Hong Kong can still keep 20 natural teeth at the age of 80? Have the authorities collected any relevant data on the dental health conditions of the elderly? If they have not, will the authorities collect such data?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Thank you, President. As I have mentioned in the main reply, DH will set for Hong Kong appropriate and pragmatic oral health goals to be achieved by 2030 taking into account the results of OHS 2021, of which the data are more reliable, and propose feasible measures to the Government. The progress of that OHS has been delayed due to the epidemic, but part of the survey work has now been resumed. At this point, we are not entirely sure when the survey will be completed, but we hope that it will be completed within this year, such that we can put forward proposals to all of you next year. Thank you, President.

MR KWOK WAI-KEUNG (in Cantonese): *Thank you, President. Private dental services are by no means cheap nowadays. In fact, low income families and those earning minimum wages can hardly afford them. Therefore, I hope that the services of government dental clinics can be strengthened. Yet, among the 39 government dental clinics, only 11 of them provide general public sessions at present. Besides, there are no such dental clinics in the Eastern District, Kwai Tsing District and Wong Tai Sin District, where the elderly population is relatively high. Since the supply falls short of the demand, many elderly persons have to queue up and scramble for a quota in the early hours of the morning. May I ask whether the Government will provide additional general public sessions in these districts? Thank you, President.*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, my thanks go to Mr KWOK for his supplementary question. As far as the existing general public sessions of government dental services are concerned, actually we are already facing an enormous challenge due to the serious wastage of dentists, and the number of existing vacancies is rather high as well. Therefore, we indeed have difficulties in providing additional dental services or outpatient services in certain districts within a short period of time. That said, we will not stop here. We will examine the situation of the private sector (such as non-governmental organizations and even charitable organizations) since they are also providing a great deal of dental services. We hope to encourage them to increase their services in this aspect to prepare them for coping with the service demand in the future. HCVs are certainly an alternative means which enables elderly persons to receive private dental services to take care of their teeth. Thank you, President.

PRESIDENT (in Cantonese): Second question.

Wearing of helmets by cyclists

2. **DR DAVID LAM** (in Cantonese): *Under the existing legislation, cyclists are not required to wear helmets. Although the Government conducted a review of the relevant policies in as early as 2011, it only promoted cycling safety and encouraged cyclists to wear bicycle helmets subsequently through education and publicity, rather than introducing legislation to make wearing helmets mandatory for cyclists. However, recently some studies have pointed out that the number of accidents involving bicycles has surged in Hong Kong, with the majority of the*

cyclists suffering casualties not helmeted. In this connection, will the Government inform this Council:

- (1) of the number of traffic accidents involving bicycles that happened in carriageways, cycle tracks, open spaces, playgrounds and other places, as well as the proportion of such number in the overall number of traffic accidents across the territory, in each of the past five years;*
- (2) given that the Government promoted cycling safety through education and publicity in the past decade, whether it has evaluated the effectiveness of such efforts; and*
- (3) whether it will conduct public opinion surveys on cycling safety equipment, so as to gain an understanding of public views on the wearing of bicycle helmets by cyclists; if so, of the details?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the Government attaches great importance to cycling safety. The Transport Department (“TD”) and the Hong Kong Police Force (“the Police”) have been monitoring and analysing the statistics and situation of cycling accidents, implementing appropriate enhancement measures, and rolling out publicity and public education activities.

My reply to the question raised by Dr David LAM is as follows:

According to the information of TD, the numbers of traffic accidents involving bicycles by location and their proportion in the total numbers of traffic accidents in Hong Kong in each of the past five years are set out in the table below:

<i>Year</i>	<i>Number of accidents</i>			<i>Total (percentage in the total number of traffic accidents in Hong Kong in the year)</i>
	<i>Cycle tracks</i>	<i>Carriageways</i>	<i>Other locations (including cycle parks, playgrounds and open spaces)</i>	
2017	808	829	280	1 917 (12.2%)
2018	698	817	289	1 804 (11.3%)

<i>Year</i>	<i>Number of accidents</i>			<i>Total (percentage in the total number of traffic accidents in Hong Kong in the year)</i>
	<i>Cycle tracks</i>	<i>Carriageways</i>	<i>Other locations (including cycle parks, playgrounds and open spaces)</i>	
2019	666	859	213	1 738 (10.8%)
2020	1 213	1 137	387	2 737 (17.9%)
2021	1 374	1 222	398	2 994 (16.8%)

Relevant figures show that with the concerted efforts of TD and relevant stakeholders, the number of accidents involving bicycles showed an overall downward trend from 1 917 cases in 2017 to 1 738 cases in 2019. However, the number started to rise in 2020 and reached 2 994 cases in 2021. TD, together with the relevant departments and stakeholders, will continue to strengthen the publicity and education activities on cycling safety so as to reduce accidents.

In fact, TD has been collaborating with the Road Safety Council (“RSC”) and the Police in launching publicity and education activities to raise the safety awareness of cyclists and other road users. These activities include holding cycling safety press conference by the Police together with TD, the Auxiliary Medical Service and the Cycling Association of Hong Kong, China; updating the Road Users’ Code, the “Cycling Safety” booklet and the relevant safe cycling tips in the Cycling Information Centre; producing and broadcasting television and radio announcements on cycling safety; making continuous publicity efforts to disseminate video clips and messages on cycling safety through information platforms on the Internet and social media platforms; providing information on cycle tracks (including cycling routes and bicycle parking spaces) through TD’s mobile application “HKeMobility”; publishing and distributing Road Safety Bulletins on cycling safety; and organizing safe cycling day.

At present, there is no mandatory requirement for cyclists to wear bicycle helmets in Hong Kong. The Government has noted that the requirement for wearing helmets varies from place to place. In view of the rising trend of cycling

accidents, TD is now conducting a comprehensive review of the requirement for cyclists to wear bicycle helmets. The factors being considered include whether it should be mandatory for cyclists to wear helmets at all locations or only in designated locations; the age of persons subject to such a mandatory requirement; and the practices adopted in other places. With the aim of enhancing safety protection for cyclists, the Government will actively consider regulating the wearing of bicycle helmets by cyclists through legislative amendments. Regarding whether it should be a mandatory requirement to wear bicycle helmets, TD had consulted various trades and stakeholders, including cycling clubs, automobile associations, driving centres, transport and logistics sectors, medical groups, operators of shared bicycles and food delivery operators, from April to May this year. TD is now collating and analysing the views collected and plans to consult Members at the meeting of the Legislative Council Panel on Transport next month. Meanwhile, TD will continue to work with RSC and the Police to encourage cyclists to use personal protective gear including bicycle helmets through education and publicity.

Thank you, President.

DR DAVID LAM (in Cantonese): *Thank you, President. I thank the Secretary for his reply. I am also pleased to learn that the Panel on Transport is going to discuss this subject.*

Just now the Secretary mentioned in the main reply that when studying the enactment of legislation, the authorities would consider different locations where the wearing of helmets are required and the age of the persons to whom the requirement applies. Being concerned about this, I hope the Government can answer whether there are actually any justifications in terms of the accident rates of cyclists in different locations and the severity of the accidents concerned for determining the specific locations where cyclists are required to wear helmets.

As we should know, the protection given by helmets is in fact stronger at low speeds than at high speeds. Even at a very low speed, if a child falls from the height of a bicycle with his head hitting the ground first, he may sustain serious injuries such as brain haemorrhage or skull fracture. Therefore, even if the location is a cycle park where many people would go cycling together, I think actually it may not be safer than the roads.

Of course, the same applies to age. Children's skulls are weaker, and their brains in the skulls are still developing. If they are hit, the impact sustained will be more serious. If an elderly person falls, not only his head but also many other parts of his body may get injured, thus causing them mobility problems and seriously affecting their daily life. Hence, I hope the Government will clearly inform this Council whether there are any special criteria or indicators which should be considered in respect of age and location. Thank you, President.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Thank you, President. Different countries have different requirements in respect of age, the helmeted persons as well as location. For example, in Sweden, the United States and Canada, basically all people are required to wear helmets in all locations. Another example is Singapore. Basically, anyone cycling on the road must wear a helmet.

Certainly, we must take into account the special circumstances in Hong Kong, since the background and traffic conditions in different places may vary, resulting in differences in road safety. For this reason, our consideration will be based on the actual local circumstances. The data of the past period, i.e. from 2001 to 2021, broken down by age shows that more injured cyclists were in the age groups of 10 to 29 and 40 to 59. Of course, children may also have accidents while cycling. As Dr LAM said just now, children's skulls are relatively soft. Hence, do they need stronger protection? This warrants our consideration.

Besides, the data on traffic accidents relating to cycling and bicycles shows another phenomenon: in 2021, the number of casualties in accidents involving bicycles was 2 849, while the number of accidents involving bicycles was 2 994. In other words, basically, in traffic accidents involving bicycles, the casualties were mostly cyclists. Therefore, we agree with the point made by Dr LAM just now on making consideration based on the safety of cyclists. After we have drafted and analysed the information collected in the earlier consultation, we will consult the Legislative Council and make appropriate adjustments with regard to Members' concerns. After drawing reference from Members' views, we will follow up with the Council on the mandatory requirement to wear bicycle helmets and make the final decision. Thank you, President.

MR VINCENT CHENG (in Cantonese): *Thank you, President. President, first of all, I would like to take this opportunity to thank the Secretary for his past contribution in the Transport and Housing Bureau. He has not only improved the ancillary transport facilities but also done a lot of work on housing. I wish him all the best and a happy life.*

I love cycling myself. As I could see in recent years, many people like cycling. I think it is good that people like this sport. However, I have also seen an increase in the number of accidents. In particular, as stated in the main reply, the number of traffic accidents in carriageways increased drastically from 829 in 2017 to some 1 200 in 2021, representing an increase of over 40%. In my view, there were two main reasons for this. One reason was the increase in the number of professional drivers who had used the carriageways more often. Another reason was that delivery workers travelled by bicycle in the urban areas. I thus agree with Dr LAM that a study could be conducted on enacting legislation to require cyclists to wear helmets. Yet on the other hand, can the authorities review the road surface design and ancillary facilities of the existing cycleways, especially some traffic black spots, and places where many people like to go cycling, such as Castle Peak Road or Lantau Island, and also conduct more publicity on cycling safety? Thank you, President.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Thank you, President. I thank Mr CHENG for his supplementary question.

Cycling has indeed become quite popular in recent years. I myself would go cycling too. In fact, as Dr LAM and Mr CHENG said just now, cycling safety is highly important. When I started cycling, my friend who worked in the Accident and Emergency Department of the Prince of Wales Hospital advised me that in cycling, the prime consideration should be safety and I must wear a helmet. Hence, I share the same view with Mr CHENG and Dr LAM. As regards enhancing publicity and education on cycling safety as well as erecting signage on cycle tracks and at steep and sharp curves on the roads, the SAR Government, particularly TD, has been doing such work. We will also step up inspections. Where necessary, we will improve the road surface as well as road markings in the relevant road sections, so that Hong Kong people and even visitors to Hong Kong who travel by bicycle can enjoy themselves in perfect safety. Thank you, President.

REVD CANON PETER DOUGLAS KOON (in Cantonese): *President, I believe that we all attach great importance to road safety, especially cycling safety. The question of whether or not to license bicycles has been discussed years ago, since one of the problems with bicycles, especially those on the roads, is that without any licence plates, there is no way to identify them. Very often, it is not that we must lodge a complaint. The main reason is that, as I have seen, in quite a number of cases, the situation seemed to be rather chaotic when many bicycles travelled on the roads. Can the Bureau give this Council a reply to this question? Thank you, President.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Thank you, President. I thank Revd Canon KOON for his view. At present, it is a bit difficult to license bicycles because, firstly, there is currently no registration system for the purchase of bicycles, and we certainly do not have the number of bicycles in hand at the moment. Furthermore, we have some bike-sharing arrangements (e.g. locobike) which are still in operation.

I understand that Revd Canon KOON is gravely concerned about cycling safety and has given us a suggestion on the regulation of bicycles for consideration. We will go back and consider the view raised by Revd Canon KOON. Yet we have drawn reference from the practices in many places, and the licensing of bicycles is not a common practice. Nevertheless, since Revd Canon KOON has put forward this view, we will consider it. Certainly, during the process, there will be some basic and specific challenges. Thank you, President.

MR KENNETH FOK (in Cantonese): *President, there is no doubt that wearing a bicycle helmet can reduce the chance of serious injuries. Our sector—as the Secretary also mentioned just now—has all along stressed the importance of wearing helmets in cycling. However, I would like to take this opportunity to relay the views of the sports sector, especially those of the Cycling Association. Given that some indoor cycling events, such as artistic cycling and cycle ball, are subject to technical constraints, if it is mandatory for cycling athletes to wear helmets, it may really affect the conduct of the events concerned and the movements of cycling athletes. For this reason, if the authorities are really going to consider enactment of legislation, it is necessary to consult the sector in advance and look into the feasibility of the relevant requirements.*

There is another point I would like to make. I have cycled on cycle tracks myself. I saw that most of the people who commuted by bicycle on cycle tracks did not necessarily wear helmets. Come to think about it. Regarding the facilities, people who commute by bicycle may lock up their bicycles, but they will have to walk around with their helmets. In reality, it may indeed cause a lot of inconvenience. If the authorities are really going to enact legislation, will they provide hardware ancillary facilities, such as lockers, for the convenience of cyclists? As I have said before, I hope the authorities will not adopt a broad-brush approach. If there is such an intention to introduce legislation, I hope the authorities will communicate with the sector in advance. This is the only practical and feasible option. Thank you, President.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Thank you, President. I thank Mr FOK for his view. Indeed, we will prudently and seriously consider the future safety requirement for cyclists to wear helmets and the relevant statutory regulation. Under certain special circumstances, such as for facilitating outdoor performances as mentioned by Mr FOK just now or activities which we call sports events, we will definitely consider the need to provide exemption in a pragmatic manner, or even adopt different approaches under different circumstances. In fact, regarding the situation of wearing helmets when commuting by bicycle as mentioned by Mr FOK just now, such as being on the last mile home or on the way to work, consideration will be given from the safety perspective. If legislation is really introduced in the future to require cyclists to wear helmets, our premise will be safety. We therefore hope that people who commute by bicycle will wear helmets as far as possible. Of course, on their way to work, can they take off their helmets and put them in their bags when they are walking? We will handle the relevant situations with a people-oriented and pragmatic attitude. As for other situations, we would like to hold discussions in the light of different scenarios and then work out the relevant arrangements. Thank you, President.

MR FRANKIE YICK (in Cantonese): *Thank you, President. The data in the Secretary's main reply shows that the number of bicycle accidents on cycle tracks has increased by 70% in the past five years, while that on carriageways has risen by 47.4%. We all understand that the increase in the accident rate on cycle tracks was due to the epidemic, as many people would go out cycling with their families during holidays. However, did the accident rate on carriageways increase*

because, as mentioned by Mr Vincent CHENG just now, more people would order takeaways? Dr LAM is concerned about how to reduce the chance of cyclists getting seriously injured in case of accidents, whereas I am concerned about another issue, Secretary, which is how to reduce such accidents.

I wonder if the Secretary has noticed that at night, we can see those bicycles delivering takeaways with no lights on the front and no lights on the rear either, dashing around and ignoring the traffic light signals. I wonder if the Secretary has conducted any data analysis to find out the respective rates of accidents which happened in the morning and at night. Besides, I wish to remind the Secretary that at present, there is a considerable increase in the number of people who illegally use electric mobility devices to deliver takeaways at night. I hope the Secretary will consider ways to squarely address the problem.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Thank you, President. I thank the Member for his supplementary question. Concerning the use of bicycles to deliver goods or takeaways, there are in fact provisions in the Road Traffic Ordinance in this connection. For example, anyone who commits reckless cycling, careless cycling or even cycling when under the influence of drink or drugs on the road shall be prosecuted in accordance with the law. Therefore, if a person does not comply with the traffic safety requirements when cycling at night, basically, he will be penalized. As for analysis of the time of occurrence of the traffic accidents, that is, whether more accidents occurred in the morning or at night, I do not have the relevant data at hand. In any case, irrespective of whether the cyclists go cycling for delivery, sports or travel purposes, we just wish to ensure their safety. On this premise, if we obtain the support of the Council to introduce legislation to make it mandatory for cyclists to wear helmets in the future, I hope Members will adopt the same attitude in handling the matter. Certainly, under individual circumstances, such a requirement may cause some inconvenience. If it will cause a serious impact, as in the case mentioned by Mr FOK just now, we will consider making alternative arrangements. Otherwise, I hope our basis will be putting safety first and being people-oriented. Thank you, President.

MR STEVEN HO (in Cantonese): *Thank you, President. As a matter of fact, over the past two years, the number of traffic accidents involving bicycles has increased. I believe we all know that it is because under the epidemic, many*

people would commute by bicycle. But more often than not, as Mr Frankie YICK and Mr Vincent CHENG said just now, it is because there have been increasing problems related to the delivery of takeaways by bicycle. When such a practice can generate economic benefits, delivery workers would dash around to seek more delivery orders. The legislation on the mandatory requirement for cyclists to wear helmets mentioned by the Secretary just now certainly needs to be enacted, but the question is that when formulating each piece of legislation, the authorities need to consider how to enforce such legislation. Currently, we can surprisingly see many people driving on the road in an opposite direction of the traffic. The authorities can see such a situation too, but how many enforcement actions have been taken? In fact, the Secretary did not set out the relevant prosecution figures in detail in his reply. The authorities have provided the relevant figures, but what types of cases do they fall under? Regarding the period of time mentioned by Mr Frankie YICK just now, did the authorities clearly ask the persons concerned whether they were delivering takeaways, having outings in the countryside or simply commuting to or from work? In fact, the authorities have to grasp such information before they can formulate more targeted policies or even request the Police or relevant departments to conduct surprise inspections. If legislation is enacted but not enforced, it would be futile for the Council to assist the authorities in enacting the legislation. The problem would only recur, and the officials would be questioned again. I hope the Secretary will consider how to deal with the issue of law enforcement. Thank you, President.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Thank you, President. Regarding enforcement action mentioned by Mr HO, TD and the Police take stringent enforcement actions in respect of road safety. In the future, if the relevant legislation requires cyclists to wear helmets regardless of whether they are cycling on cycle tracks or on the roads, and imposes requirements on other behaviours or safety equipment, we will strictly enforce the law and deploy manpower accordingly. Thank you, President.

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

MR STEVEN HO (in Cantonese): *My supplementary question to the Secretary is that the authorities already fall short of efforts in enforcing the existing legislation. If new legislation is enacted, they will simply be incapable of enforcement. President, the Secretary did not mention any enhancement. Neither did he mention injecting resources into this ...*

PRESIDENT (in Cantonese): Mr Steven HO, you have already pointed out the part of your supplementary question which has not been answered. Please sit down.

Secretary, do you have anything to add?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, basically, enforcement is a means to ensure road safety. Publicity and education are also important approaches. Thank you, President.

PRESIDENT (in Cantonese): Third question.

Continuing Education Fund

3. **MR KENNETH LEUNG** (in Cantonese): *The Financial Secretary indicated in the Budget delivered in February this year that the subsidy ceiling of the Continuing Education Fund (“CEF”) would be raised to \$25,000 per applicant and the upper age limit would be removed, with a view to benefitting more members of the public. However, there are views pointing out that the vetting and approval procedures as well as the requirements regarding CEF courses have not been changed for years, and the courses covered are still predominantly those conducted locally in face-to-face mode. In this connection, will the Government inform this Council:*

- (1) *as some course providers have relayed that the current application procedure for registering CEF courses is lengthy, with a course being required to be accredited by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (“HKCAAVQ”) for listing onto the Qualifications Register before HKCAAVQ conducts an*

assessment on whether the course is qualified as a CEF reimbursable course, whether the Government will streamline the relevant procedure;

- (2) given that Eligible Online Courses under CEF currently do not cover web-based distance learning courses without real-time teaching, whether the Government will consider including such courses into the Reimbursable Course List of CEF; and*
- (3) whether it will consider including non-locally conducted courses (such as those organized on the Mainland) into the Reimbursable Course List of CEF, so as to facilitate continuing education among Hong Kong people who live on the Mainland and those who intend to go north for further studies?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, the Continuing Education Fund (“CEF”) provides subsidies to adults with aspiration to pursue continuing education and training, with a view to facilitating Hong Kong’s transition to a knowledge-based economy having regard to an increasingly globalized economy. CEF currently provides over 10 000 reimbursable courses offered by about 300 local course providers. My reply to the Member’s question is as follows:

- (1) Any course to be registered as a CEF course must fulfil the professional accreditation by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (“HKCAAVQ”) or the nine self-accrediting tertiary institutions, as well as assessment by CEF authorities. The former is to ensure fulfilment of quality requirements of CEF courses in respect of content, qualifications of instructors, teaching methodology and assessment methods, etc.; the latter is to ensure fulfilment of CEF requirements for course delivery, including course providers’ past teaching and learning experience, the list of instructors and responsible persons and their qualifications, class arrangements, proof of fire safety and insurance in respect of the teaching premises, and the assessment or benchmark tests for successful completion of courses, etc. Complementing each other, the two sets of requirements seek to safeguard learners’ best interests. On this

premise, CEF authorities launched a series of enhancement measures on 1 April 2019, streamlining the course assessment procedures and shortening the processing time. HKCAAVQ has also offered facilitation measures to allow course providers the option to combine the applications for accreditation under the Qualifications Framework and assessment of CEF course registration to further shorten the processing time for course registration under CEF.

- (2) In light of the advancement in technology and changes in learning mode, CEF has formulated the operating requirements for Eligible Online Courses, with a view to providing learners with more diversified ways of continuing learning whilst ensuring effective supervision over the quality of courses and teaching. After consulting the sector, CEF authorities have started to recognize Eligible Online Courses under CEF since October 2021. Depending on course category, a maximum of 75% of the total course hours are permitted to be conducted in online teaching and learning mode. CEF authorities will closely monitor the implementation progress of relevant courses, and conduct reviews as appropriate.
- (3) Courses conducted outside Hong Kong are currently not covered under CEF. Non-local course providers may consider collaboration with local course providers to offer local courses and apply for registration under CEF after registration on the Qualifications Register. They may also approach HKCAAVQ to arrange accreditation for non-local courses to assure course quality. Based on the accreditation results, learners' needs, regulatory arrangement and other factors, CEF authorities will explore the feasibility of expanding CEF course scope, with a view to expanding the choices of continuing learning for local residents.

MR KENNETH LEUNG (in Cantonese): *President, in its main reply just now the Bureau said that insofar as non-local courses are concerned, CEF authorities would explore the feasibility of expanding CEF course scope based on the accreditation results and learners' needs. Actually, in light of the 14th Five-Year Plan and the development in the Greater Bay Area ("GBA"), our young people very much need to be updated on the country's situation and trends of development on the Mainland. In this connection, I wish to ask the Bureau whether there are*

measures in place to encourage local education institutions to cooperate more with their counterparts on the Mainland in introducing these types of courses? Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Thank you, President. The overall concept of CEF is to make good use of the existing 300 local course providers in Hong Kong society. Based on our past observations, these providers can often make adjustments promptly and flexibly in response to market demands by, for instance, providing more courses. If these course providers see the need to provide the necessary courses on GBA mentioned by the Member just now, or even collaborate with institutions in GBA to provide these courses, I believe under this flexible mechanism, these accredited CEF courses will be made available soon. Thank you, President.

MR NGAN MAN-YU (in Cantonese): *Thank you, President. Every year, the Government injects a lot of resources into CEF and the Employees Retraining Board (“ERB”), but if we look closely, we will find duplication of contents in many courses. The most typical example is the training course for security guards. The CEF course for security guards has the highest number of enrolment, and ERB’s security guard training course also tops the list in terms of the number of course being provided.*

My question is: Will the Government consider enhancing the division of work and coordination in this respect by putting in place a permanent liaison or coordination mechanism to improve the analysis of statistics on students, employees, employers and the job market, and then use these statistics to devise a comprehensive long-term human resources plan covering education, employment and retraining to meet the needs of the working population and the labour market? Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I thank the Member for his concern about this issue. Over the past three decades, we have repeatedly reviewed the relationship among ERB, Vocational Training Council and CEF. Our current observation is that actually there are slight differences among different course providers in terms of their role, operation, as well as the speed and method of their response to the market. Although some

courses may appear to be similar on the surface, there are still differences with respect to the factors that I have just mentioned and also in the approach of course promotion and the profiles of the participants. For example, the applicants of CEF courses tend to be working people who wish to further upgrade their skills. As for ERB, although it also offers self-enhancement courses, a major function of ERB is to provide placement-tied courses.

Therefore, even though their functions and modes of operation seem to be slightly overlapping on the surface, as Hong Kong people have different needs for continuing education, we always consider their roles to be complementary. The fact that they have different modes of operation does not pose any problem for the time being because anyone taking this course in ERB will not enrol in the same CEF course.

MR CHAN PUI-LEUNG (in Cantonese): *President, due to the epidemic, there have been delays in resuming cross-boundary travel between Hong Kong and the Mainland, and many Hong Kong people are stranded in the Mainland and cannot return to Hong Kong, not to mention returning to Hong Kong for studies with government subsidies provided under CEF. As GBA continues to develop in the future, more Hong Kong people will go north for living and development, but under the existing mechanism, CEF is as good as useless to them. How will the Government help Hong Kong people living in the Mainland to pursue continuing education in the Mainland?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): I thank the Member for this supplementary question. Many Hong Kong people, whether they live or work in the Mainland on a long-term basis, have been stranded in the Mainland because of the epidemic and so, they face challenges in using various public services provided by Hong Kong (including healthcare, education, retraining and continuing education). We do not have a comprehensive solution to this problem for the time being. Of course, I hope that the epidemic will come to an end early, so that quarantine-free cross-boundary travel can be resumed between Hong Kong and the Mainland and this, I think, will resolve many of the problems arising from the suspension of cross-boundary travel.

MR KENNETH FOK (in Cantonese): *Thank you, President. Regarding the supplementary question that I wish to ask, actually the Secretary has touched on it earlier. We all know that urban dwellers have busy lives, and this is especially the case in my sector, namely the cultural and sports sector. Hipsters basically do not work regular hours, and there is now the generation of “slashers” or the “slash generation”, so to speak, which is the general trend. I think the working hours of young people will not be regular in the future. However, most CEF courses require learners to attend classes regularly or conduct lessons in face-to-face mode. Many young people may not be able to participate in them and so, they will not even consider applying for subsidies under CEF, and I think this is a waste of CEF.*

In fact, during the epidemic, the public have gained a lot more understanding of e-learning, and currently there are also many platforms, such as edX, Coursera, etc., providing a wide variety of quality courses. The Secretary said earlier that CEF has started to recognize online training courses but as far as I understand it, CEF currently only allowed courses to conduct classes online for no more than 75% of the total course hours at most. But from my own experience, my children are very often 100% engaged in e-learning, and they have already get used to it. Will this measure be further relaxed? I believe this can attract more young people to pursue continuing education in their spare time. Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I thank the Member for his interest in this issue. I wish to point out that when the current-term Government first attempted to “loosen” the modus operandi of CEF and expand its course scope, this was one of the key issues being explored. I think Members will agree that web-based learning has become increasingly common and there are more and more choices of courses, especially in respect of innovation and technology, and actually quite a lot of these courses are conducted online. Having said that, insofar as CEF is concerned, we are more concerned about how we can ensure the quality of the courses when public funds are used to subsidize the public to pursue further studies. If we cannot ensure the course quality, I think the number of courses will not only be 10 000 but probably there will be 100 000 or 200 000 courses. Certainly, an increase in the number of courses will be helpful to the public in pursuing continuing education but it may give rise to the problems of how we can achieve a balanced use of public funds and ensure the quality of courses.

Over the past few years, many course providers who originally provided 100% web-based courses have collaborated with local course providers to introduce hybrid training, and while classes are conducted mainly online, there are some face-to-face sessions and assistance, and most importantly, learners are still required to take the certificate examination or assessment tests in person. This is the progress of the “loosening” of CEF as we intended to achieve. Having said that, I agree with the Member’s view and we will continue to explore this issue and study ways to provide Hong Kong people with greater flexibility in pursuing continuing education while at the same time avoiding the misuse of public funds.

DR TIK CHI-YUEN (in Cantonese): *Thank you, President. I wish to take this opportunity to say “thank you” to the Secretary for he has made a lot of efforts in the welfare sector and increased the expenditure on welfare services considerably.*

My question is this: In recent years, Hong Kong has attached great importance to gerontechnology in the hope that the living of the elderly can be greatly improved with the assistance of the existing technologies. Has the Government considered focusing efforts on promoting gerontechnology through CEF to enable the elderly to make use of CEF to pursue learning, so that they can acquire more technology knowledge and improve the arrangements for their living? Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I thank the Member for his appreciation. But for the time being, we do not see how the promotion of gerontechnology (especially the use of these technologies by the elderly) is related to CEF. Having said that, I wish to draw Members’ attention to the fact that in the Budget delivered some time ago, the Financial Secretary mentioned that the upper age limit for applying for CEF would be removed. Therefore, if the elderly wish to pursue further learning and in particular, to acquire technology knowledge, there should not be any problem. However, I think it is generally unnecessary to take a course on the application of gerontechnology for these technologies in general are very user-friendly.

MR YIM KONG (in Cantonese): *President, regarding the course accreditation fees for listing onto the Qualifications Register, as HKCAAVQ operates on a self-financing basis, the fees for its accreditation services are, therefore, extremely*

high. For courses at the lowest levels 1 and 2, the accreditation fee for the “Four Stage Quality Assurance Process” is \$230,000; for courses at level 5 or above and those at Bachelor or above levels, the accreditation fee is as high as \$2 million. Despite the provision of government subsidies, course providers can apply for the subsidies only after successful accreditation of their courses. Such expensive fees have discouraged new providers from seeking accreditation for their courses and as a result, their courses cannot be covered by CEF subsidies.

Will the Government consider subsidizing HKCAAVQ, so that the accreditation fees can be lowered to enable more new courses to be eligible for CEF subsidies? Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I thank the Member for his supplementary question. But I do not have the information at hand to explain the financial position of HKCAAVQ and the relationship between the Government and HKCAAVQ. As the Member said earlier, HKCAAVQ provides subsidies for course providers. I will convey the Member’s views to the Education Bureau and look into this issue. Thank you, President.

DR CHOW MAN-KONG (in Cantonese): *President, to facilitate smoother and more effective economic restructuring in Hong Kong and in particular, to resolve the rather serious problem of a mismatch of talents at present as there are jobs without workers and workers without jobs, will the authorities consider identifying several industries in which the shortage of talents is particularly serious and increasing the amount of subsidies for them (such as doubling the subsidies), in order to motivate people aspiring to work in these industries to adopt the approach of “training first, joining the trade later” and then eventually join these industries that are particularly in short of talents, such as innovation and technology, nursing care, e-commerce or online marketing, etc.? Thank you, President.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, this supplementary question may be outside the scope of our discussion on CEF today, but I will give a brief reply. Regarding the issue mentioned by the Member just now, there is indeed the problem of a mismatch of manpower and demand in various industries in Hong Kong. As this involves different policy areas, different

Policy Bureaux will have to look into it. Certainly, after the reorganization of the government structure in the future, manpower planning will still fall under the ambit of the Labour and Welfare Bureau. I believe there will be more discussion and consideration on this area of work in the coming days.

MR LUK CHUNG-HUNG (in Cantonese): *Thank you, President. First of all, I thank the Secretary for Labour and Welfare, Dr LAW, for the efforts that he has made for the labour sector in the past few years, which include taking on board the view of The Hong Kong Federation of Trade Unions and raising the subsidy amount to \$25,000. Of course, we originally hoped that it can be raised to \$40,000, and I hope that there will be room for improvement in the future.*

I would like to ask a supplementary question regarding part (3) of the main question. Can the Administration include Mainland courses in the scope of subsidies under CEF? According to the current practice, Mainland institutions have to organize courses jointly with local course providers before they can apply for academic accreditation of the courses, and it can be said that they have to cross numerous hurdles. In fact, nowadays we very much encourage the public to seize the development opportunities of our country and to understand the situation of our country. Their enrolment in Mainland courses may suit better the needs of development in the Mainland or the qualifications framework of our country.

In this connection, I would like to ask the Bureau whether it will study ways to facilitate Mainland institutions to meet the application requirements of CEF in Hong Kong. One of the ways is to consider following the practice applicable to the nine universities in Hong Kong, which means that the authorities can recognize them as quality education providers or institutions and allow them to conduct self-accreditation, so that their courses will automatically become CEF courses and Hong Kong people can receive subsidies when taking these courses. Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I think this is not a supplementary question but an opinion, and we will go back and study it. Basically, I agree with the directions mentioned by the Member just now of dovetailing with the future development of GBA and facilitating integration between local and Mainland providers as the course providers in Hong Kong may not be the best in providing certain types of courses. Therefore, as to how we can

leverage the Mainland's education system or the course accreditation mechanism of its education authorities and complement each other, I think this will be a direction for exploration in the future. Thank you, President.

MR YIU PAK-LEUNG (in Cantonese): *President, encouraging the public to pursue lifelong learning through CEF ...*

(There was noise interference with the broadcasting system in the Chamber)

PRESIDENT (in Cantonese): Mr YIU Pak-leung, do you have your mobile phone around you? Please move it away.

MR YIU PAK-LEUNG (in Cantonese): *Alright. It is a very good measure to encourage the public to pursue lifelong learning and enhance their competitiveness through CEF but the key lies in whether the quality and contents of the courses can meet the needs of further studies. At present, many new providers are interested in providing training courses, but if they do not succeed in having their courses accredited or applying for registration under CEF, they often do not know the reasons. In this connection, can the authorities provide more assistance for these new course providers and increase the transparency, so that at least they can know the reasons for their failure.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, this is also outside the scope of issues to which I can give a concrete response. However, as far as I understand it, HKCAAVQ has continuously improved its communication with providers seeking accreditation and provided them with assistance to increase their chance of success in resubmitting their courses for accreditation. I will go back and ask the Education Bureau to look into it.

PRESIDENT (in Cantonese): Fourth question.

Service quality of residential care homes for the elderly

4. **MS DOREEN KONG** (in Cantonese): *Thank you President. Secretary, first of all, I would like to take this opportunity to thank you for your hard work in the past few years. Recently, a member of the public has complained to me that her mother, when staying in a government-subsidized residential care home for the elderly (“RCHE”), was slapped and pushed out into the corridor by a care worker for no reason. As the incident had been uncovered, this member of the public was made aware of it and reported it to the Police for assistance. Some members of the public are concerned that this incident is just the tip of an iceberg, and there may be an elderly version of the suspected child abuse incident of the Children’s Residential Home. Regarding the service quality of RCHEs, will the Government inform this Council:*

- (1) whether it has conducted regular inspections and unscheduled surprise inspections on subsidized RCHEs, and whether it has required such RCHEs to install closed-circuit television cameras in residents’ rooms and other areas to facilitate the monitoring of the service quality of such RCHEs;*
- (2) as the Government is putting forward proposals to increase RCHE places, how the Government ensures that RCHE services will be able to focus concurrently on quality and quantity; and*
- (3) whether it has formulated a code of practice for the work of care workers (including penalties against those care workers whose service performance is unsatisfactory), or drawn up a blacklist of care workers, so as to ensure that care workers with poor service quality will not be employed?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, the Social Welfare Department (“SWD”) regulates the operation of residential care homes for the elderly (“RCHEs”) in accordance with the licensing regime of the Residential Care Homes (Elderly Persons) Ordinance (Cap. 459) (“the Ordinance”). A person issued with a licence must comply with the Ordinance, the Residential Care Homes (Elderly Persons) Regulation (Cap. 459A) (“the Regulation”) and the Code of Practice (“CoP”) for RCHEs issued by the Director of Social Welfare (“the Director”) under section 22 of the Ordinance in the operation, keeping, management, or other control of RCHEs.

- (1) The Government attaches great importance to the service quality of RCHEs, and strives to strengthen the monitoring and improve the service quality of RCHEs. In May 2017, SWD established the Licensing and Regulation Branch, which has formulated and continuously implemented various enhancement initiatives mainly covering such areas as stepping up monitoring and law enforcement on residential care homes (“RCHs”), enhancing information transparency, strengthening training for staff of RCHs and promoting professionalism of the sector, enhancing care services directly for RCH residents, and upgrading the quality of RCHs.

The four professional inspectorate teams of the Licensing Office of Residential Care Homes for the Elderly, namely the Social Work Inspectorate Team, Health Inspectorate Team, Building Safety Inspectorate Team and the Fire Safety Inspectorate Team, set up under the Licensing and Regulation Branch, conduct surprise inspections to RCHEs at different times during office and non-office hours, so as to monitor and regulate the operation, management and services of RCHEs. If an RCHE is found to have failed to comply with licensing requirements or had issues of non-compliance, SWD will issue advisory letter, warning or written direction to RCHE according to the nature and severity of the non-compliance issues. If the RCHE continues to fail to make any improvement, SWD will consider instigating prosecution actions according to the aforementioned legislation. In addition, to ensure the safety of the residents, CoP for RCHEs advises that RCHEs should provide suitable security facilities, e.g. installation of closed-circuit television (“CCTV”) system in compliance with the Guidance on CCTV Surveillance and Use of Drones issued by the Privacy Commissioner for Personal Data, to step up monitoring of the operation of RCHEs.

- (2) In response to the public call for enhancing regulation and quality of RCHs, SWD set up the Working Group on the Review of Ordinances and Codes of Practice for Residential Care Homes (“the Working Group”) in June 2017 to review the Ordinance, the Regulation, the Residential Care Homes (Persons with Disabilities) Ordinance (Cap. 613), and the Residential Care Homes (Persons with Disabilities) Regulation (Cap. 613A) and relevant codes of practice. The Working Group was chaired by the then-Director and comprised

the then-Legislative Council (“LegCo”) Members, non-governmental and private organizations operating RCHs, the Elderly Commission and the Rehabilitation Advisory Committee, academics, service users/carers, independent members, and representatives of the Hong Kong Council of Social Service and the Labour and Welfare Bureau as its members.

The Working Group completed the review in May 2019 and put forward 19 recommendations. SWD took forward some of the recommendations by revising the relevant codes of practice, which took effect on 1 January 2020. A few other recommendations confirmed that the prevailing requirements did not require any change. The remaining recommendations which involve staffing of RCHs, area of floor space per resident, accountability of the operators, registration systems for home managers and health workers, provision of care services, and penalties, need to be implemented by amending the aforementioned legislation. The Government introduced the concerned amendment bill into LegCo for First Reading and Second Reading on 25 May 2022. LegCo has formed a Bills Committee on the aforementioned bill. We will fully collaborate with LegCo in scrutinizing the bill.

- (3) The Regulation stipulates the minimum staffing requirements for each type of staff, including nurses, health workers and care workers. Among the different types of staff, health workers must have completed a training course approved by the Director in writing in accordance with the Regulation, in order to apply to SWD for registration as a health worker for the purposes of employment at an RCHE. If the Director ceases to be satisfied that the health worker is competent or is fit and proper to be registered as a health worker, the Director may cancel the person’s registration as a health worker. In addition, the CoP for RCHEs stipulates that home operators and home managers should arrange continuous on-the-job training and supervision for staff, including nursing care training, stress management, infection control, and drug management, so that the staff get to know the latest development of nursing care skills for elderly persons. SWD has also encouraged RCH staff to enhance their service quality through continuous training, and has organized nursing care workshops for RCH staff (including care workers) every year.

To enhance the management and service quality of RCHEs, SWD has implemented a five-year scheme since March 2019 to provide full subsidies for home managers, health workers and care workers of all RCHs to enrol in Qualifications Framework-based training courses.

SWD is conducting investigation into the incident an RCHE's alleged improperly taking care of a resident mentioned in the question and will certainly handle the matter seriously should there be any proven case of non-compliance.

MS DOREEN KONG (in Cantonese): *Thank you, President, and I thank the Secretary for his reply. Regarding the reply given by the Secretary just now, some members of the elderly care sector have revealed to me that during the COVID-19 epidemic in the past few years, SWD would call RCHEs before conducting any inspections. After getting the calls, RCHEs would make proper preparations, such as “borrowing staff” from other places to make up for manpower shortage, if any. In other words, SWD has not conducted any surprise inspections in the past few years. Is that true? If SWD did have conducted inspections, I would like to ask the Secretary how many surprise inspections have been conducted in total in the past two years. Thank you, President.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, in fact, SWD has kept conducting surprise inspections, but I need to retrieve the relevant information. For the sake of time, it will be more appropriate for us to provide supplementary information to Members in due course. Thank you, President. **(Appendix 1)**

MR CHAN YUNG (in Cantonese): *Thank you, President, and I thank the Secretary for his work over the past few years. This question seeks to prevent the recurrence of elder abuse. I notice that the Secretary has mentioned inspections accompanied by penalties in his reply, which I think is a correct move. Furthermore, training should also be provided to raise the standard of staff. Apart from that, however, as mentioned by Chief Executive-elect John LEE in his election manifesto, during the fifth wave of the COVID-19 pandemic, RCHEs have been hard hit, and it is necessary to improve the environments, standards and supplies of such care homes. Aside from penalties and staff training, I wonder if*

there is any other way to improve the overall environment of RCHEs, so as to provide a better living environment for the elderly at RCHEs, such as expanding the size of RCHEs, increasing the space per resident for the elderly, and providing support to RCHEs, especially in the event of an epidemic—which we certainly hate to see again—so as to better assist RCHEs in solving some unexpected problems which they cannot handle on their own. I would like to know what the Secretary has to say about this in his reply. Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I thank the Member for the supplementary question. In fact, this involves two levels of work. The first one is how to provide adequate support to RCHEs in the event of an epidemic. The second level may involve a long-term but probably not urgent task. Of course, this is also indirectly related to the epidemic. If RCHs are provided with more sufficient manpower and space, they will certainly be better equipped to tackle the epidemic. In short, there are two areas of work.

In the light of the epidemic, especially the experience gained during the fifth wave of the epidemic, the Government has set up an interbureau, interdepartmental working group to examine how to strengthen the epidemic control capacities of existing RCHs (including RCHEs and residential care homes for persons with disabilities (“RCHDs”)). For example, the ventilation facilities and handling of epidemic situations about which we are apparently most concerned, such as quarantine and isolation work procedures; and ways to increase our capacities, namely handling abilities, in a very short period of time. These are the tasks entrusted to the working group.

As to the ways to improve the hardware, software and staff of RCHEs in the long run, the legislative amendments I mentioned in my main reply just now can be one of them. I strongly hope that Members can give their views on these issues during the scrutiny of the relevant bill so that the legislation can better improve the hardware and software of RCHEs in the long run.

I hope Members will understand that sometimes it is not possible to complete this aspect of work in one go given the time needed for making adjustment. For example, due to site constraints, some RCHs cannot be upgraded in situ. We may have to close these RCHs and establish new ones. All these tasks take time.

Apart from working on laws and regulations, we also need to provide resources to incentivize RCHes to upgrade their standards with an important tool known as the “Bought Place Scheme”. We require RCHes to reach a certain level, which we call the “EA1” level, before we will “buy places” from them. As such, what we normally refer to as “licensed RCHes” have to upgrade their services to meet the requirements under the laws, or even strive to reach our “EA1” level in view of the financial incentive of buying places. This is commonly known as the “carrot and stick” approach. On the one hand, we enact legislation to regulate RCHes; on the other hand, we provide incentives to raise their service standards. Thank you, President.

MS LAM SO-WAI (in Cantonese): *Thank you, President. Elder abuse scandals in the elderly care sector have been uncovered from time to time, the most shocking being the Cambridge Nursing Home controversy in 2015 where elderly people were made to wait naked outdoors before taking a shower. While the Government has stepped up monitoring, inspections and penalties, the pace of reform is still a bit slow. Although the laws on RCHs will be amended to raise the statutory requirements on minimum staffing and minimum area of floor space per resident, I wonder if the hardware upgrade will necessarily improve service quality. My question is whether the Government and the Bureau will consider taking the opportunity of the legislative amendment to establish a sound monitoring and training mechanism for RCHs, requiring home managers to take up the responsibilities of training and supervising their co-workers, including providing training; instilling in them proper care concepts and people-oriented values; and teaching them how to provide proper people-oriented services, assess the performance of co-workers, etc., so as to reduce the occurrence of elder abuse cases. Thank you, President.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, the bill put before LegCo seeks to, among others, enhance the accountability of RCH operators or responsible persons (“RPs”). Whenever problems arise in RCHs, their managers or even operators should inevitably be held accountable. We therefore need to amend the existing legislation to enhance the relevant accountability, thereby enabling us to play a better monitoring role in the future.

As suggested by the Member, on the one hand, we need to have the tool to upgrade the relevant aspect, namely our provision of training, similar to what I have also mentioned in my main reply just now about how to strengthen training for staff of RCHs. At the same time, we also need to formulate the basic requirements through legislation in order to ensure our monitoring capability as well as to ensure the service quality of RCHs. By taking the two-pronged approach, I believe the results will be easily visible in the future.

However, as the Member said earlier, given that over 1 000 operating RCHs of various types are involved, we need time to consider these issues and reach a consensus with stakeholders before we can take a step forward. We are grateful to the stakeholders concerned for their willingness to explore these issues over the past few years despite the pressure put on them for improving their quality of operations in future. Thank you, President.

MR MICHAEL TIEN (in Cantonese): *Secretary, in order to ensure the service quality of RCHes and prevent the recurrence of abuse cases, I think a mandatory reporting mechanism is very important. After the recent child abuse cases at Children's Residential Home, the Government has pledged to enact legislation on a mandatory reporting mechanism on child abuse. While such a mechanism is available for organizations advocating children welfare, why can we not also set up a mandatory reporting mechanism on elder abuse in RCHes and RCHDs so that their staff can monitor each other? President, I would like to add that despite the provision of security facilities such as inspections and installation of CCTV system, the situation at RCHs remains the same. Consequently, no one has been punished, no one has ever responded, and no one has been held accountable. Secretary, the most important aspect of this legislation is mandatory reporting. Can this mechanism be applied to RCHs to prevent the recurrence of elder abuse?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, while consulting LegCo on the legislation on mandatory reporting on child abuse cases, we have mentioned the issue of priorities and timetables. We can indeed enact legislation to cover all underprivileged persons or potential targets for abuse, including persons with disabilities ("PWDs") and frail elderly persons. As our work on enacting legislation on mandatory reporting on elder abuse would involve a wider scope and a longer period, it is necessary for us to make a choice. The current-term Government has to prioritize its work by working on the protection of

children and child abuse first. To deal with the issue of abuse of elderly persons or PWDs, I believe that it does not only involve the RCH issue, but also the abuse of elderly persons and PWDs in the community. We therefore cannot only consider mandatory reporting for RCHs only. I believe we will continue to discuss and explore this issue in the future.

MR ANDREW LAM (in Cantonese): *Thank you, President. Apart from inspections and unscheduled surprise inspections, in retrospect, even RCHs involved in the most well-known abuse cases would not have their licence renewed only until expiry of their current license. The Government has introduced a bill into LegCo which, among others, seeks to enhance the accountability of RCH operators. However, even after the legislation is amended, how will the Administration make use of it? Before the legislative amendment, the Administration would only issue warning or advisory letter during inspections, and those convicted would basically be fined only. How will the Administration step up enforcement and make good use of the legislation to achieve sufficient deterrent effect? I would like to know what specific difficulties the Administration has encountered. Thank you, President.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, in fact, what we have to consider is the type of RCHs involved. I have just mentioned the practice of warning letters, penalty points, etc. If an RCH receives a warning, its name will be published on the website first. A member of the public who is looking for an RCH will naturally rethink about patronizing an RCH after noticing such a record. I therefore believe that the transparency of public information will have a monitoring effect nowadays.

Our proposed legislative amendments include raising the penalties and setting out the duties of an RP of an RCH. Our study which started since we set up the Working Group a few years ago, coupled with subsequent training and accreditation work, has actually helped operators and service providers improve their services. I believe that no one will oppose the basic idea that we need to be the final gatekeeper. That being said, ideally, RCHs should be able to provide high quality service in general, which is better than any remedy. In other words, training, development and prevention are always of paramount importance.

All in all, we have been working to enhance service qualities before the enactment of legislation. I wonder if Members present have participated in the Service Quality Group Scheme, under which SWD arranges unannounced visits for various community stakeholders, which will serve to enhance the quality of RCH services and reduce the occurrence of unacceptable circumstances.

DR DAVID LAM (in Cantonese): *Thank you, President. As far as I know, RCHes have been facing a big problem with their services. So far, they have encountered difficulties in recruiting sufficient staff to provide services, and there is a serious problem of staff wastage. My question is, under the current mechanism, care workers and health workers have been provided with quite good training. Particularly, health workers receive more than 290 hours of structured training. Will the Government further professionalize the structured training so as to obviate the need for nurses or other staff to supervise their work? In fact, they have been rather well trained. If the authorities can provide professional training to young people when they join the profession, this work type can be professionalized into a career path from junior care workers, care workers, senior care workers to chief care workers. Will this career development prospect be able to attract more people to join the sector so as to alleviate the staff shortage in elderly care services? Thank you, President.*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Thank you, President. The professional development of the care industry, including the care staff of RCHDs and RCHes, is also a vital part of our work on care service development. In this connection, a unit will be set up at the Civil Service College in Kwun Tong, which is under construction, dedicated to exploring the professional development of our future care industry. Of course, this step is still a few years away. That is why we have been providing as much training as possible over the past few years. While our training is not as “targeted” as those to be provided by the dedicated unit in the future, we hope to provide better training before the “targeted” training is available.

However, I would like to draw Members’ attention to the fact that some of the basic tasks in RCH services have to be undertaken by human beings after all, and they cannot be replaced by machines or robots. When the people who are responsible for these tasks move up the career ladder through promotion, they may not be willing to take up these basic tasks anymore. Therefore, when promotion

opportunities come too quickly, the problem of high turnover of care staff will arise. We will pay attention to this contradictory situation and strive to properly provide promotion opportunities while retaining adequate staff for the basic care tasks at the same time.

PRESIDENT (in Cantonese): Fifth question.

Strengthening online safety for children and teenagers

5. **MR SO CHEUNG-WING** (in Cantonese): *President, a study on the risks to which children and teenagers are exposed online has found that 40% of the respondents have been exposed to virtual sexual harassment (including forced receipt of online sexual and nude contents, sexual solicitation, or sexual experience), and 20% have experienced cyberbullying. In this connection, will the Government inform this Council:*

- (1) *as it has been reported that the Law on the Protection of Minors and the Law on the Prevention of Juvenile Delinquency of the Mainland are more stringent and effective than Hong Kong laws in terms of regulating obscene and pornographic articles and online information involving minors, whether the Government will, by drawing reference from the practices of the Mainland, prevent children and teenagers from being exposed to the aforesaid online sexual harassment and cyberbullying through enacting legislation;*
- (2) *as it has been reported that the Government has seldom invoked the Control of Obscene and Indecent Articles Ordinance and the Prevention of Child Pornography Ordinance to institute prosecutions against online pornographic contents involving children and teenagers because such ordinances mainly regulate traditional media or publications, whether the Government will amend the legislation or enact new legislation, so as to enhance the stringent regulation of such kind of online behaviour and reduce the difficulties in law enforcement in respect of gathering evidences and instituting prosecutions; and*

- (3) *whether the Government will consider creating the post of commissioner for online safety for children and teenagers as well as establishing an independent organization dedicated to online safety, so as to provide, in respect of cases of cyberbullying as well as online sexual exploitation and abuse involving children and teenagers, victims with a friendly mechanism for help-seeking, case follow-up and complaints, and to formulate relevant guidelines and provide the resources needed for such mechanism?*

SECRETARY FOR SECURITY (in Cantonese): President, the online activities of children and young people increase in the age of digitization, making them more vulnerable to potential cyber risks. The Government and all sectors of the society have taken corresponding measures to protect them and teach them how to handle the cyber risks.

In consultation with the Commerce and Economic Development Bureau, the Education Bureau (“EDB”) and the Labour and Welfare Bureau, the reply to the questions raised is as follows:

- (1) The Law on the Protection of Minors and the Law on the Prevention of Juvenile Delinquency of the Mainland as mentioned in the question were formulated to protect the physical and psychological health of minors. Some of their provisions strictly regulate minors’ access to obscene and pornographic articles as well as online information.

As a matter of fact, there exists relevant laws in Hong Kong to regulate obscene and pornographic articles, including the Control of Obscene and Indecent Articles Ordinance (“COIAO”), the Prevention of Child Pornography Ordinance and the Crimes Ordinance. According to COIAO, the Obscene Articles Tribunal is to determine whether an article is obscene or indecent. COIAO also prohibits publishing obscene articles and imposes rules and restrictions on publishing indecent articles, including displaying warning on packaging. Particularly for juveniles, COIAO explicitly prohibits publishing an indecent article to a juvenile.

Regarding child pornography, the Prevention of Child Pornography Ordinance prohibits the printing, making, production, reproduction, copying, import, export, publication, possession and promotion of child pornography. There are also clear provisions in the Crimes Ordinance to criminalize the procurement or offer of persons under 18 for making pornography or for live pornographic performances, as well as the publication of images originating from the commission of unlawful recording of intimate parts and publication of intimate images without consent.

Depending on the circumstances, conduct involving online sexual harassment and cyberbullying may also result in the commission of other offences such as blackmail, criminal intimidation and access to computer with criminal or dishonest intent and more. In case the relevant conduct involves inappropriate use of personal data, it may also contravene the data protection principles under the Personal Data (Privacy) Ordinance.

- (2) The Internet is not an unreal world that is beyond the law. Most of the crime-prevention laws in the real world are applicable to the online world in principle. Child pornography, regardless of whether it appears on the Internet, is covered by relevant legislation.

COIAO and the Prevention of Child Pornography Ordinance not only regulate traditional media or publications, but also information on the Internet. COIAO regulates obscene or indecent articles published in Hong Kong, including those on the Internet. In 2021, 66 people were prosecuted for contravening the prohibition on publishing obscene articles, of which 65 were convicted and all of them were sentenced to immediate imprisonment up to one year and four months.

The Prevention of Child Pornography Ordinance also clearly states that “publish” includes making any message or data available through any means of electronic transmission. In 2021, the Police prosecuted 22 persons for offences relating to child pornography, of which 20 were convicted, and 11 persons were sentenced to immediate imprisonment up to two years.

The Police has been committed to combating crimes relating to child pornography. Although many online child pornography involve overseas activities which increase the difficulty in collecting evidence, the Police will continue to conduct online patrols and take intelligence-led enforcement actions to combat relevant crimes. The Police also maintains close cooperation and exchange of intelligence with the INTERPOL, and take actions against crimes relating to online child pornography.

- (3) Relevant government bureaux and departments have provided resources and adopted various measures to protect children and juveniles, and strive to provide them with the necessary services.

The Government established the Commission on Children (“the Commission”) in 2018 to provide overall steer on children initiatives; formulates policies, setting strategies and priorities related to the development and advancement of children; and oversees the implementation of relevant work. In response to the society’s concerns on sexual abuse and cyberbullying, the Commission particularly discussed on the topics of “Sex Education for Prevention of Child Sexual Abuse” and “Prevention and Handling of School and Cyber Bullying” last year to understand the children protection policies of different bureaux. The Commission also collected views from different stakeholders regarding “Domestic Violence” and “Child Sexual Abuse” through online stakeholder engagement sessions. The Commission has provided suggestions to relevant bureaux and departments and established mechanism for monitoring and follow-up.

As for law enforcement, the Police has set up the “Family Conflict and Sexual Violence Policy Unit” at headquarters level and the “Child Abuse Investigation Units” at regional level. These dedicated units work with the Family and Child Protective Services Units of the Social Welfare Department in carrying out joint investigation on serious child abuse cases. The Cyber Security and Technology Crime Bureau also investigates online crimes relating to child pornography.

In addition, EDB has all along adopted a zero-tolerance policy on school bullying, including cyberbullying, and formulated relevant reporting channels and handling procedures with a highly transparent monitoring mechanism, and following up on every bullying incident in a proactive and serious manner. To enhance teachers' professional knowledge and competencies of preventing and handling school bullying, including cyberbullying, EDB continuously organizes relevant professional development programmes for the teachers.

To further strengthen the protection of children, the Chief Executive announced in her 2021 Policy Address that the Government would take forward the legislation on mandatory reporting mechanism of child abuse for early identification of suspected victims of child abuse. The Government has already commenced the relevant preparatory work, with the target of introducing the legislation into the Legislative Council in the first half of 2023.

Thank you, President.

MR SO CHEUNG-WING (in Cantonese): *President, I think the Government has failed to fully answer my question as my question is more specifically focused on cybercrimes and cyberbullying faced by children and juveniles. However, the Government has made a rather conventional and broad brush statement in the main reply, and even confused domestic violence with child sexual abuse in the last paragraph. Therefore, I would like to ask the Government a follow-up question: Can the Government make targeted efforts in respect of law enactment and enforcement to cope with the criminal behaviour on the Internet, which are rapidly evolving and are completely different from the traditional and physical crimes mentioned above? Thank you.*

SECRETARY FOR SECURITY (in Cantonese): Thank you, President. In fact, the existing legislation does not only deal with physical child pornography offences, such as regulating newspapers and publications, but also covers cyber and technology crimes. We understand that technology keeps evolving over time, so we will examine whether it is necessary to strengthen the relevant legislation in the light of technological development. However, so far, we find that the several

pieces of legislation mentioned earlier should be adequate to cope with the current situation. Certainly, we will review them from time to time. Thank you, President.

MS ELIZABETH QUAT (in Cantonese): *Thank you, President. Cyberbullying and sexual harassment do great harm to children and teenagers, and the situation is getting worse. Therefore, many places and cities have enacted specific legislation to combat these crimes. For example, the Children's Online Privacy Protection Act of the United States, which came into effect in 2000, prohibits websites operators from overly harvesting children's personal information. Japan has long made insults a crime, and in response to the recent suicide of a female wrestler due to cyberbullying, the penalty for this crime has been increased to imprisonment and higher levels of fines.*

As for Hong Kong, the Law Reform Commission of Hong Kong ("LRC") has published a report on Review of Substantive Sexual Offences in 2019, recommending the creation of a new offence of sexual grooming to prevent the grooming of children through the Internet, mobile phones and communication programmes for the purpose of sexual abuse. May I ask whether the authorities will draw reference from the above legislation and recommendations and conduct researches on the enactment of local legislation to enhance cyber security with a view to protecting children and juveniles in a targeted manner?

SECRETARY FOR SECURITY (in Cantonese): Thank you, President. In its report on Review of Substantive Sexual Offences published in 2019, LRC put forward more than 70 proposals for legislative amendments in principle and substance, which provided an important basis for the reform of sexual offences legislation in Hong Kong. The guiding principles contained therein include a number of protection principles, i.e. the creation of offences for the protection of sexually vulnerable persons, including minors. The proposed legislative amendments relating to the protection of children include setting up a uniform age of consent of 16 years old, imposing absolute liability on defendants for such offences, and incorporating offences of arranging or facilitating the commission of a child sex offence and inducing children to commit certain acts for sexual purposes.

We will study the contents and recommendations of the above mentioned report of LRC and make reference to the development of relevant legislation in overseas jurisdictions, with a view to formulating legislation suitable for Hong Kong. For this reason, the Chief Executive has announced in the 2021 Policy Address that legislative work in respect of the mandatory reporting of child abuse cases will be carried out, demonstrating that as long as it is feasible and has room for improvement at the legislation level, we will continue to make improvements. Thank you, President.

MS DOREEN KONG (in Cantonese): *Thank you, President. Secretary, in the legislation of some countries on the prevention of acts such as cyber harassment or cyberbullying, it is explicitly stated that the penalty will be doubled automatically in the event that the relevant offences affect vulnerable groups. Given that the problem of cyberbullying has been worsening in Hong Kong, will the Secretary consider enhancing the protection of vulnerable groups by proposing legislative amendments to explicitly increase the penalties? Thank you, President.*

SECRETARY FOR SECURITY (in Cantonese): Thank you, President. As I mentioned just now, in its report on Review of Substantive Sexual Offences published in 2019, LRC has made a number of recommendations specifically targeting at child sexual offences or inducing children to commit certain acts. We will study the relevant recommendations all together. Thank you, President.

MR KENNETH LEUNG (in Cantonese): *Thank you, President. The Bureau indicated in the main reply that it would enhance teachers' professional knowledge in preventing and handling cyberbullying by continuously organizing more relevant programmes for them. However, this is to deal with the cases that occur in schools. May I ask what measures the Bureau has recently taken to step up publicity on cyberbullying outside schools, or to work with the whole community and parent groups to prevent cyberbullying? According to the relevant data, the number of such cases has doubled from 54 in 2017-2018 to more than 100 in 2020-2021, may I ask what measures are being implemented by the Bureau at the community level? Thank you, President.*

SECRETARY FOR SECURITY (in Cantonese): Thank you, President. On the issue of school bullying, apart from law enforcement, we also attach great importance to education and prevention. EDB adopts a zero-tolerance policy on school bullying, including cyberbullying, by requiring schools to implement anti-bullying policies, provide teaching materials and information on the prevention of students' Internet addiction, and prevent students from being affected by undesirable information on the Internet at an early stage. EDB also encourages schools to remind parents to pay more care and attention to their children's use of information technology, and to organize professional development programmes on different themes for teachers to enhance their professional knowledge and competencies of preventing and handling school bullying cases.

Apart from EDB, other government departments such as the Social Welfare Department have also set up Cyber Youth Support Teams to proactively search online platforms frequently used by teenagers and to approach at-risk and hidden youths to provide them with appropriate support and counselling services.

Furthermore, the Police has continued to produce short videos, animations or teaching materials on crime prevention to remind children to be cautious of Internet traps. Through a series of large-scale publicity activities, the Police has also launched thematic publicity activities from time to time, such as the Child Protection Campaign, so as to raise public awareness of the well-being of children and teenagers. Thank you, President.

DR JOHNNY NG (in Cantonese): *Thank you, President. Virtual reality technology is becoming increasingly popular among young people. Earlier on, there were metaverse programmes in foreign countries that allowed underage people to enter virtual vice establishments. Moreover, there were adult users who showed sex products to these underage people. By simply registering a social network account in advance, users can easily download these programmes through virtual reality glasses, and the registration process does not require verification of the real age of users.*

Programme developers certainly need to be regulated, but parents also have the responsibility to keep an eye on their children's access to the Internet. They should not leave their children alone in the digital world, just as in reality where it is illegal for parents to leave their children alone at home. Apart from education

and publicity, will the Government consider stepping up vigilance or even stipulating that parents shall not leave their children unattended in the cyber world? Thank you, President.

SECRETARY FOR SECURITY (in Cantonese): Thank you, President. First of all, same as the acts committed in real life, cybercrimes will not be exempted from legal liability just because they involve the cyber world or virtual things. The several pieces of legislation I mentioned just now, including the Prevention of Child Pornography Ordinance and COIAO, which mainly seek to combat the relevant acts, are all applicable to acts committed on the Internet.

In addition, we have also worked with the Hong Kong Internet Service Providers Association to draw up certain codes of practice to provide business guidelines on the regulation of obscene and indecent information. For instance, when Internet service providers find any obscene websites, they will require such websites to add a warning notice in respect of the indecent information or remove the obscene information. What is more, they may even cancel the accounts of the persons involved, so as to protect the public, especially young people. If necessary, such cases will be referred to the Police.

As for the responsibility of parents, they must inculcate their children how to access the Internet. If it comes to the extreme that parents are totally negligent in taking care of their children, child neglect is also an offence under the existing Offences against the Person Ordinance, child neglect. Thank you, President.

MR CHAN YUNG (in Cantonese): *Thank you, President, and thank you, Secretary. Child protection is something that everyone will agree on. However, the official laws often fail to deal with online criminals in a timely manner. According to the experience of the United States, it deals with the situation by making more use of artificial intelligence and monitoring more closely other areas. In this regard, can the authorities step up automated analysis so as to protect children at the source in the first place? Thank you, President.*

SECRETARY FOR SECURITY (in Cantonese): Thank you, President. The several pieces of legislation I mentioned just now all regulate online acts as well. Of course, we are aware of the rapid advancement of online technology, but no matter how the technology develops day by day, it cannot do without the use of

data and information which are basically covered by the existing legislation. We will certainly keep abreast of the times and review whether there is anything we can do best in terms of legislation. Thank you, President.

MR STANLEY LI (in Cantonese): *Thank you, President. Currently, parents really feel worried. Schools require students to use mobile phones or tablets for learning, but parents are worried that their children will dabble online for information that affects their healthy development. May I ask the Government that as many social media service providers allow Internet users to post messages easily, including some erroneous or even indecent messages, how can the authorities effectively regulate service providers in this regard? Thank you, President.*

SECRETARY FOR SECURITY (in Cantonese): Thank you, President. This involves two aspects. First of all, the Police will conduct online patrols to step up the detection of obscene information and possible illegal acts on the Internet, and will take corresponding action.

Secondly, as I said earlier, Internet service providers have their own codes of practice and will monitor on an ongoing basis whether there is any content that may involve obscene or indecent information or information that is not suitable for children. If they discover such a case, even if it does not warrant criminal prosecution, they may consider removing the relevant information or prohibiting the account holders concerned from using their services again. Thank you, President.

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

Driving redevelopment to increase housing supply

6. **MR YANG WING-KIT** (in Cantonese): *Thank you, President. There are views that identifying lands for housing construction is the fundamental solution for increasing public housing supply, and that there are quite a number of suitable lands in the territory, e.g. large-scale three-storey village house clusters in the New Territories, buildings under the Civil Servants' Co-operative Building Society*

Scheme (“CBS buildings”) located in the urban areas, and old districts such as Kowloon Central, which are of extremely high redevelopment value. In this connection, will the Government inform this Council:

- (1) whether it will implement large-scale redevelopment plans for village houses by purchasing the three-storey village house clusters in the New Territories at market prices, and construct public housing estates with 30-storey high buildings on the lands resumed; if so, of the details; if not, the reasons for that;*
- (2) whether it will drive the redevelopment of Kowloon Central, especially San Po Kong, Fung Wong, “13 Streets” in To Kwa Wan, Lung Shing, and To Kwa Wan old districts, so as to increase the supply of public housing; if so, of the details; if not, the reasons for that; and*
- (3) given that the Urban Renewal Authority (“URA”) is currently implementing two pilot projects in Kowloon City to redevelop CBS buildings to provide housing which includes subsidized sale housing, whether it knows the latest progress of such projects; whether it will, in collaboration with URA, draw up a timetable for redeveloping other CBS buildings, and explore the redevelopment approach for CBS buildings with smaller site area, so as to provide more subsidized sale housing?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, providing decent accommodation for all is the primary goal of the housing policy. The Government revised the public/private housing split from 60:40 to 70:30 in 2018 to further step up the policy efforts in producing more public housing units. The Government has all along been sparing no effort in developing land resources and increasing housing supply. According to the housing demand projection in December 2021, the total housing supply target for the 10-year period from 2022-2023 to 2031-2032 is 430 000 units, and the public housing supply target is 301 000 units. The Government has identified about 350 hectares of land which is estimated to produce some 330 000 public housing units in the above 10-year period. The aforesaid supply will mainly come from new development areas (“NDAs”) and various large-scale development projects, as well as individual sites rezoned for the purpose of public housing development. After the aforesaid 10-year period, continued supply of public housing will remain with land resources

mainly from different brownfield clusters, individual large-scale projects, especially Yuen Long South, San Tin/Lok Ma Chau Development Node and the New Territories North New Town in the Northern Metropolis, as well as the Kau Yi Chau Artificial Islands.

My reply to the question raised by Mr YANG Wing-kit is as follows:

Regarding part (1) of the question, generally speaking, New Territories village houses are mainly located in “Village Type Development” zones which are intended for low-rise, low-density developments. If the land concerned was to be rezoned for high-density residential development on a large scale, factors including infrastructure provisions in the area, impact on the environment and the planning principle of “urban-rural integration” would need to be taken into account. It would be difficult to implement large-scale village house redevelopment or development plans across-the-board solely because the development density of some New Territories village houses is relatively lower.

In terms of overall planning, not all lands have the potential for high-density development. In fact, different types of land with varying densities in the same area could complement each other, bettering the planning and environment of the area. When planning for NDAs or large-scale housing development, the Government would adopt a planning-led strategy and consider the selection and scale of development site having regard to factors including overall spatial layout, infrastructure capacity and urban-rural integration. If a site is confirmed to be suitable for NDA or public housing development, the Government would resume the relevant private land when necessary regardless of whether village houses are involved. For instance, in the case of Kwu Tung North and Fanling North NDAs and public housing development at Long Bin in Yuen Long, the resumption of rural building lots with houses erected thereon was involved.

Regarding part (2) of the question, public housing in Hong Kong is mainly provided by the Hong Kong Housing Authority (“HA”) and the Hong Kong Housing Society. The role and work areas of the Urban Renewal Authority (“URA”) are mainly on renewing old districts with a focus on redeveloping old and dilapidated private properties. This differentiation is mainly due to the fact that URA is operating on a self-financing basis, and redevelopment projects involve costs of acquisition, compensation rehousing, etc. in addition to construction costs. URA also needs to replenish the loss of private housing arising from demolition of the old and dilapidated private buildings in its redevelopment projects.

Notwithstanding the above, in recent years URA has been playing a role to enhance the supply of public housing within its capacity. For instance, URA will provide subsidized Starter Homes (“SH”) units in suitable redevelopment projects. eResidence, which was developed by URA, provided nearly 500 SH units. Moreover, URA has also decided to assign the redevelopment project adjacent to eResidence as another SH project which is expected to provide about 260 SH units for pre-sale in 2023-2024.

Regarding the concern of Mr YANG in relation to the redevelopment of “13 Streets” in To Kwa Wan and the redevelopment of Kowloon City district, they are included in the Urban Renewal Plan for Kowloon City, which was widely discussed in the society from 2012 to 2014. URA is considering a range of factors holistically. Due to market sensitivity and confidentiality, URA will only promulgate through publication in the Gazette or other means the project details upon commencement of a specific project. In fact, apart from Kowloon City district, URA is also conducting a preliminary feasibility study on some projects in Wong Tai Sin district to identify opportunities for urban renewal.

Regarding public housing, as there are limited land resources in urban area and many places have already been developed, future new supply of public housing in Hong Kong would mainly come from individual NDAs, the Northern Metropolis and large-scale projects such as the Kau Yi Chau Artificial Islands. That said, we are still striving to provide new public housing in Kowloon Central comprising Kowloon City district and north-western part of Wong Tai Sin district. In the next five years, about 16 000 units will be provided in the two districts, of which 12 200 public housing units would come from the new land of the Kai Tak Development Area. Also, we are actively developing three urban squatter areas which are suitable for high-density housing development (viz. Cha Kwo Ling Village, Ngau Chi Wan Village and Chuk Yuen United Village). The aforesaid three redevelopment projects are progressing well and according to current estimation, the projects will provide a total of about 8 700 public housing units which will be completed by phases starting from 2029 onwards.

Apart from constructing housing units on land provided by the Government, HA will consider the actual circumstances when deciding whether to redevelop an old public rental housing estate in accordance with the four basic principles, namely structural conditions of buildings, cost-effectiveness of repair works, availability of suitable rehousing resources in the vicinity of the estates to be redeveloped and build-back potential upon redevelopment.

Regarding part (3) of the question, URA commenced two pilot projects to redevelop buildings under the Civil Servants' Co-operative Building Society ("CBS") Scheme in Kowloon City district in May 2020, and they involve a total of 37 CBS sites. According to the preliminary estimation, the number of residential units provided by the two pilot projects would be increased from about 600 to about 3 000 upon redevelopment, of which one third would be subsidized housing. One of the pilot projects, i.e. the Shing Tak Street/Ma Tau Chung Road Development Project has made good progress in acquisition. The Government is processing the land resumption application for the project. As for the Kau Pui Lung Road/Chi Kiang Street Development Scheme, in view of its large scale, the relevant consultation work is still in progress. Thank you, President.

MR YANG WING-KIT (in Cantonese): *The most fundamental solution for increasing housing supply is to identify lands for housing construction. The Secretary would agree that the current low-rise, low-density development pattern in the New Territories villages is in fact a waste of land. Will the Secretary change the development pattern of villages and identify one or two sites as pilot areas? The Secretary has mentioned that large-scale development is not feasible, then is the scale comprising one or two sites feasible? Can the authorities conduct a pilot project to promote the redevelopment of village houses and turn three-storey "village houses" into 30-storey "housing villages"? This will accelerate housing supply. Thank you.*

SECRETARY FOR DEVELOPMENT (in Cantonese): Many thanks to Mr YANG for his suggestion. As I have mentioned, there are individual projects covering village houses in the New Territories, but the projects may not necessarily involve the construction of 30-storey buildings on the lots; some involve the construction of roads and some, public facilities.

In terms of possible future developments, the Government is not rashly or simply rejecting any possible options now. In this regard, there is regular communication between the Heung Yee Kuk and the Government, be it the Development Bureau or the Home Affairs Bureau. We are happy to listen to the views of the community (including the Heung Yee Kuk). We will explore the possibilities and are also willing to take them into consideration.

MS CHAN YUET-MING (in Cantonese): *Thank you, President. I would like to tell the Secretary that Article 40 of the Basic Law concerns the protection of the lawful traditional rights and interests of the indigenous inhabitants of the New Territories. The related judgment also explains that such traditional rights include small houses, and indicates that small houses have a positive social function of ameliorating people's housing problem. Under the Small House Policy, small houses can only be built in the "V" zones and indigenous residents with small house rights will not be eligible for such housing benefits as public housing.*

I am very grateful to Mr YANG Wing-kit for asking an oral question on village houses and housing supply. I would also like to ask the Secretary: Will he consider reviewing the Small House Policy, such as relaxing the three-storey height restriction, so that indigenous residents can pool their small house rights together to build "small house buildings", thereby increasing and expediting housing supply? Thank you.

SECRETARY FOR DEVELOPMENT (in Cantonese): Thank you, President, and many thanks to Ms CHAN Yuet-ming for her supplementary question. As far as the Small House Policy is concerned, we have no plan to conduct a major review at the moment because, as pointed out in earlier discussions in the community, especially the discussion on different land supply options by the Task Force on Land Supply, the Small House Policy involves more complex historical, social and other factors and must be handled with caution. However, as I have said in my reply to the question by Mr YANG Wing-kit, if the community, especially the Heung Yee Kuk—which is a very important stakeholder—has specific views on this issue, we are happy to discuss with it.

I can add and share one point with Ms CHAN Yuet-ming. There is a regular consultation mechanism in place between us and the Heung Yee Kuk. The main issues currently under discussion include, firstly, Village Expansion Areas ("VEAs"). As several VEA schemes may be terminated, the question of whether or how to "unfreeze" them has to be explored. Another issue is whether the approval of application for construction of small houses can be further expedited. Some of the examples cited by Ms CHAN Yuet-ming are not yet included in the formal agenda of our discussion.

MR JEFFREY LAM (in Cantonese): *President, the difficulty for the public to be allocated public rental housing (“PRH”) units has long been an age-old problem with the housing supply in Hong Kong. As regards how to increase the supply of public housing in the short term, the Business and Professionals Alliance for Hong Kong has all along advocated the redevelopment of 26 old and dilapidated PRH estates in Hong Kong in phases, but the progress has been very slow. In fact, there is also a growing demand for private sector housing in addition to public housing.*

At present, the Government relies heavily on URA for land resumption for housing development. In my view, the authorities should adopt a multi-pronged approach to further enhance public-private partnerships, and speed up planning for the Northern Metropolis. I wish to ask the Government: How can it increase the proportion of public-private partnerships? As the Deputy Financial Secretary-designate responsible for the areas of land and housing, what specific new objectives does the Secretary have?

SECRETARY FOR DEVELOPMENT (in Cantonese): Thank you, President and many thanks to Mr Jeffrey LAM for his supplementary question. I am here today to give replies in the capacity as the incumbent Secretary for Development. I am certain that the Government will work very hard to examine how to further resolve the many pain points and difficulties in respect of housing and land faced by Hong Kong, but the specific arrangements will have to be left to the next-term Government.

As the current-term Government, we have done a lot of work about the salient points mentioned by Mr LAM. Mr LAM should be well aware of the Development Project Facilitation Office especially set up by the Development Bureau at the end of 2020. For a private residential development project supplying more than 500 units, a dedicated person will be assigned to follow it up, namely “a dedicated person to run through government offices”. To date, we have successfully assisted in over 50 projects, which show our efforts made in this regard.

The other issue is the removal of red tape, which the Permanent Secretary for Development, Ms Bernadette LINN, has previously brought up in the Legislative Council. If the Government can cut down on some procedures,

particularly the redundant ones, and speed up some of the work, it will indeed greatly benefit project implementation in the private sector. Thank you, President.

DR JUNIUS HO (in Cantonese): *Thank you, President. According to the Secretary, the relevant work should be left to the next-term Government. In fact, as far as policy continuity is concerned, I think there is only a gap of a few days and the policies should not be too far apart. But I hope that the Secretary's mindset will truly be the same as what he has said, that is, he will boldly remove red tape.*

The concept of "small house buildings" brought up by Ms CHAN Yuet-ming just now is, in fact, a proposal to keep abreast of the times. The Small House Policy, which has been implemented for 50 years since 1972, has failed to make flexible and full use of land. It indeed runs contrary to today's social environment.

The Secretary has said that he would discuss with the Heung Yee Kuk. Will he make up his mind today (i.e. 22 June) and raise this issue for discussion immediately eight days later? Is he willing to draw up a timetable and discuss with the Heung Yee Kuk the relaxation of this policy to allow the construction of small houses with more than three storeys and also the construction of "small house buildings"? After the policy has been formulated, the public (including the indigenous residents) will automatically "make a move". Will the Secretary undertake to put forward a timetable for discussion as soon as possible? Thank you.

SECRETARY FOR DEVELOPMENT (in Cantonese): Thank you, President and many thanks to Dr Junius HO for his supplementary question. I have to make this point clear because I do not want to mislead Dr HO, Ms CHAN Yuet-ming or Mr YANG Wing-kit.

As regards the 350 hectares of land have been identified for the construction of 330 000 public housing units that we are talking about, our planning concept basically does not entail large-scale development of the lots currently occupied by village houses in the New Territories. This is because, indeed, if there is any

major initiative that will affect the long-standing policy on New Territories village houses, it must be carefully thought through.

As I have stated—this is the thinking I hope the next-term Government will embrace—if the community, especially the Heung Yee Kuk and also including Dr HO, Ms CHAN and Mr YANG, have any specific proposals, we would be happy to discuss them. But do we intend to conduct a large-scale review of the existing policy on village houses in the New Territories at this moment? No, we have no such intention but, of course, all policies can be reviewed in due course. We are happy to listen to different voices in the community. However, if specific and significant changes are really involved, it must be handled with great caution.

MR LAM CHUN-SING (in Cantonese): *President, the CBS buildings mentioned in part (3) of the main question are a historical issue. Most of the residents are retired civil servants aged over 80. They have been living in those communities for decades. Indeed, they just want to enjoy their twilight years in the familiar environment of their own communities.*

As far as I know, the Government has previously introduced local rehousing schemes, such as the Flat-for-Flat Scheme in Kai Tak. I wish to ask the Government: Will it introduce more local rehousing arrangements, so as to provide incentives to solve the problem of CBS buildings and thereby increasing the supply of land for housing? Thank you, President.

SECRETARY FOR DEVELOPMENT (in Cantonese): Thank you, President, and many thanks to the Member for his supplementary question. In the case of urban renewal projects, the idea is that, as we all know, the owners concerned can be compensated, and the “flat-for-flat” units are usually located in the proximity of the same district, which is also an option for owners. However, I can share with you that not all owners will opt for “flat-for-flat” units as they have different considerations. There are also cases where owners may want to move to another district because they want to live with their children.

As for the tenants, if they meet the eligibility criteria, they can actually be allocated PRH units. If so, they will have to move to an estate of HA or the Hong Kong Housing Society (“HS”) as appropriate. On the concept of dedicated

rehousing estates, Members should be aware of their increasing number and we are gearing our considerations towards this direction. We will also consider URA projects, but I would like to make it clear that the specific arrangements for these projects can only be announced when they are ready. If URA needs land for constructing dedicated rehousing estates, the Government will be happy to render support.

MR LEUNG MAN-KWONG (in Cantonese): *Thank you, President. In the main reply, the Government has touched on the redevelopment of public housing. The Government stated in 2013 that more than 20 aged housing estates had redevelopment potential, but there has been no update on more than 10 housing estates, including the “number buildings” in Shek Kip Mei Estate, the redevelopment of which I have been striving for. The Government has all along been using the excuses of four basic principles, namely structural conditions of buildings, cost-effectiveness of repair works, availability of suitable rehousing resources and build-back potential upon redevelopment. I agree that we cannot adopt an across-the-board approach and redevelop all old and dilapidated housing estates immediately, but the authorities must give residents the hope of redevelopment. This will also free up more land resources for the construction of more public housing units.*

President, I wish to ask: Will the Government explain to the public again whether the remaining 10-odd housing estates pending updates satisfy the four basic principles and what is the timetable for their phased redevelopment? Thank you, President.

PRESIDENT (in Cantonese): Which public officer will give a reply? Under Secretary for Transport and Housing, please reply.

UNDER SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Thank you, President and many thanks to Mr LEUNG Man-kwong for his supplementary question. The list of 22 aged PRH estates, so to speak, actually originated from a study conducted by HA in 2013, but HA did not determine the list of estates to be redeveloped based on the study. I would like to clarify this point.

As far as practicable, HA will consider the redevelopment potential of a building based on the aforementioned four basic policy principles or directions, namely structural conditions of buildings, cost-effectiveness of repair works, availability of suitable rehousing resources in the vicinity of the estates and build-back potential upon redevelopment. Also, the structural safety of the building will have to be assured. In fact, there are 10 redevelopment projects underway or being planned, indicating that we are actually taking forward redevelopment projects in an orderly manner. Thank you, President.

MR KWOK WAI-KEUNG (in Cantonese): *Thank you, President. First of all, I would like to declare that I am a non-executive director of URA. Part (3) of the main reply states that some URA projects will provide subsidized housing upon completion of redevelopment, and I support it. But when it comes to the redevelopment of old districts, we cannot forget some old and dilapidated housing estates, especially Ma Tau Wai Estate in To Kwa Wan which is aged over 60 years, and Lok Man San Tsuen, aged over 50 years.*

In order to avoid a repeat of the redevelopment of Ming Wah Dai Ha in Shau Kei Wan, which took more than 20 years to complete due to in-situ rehousing, the key lies in the reception estates required for redevelopment. If URA will carry out redevelopment projects in the To Kwa Wan area, should the Government facilitate cooperation between URA and HS to significantly shorten the time required for redevelopment and reduce the impact of redevelopment on the livelihood of the residents? Thank you.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, let me give a brief reply. I would like to thank Mr KWOK Wai-keung for his views. Taking URA projects as an example, in my view, one point to note is that, in the course of redevelopment, the issue of rehousing residents has to be dealt with after all. As to whether sufficient land can be released for joint development with other organizations, such as HS, I do not rule out this possibility. But for individual projects, I think we have to examine the situation carefully and cannot give an across-the-board response.

PRESIDENT (in Cantonese): The question session ends here.

WRITTEN ANSWERS TO QUESTIONS**Combating violent radicalization**

7. **DR HOEY SIMON LEE** (in Chinese): *It has been reported that although the Police have in recent years successfully cracked down on radicals and organizations advocating home-grown terrorism, the activities of such kind of organizations have turned underground and have been active on online social platforms to disseminate radical messages in order to encourage other people to break the law. On combating violent radicalization, will the Government inform this Council:*

- (1) whether it has plans to consolidate the strengths of various government departments to jointly combat violent radicalization;*
- (2) of the number of crimes involving radicals and organizations advocating home-grown terrorism, and the number of persons arrested, in each year since the eruption of the riots in 2019; and*
- (3) whether it has considered stepping up targeted publicity and education to prevent violent radicalization, and including the relevant work into the issues for discussion by the Fight Crime Committee?*

The written reply provided by the **Secretary for Security** on 22 June 2022 is in **Appendix 2**.

Subsidized home ownership schemes

8. **MR STANLEY NG** (in Chinese): *It has been reported that Hong Kong has become the world's most unaffordable city in terms of property prices, where sandwich class families and young people find it particularly difficult to buy homes. There are views pointing out that the existing Home Ownership Scheme ("HOS") and Starter Homes Pilot Scheme for Hong Kong Residents ("SH") are unable to meet the home-buying needs of members of the public, and the Government should introduce dedicated subsidized home ownership schemes for specific targets. In this connection, will the Government inform this Council:*

- (1) of the number of flats to be supplied under various subsidized home ownership schemes in each of the coming five years, and set out, by the name of such schemes, the type, location and launch time of each project;*

- (2) *of the up-to-date number of applications received under the Land Sharing Pilot Scheme (“LSPS”), and the locations and land areas of the sites involved in such applications, and the number of public housing units that can be produced; as LSPS requires that no less than 70% of the increased domestic gross floor area of the development proposal concerned be set aside for development of public housing or SH units, whether the authorities will consider specifying the proportion of units among them that will be set aside for subsidized home ownership schemes, so as to meet the home-buying needs of sandwich class families;*
- (3) *as it has been reported that a non-profit-making organization plans to develop a subsidized private housing project targeting at young families, whether the Government will communicate with the organization on the eligibility criteria and resale arrangements pertaining to the project, so that the project can create a complementary synergy with the Government’s subsidized home ownership schemes; if so, of the details;*
- (4) *whether it will formulate policies and guidelines for public-private partnership in subsidized housing development, with a view to encouraging private developers to build subsidized housing to assist targeted groups in buying homes; as the Government indicated in its reply to a question raised by a Member of this Council on 1 June this year that it adopted a positive attitude towards tapping the resources of the private market to assist in providing subsidized housing, whether the Government has drawn up a timetable for re-launching the Private Sector Participation Scheme; and*
- (5) *whether it has plans to reconstruct the home-buying ladder and introduce dedicated home ownership schemes for sandwich class families and young people, so as to enable them to choose a suitable home ownership option according to their affordability and needs; if so, of the details; if not, the reasons for that?*

The written reply provided by the **Secretary for Transport and Housing** on 22 June 2022 is in **Appendix 2**.

Export credit insurance support for small and medium enterprises

9. **MR JIMMY NG** (in Chinese): *The Hong Kong Export Credit Insurance Corporation (“HKECIC”) has rolled out a number of export credit insurance measures since 2020 to support small and medium enterprises (“SMEs”) in facing the challenges arising from the epidemic. In this connection, will the Government inform this Council if it knows:*

- (1) the number of credit limits which have been uplifted, and the cumulative amount of goods for which protection is provided, since the launch of the “100% Credit Limit Top-Up Scheme”; whether HKECIC will further extend the Scheme or regularize it; if so, of the details; if not, the reasons for that;*
- (2) whether HKECIC will further extend the 10 support measures which were launched on 9 April 2020; if so, of the details; if not, the reasons for that; the respective up-to-date numbers of enterprises benefitting from the measures of free pre-shipment cover and credit limit uplift, and the uplifted credit limits involved;*
- (3) the respective up-to-date numbers of applications received and approved by HKECIC under the “Export Credit Guarantee Programme”, and the average guarantee amount of each approved application;*
- (4) the up-to-date number of enterprises which have been provided with the service of Self-Underwritten Policy by HKECIC through “EC-Reach 2.0”, an online self-service platform for SMEs, and the credit limits involved;*
- (5) when HKECIC will introduce the “Flexible Indemnity Ratio” arrangements to automatically increase credit limits for policyholders whose credit limits are not fully approved; and*
- (6) whether HKECIC will introduce other support measures in the coming 12 months; if so, of the details?*

The written reply provided by the **Secretary for Commerce and Economic Development** on 22 June 2022 is in **Appendix 2**.

Display of national flag and regional flag at properties under Hong Kong Housing Authority

10. **MR NGAN MAN-YU** (in Chinese): *Regarding the display of the national flag and the regional flag at the buildings and premises (including housing estates, shopping malls and car parks) under the Hong Kong Housing Authority (“HA”), will the Government inform this Council:*

- (1) *whether flagstaffs have been installed at the buildings and premises under HA for flying the national flag and the regional flag; if so,*
 - (i) *of the numbers of such buildings and premises, and the percentages of such numbers in the overall numbers of the buildings and premises under HA;*
 - (ii) *of the locations of such buildings and premises; and*
 - (iii) *of the reasons why some buildings and premises have not been installed with flagstaffs, and whether HA has plans and timetables for adding flagstaffs to such buildings and premises; if so, of the details; if not, the reasons for that;*

if such information is not available, whether HA has plans to compile such statistics; and
- (2) *whether HA has arranged flying the national flag and the regional flag at its buildings and premises on major festive days; if so,*
 - (i) *of the numbers of such buildings and premises, and the percentages of such numbers in the overall numbers of the buildings and premises under HA; and*
 - (ii) *of the locations of such buildings and premises;*

if such information is not available, whether HA has plans to compile such statistics?

The written reply provided by the **Secretary for Transport and Housing** on 22 June 2022 is in **Appendix 2**.

Skateboards, scooters and electric mobility devices

11. **MR CHAN KIN-POR** (in Chinese): *Some members of the public have relayed that while the number of skateboards, scooters and electric mobility devices (including electric scooters, electric unicycles, electric hoverboards, electric skateboards and electric bicycles) used on footpaths has increased significantly in recent years, some users who operate such devices with poor attitude and inadequate safety awareness have caused dangerous situations. In this connection, will the Government inform this Council:*

- (1) of the respective numbers of (i) accidents, (ii) casualties and (iii) prosecution cases involving skateboards, scooters and electric mobility devices in each of the past three years;*
- (2) whether it will enact legislation to require users of skateboards and scooters to wear safety helmets and other protective equipment; if so, of the legislative timetable; if not, the reasons for that; and*
- (3) whether it will enact legislation to regulate electric mobility devices, and require that users using such devices on carriageways must take out third party insurance?*

The written reply provided by the **Secretary for Transport and Housing** on 22 June 2022 is in **Appendix 2**.

Enhancing the recognition of the Qualifications Framework

12. **MR SHIU KA-FAI** (in Chinese): *Some members of the community have indicated that the qualifications currently recognized by the Qualifications Framework (“QF”) and their corresponding courses have not fully met the requirements of employers and, therefore, the qualifications acquired under QF have not been widely accepted by employers. In this connection, will the Government inform this Council:*

- (1) whether the contents of the aforesaid courses have been designed from an academic-led direction; if so, whether the authorities will request a change in the design of the courses concerned to trade-led and*

industry-led, with a view to putting more emphasis on students' actual work competence after completion of the courses, and make recommendations to the relevant institutions after identifying from trade associations and employers the key skills required, so that such institutions will modify the course contents accordingly;

- (2) whether it will consider improving the arrangements for students to undergo internships at workplaces, including the provision of a longer internship period and an allowance commensurate with the living standard, so that young people can have a more stable environment to experience and adapt to the relevant work, thereby attracting them to stay in the relevant industries;*
- (3) whether it has, by making reference to the practices of renowned countries for vocational education (e.g. Germany and the United Kingdom), strengthened business-school collaboration and industry-academia collaboration to promote the development of vocational education; if so, of the details; if not, the reasons for that;*
- (4) as some members of the community have relayed that there are currently no interfaces among the various types of qualifications (i.e. academic, vocational and professional qualifications) under the framework of QF (e.g. some members of the public hold professional qualifications which are QF level 4 qualifications, but are not eligible for enrollment in bachelor's degree programmes which are pitched at QF level 5 qualifications), whether the authorities have plans to rationalize the interfaces among the relevant progression ladders;*
- (5) whether it has plans to enhance the recognition of QF, including whether government departments have taken the lead in accepting the qualifications recognized by QF and their corresponding courses; and*
- (6) given that the Education Bureau signed the "Letter of Intent on Qualifications Framework Co-operation between Hong Kong and Guangdong" with the Department of Education of Guangdong Province in June 2019 to jointly promote QF collaboration between Guangdong and Hong Kong, whether the authorities have plans to*

establish a mechanism for the inter-connection and mutual recognition of qualifications in the two places; if so, of the details and timetable; if not, the reasons for that?

The written reply provided by the **Secretary for Education** on 22 June 2022 is in **Appendix 2**.

Claim mechanism for consultancy contracts

13. **MR TONY TSE** (in Chinese): *It is learnt that at present, unlike in the case of public works contracts, the conditions of engineering and architectural-related consultancy contracts awarded by the Government generally do not provide that the consultancy firms engaged may submit claims for additional costs or compensation to the Government in respect of delays caused by factors unrelated to their performance (e.g. weather, epidemics, demonstrations, and the vetting and approval procedures of the Government and the Legislative Council), resulting in the consultancy firms concerned having to submit claims to the Government through other channels. Some members of the architectural, surveying, planning and landscape sectors are of the view that such practice is unreasonable and unfair, and has caused some of the consultancy firms affected by project delays to suffer losses and insufficient cash flow. In this connection, will the Government inform this Council:*

- (1) of the information such as the number and the amounts of claims submitted in the past three years to the Government through other channels by the consultancy firms engaged for engineering and architectural-related consultancy contracts;*
- (2) how it handles cases in which the claims are reasonable but the amounts of compensation calculated exceed the amount of approved funding for the projects, including whether it will reject such claims as a result; and*
- (3) whether it has, in respect of the cases of claims mentioned in (1), formulated handling procedures as well as the criteria and guidelines for calculating the amounts of compensation; if so, of the details; if not, whether it will, by drawing reference from the practice of public works contracts, include conditions relating to the application for*

extension of time and the submission of claims in consultancy contracts, so as to institutionalize and standardize the relevant procedures?

The written reply provided by the **Secretary for Development** on 22 June 2022 is in **Appendix 2**.

Streamlining development-related statutory processes

14. **MR ANDREW LAM** (in Chinese): *Regarding the proposed legislative amendments to streamline development-related statutory processes, will the Government inform this Council:*

- (1) of the detailed workflow of public housing development projects implemented by the Government in the past five years (including the preliminary planning and feasibility study work, the Government's internal vetting and approval process, invitation of tenders for projects, and works procedures implemented by contractors) and the average time required for the various processes;*
- (2) whether it has studied the detailed workflow of private housing development projects implemented in the past five years (including the preliminary planning and feasibility study work, the Government's vetting and approval process for projects, and works procedures implemented by developers) and the average time required for the various processes; if so, of the details; if not, whether it will conduct the relevant study; and*
- (3) whether it has estimated, upon the passage of the aforesaid proposed legislative amendments, what processes can be streamlined and how much time can be saved in respect of the workflows of the development projects mentioned in (1) and (2) respectively?*

The written reply provided by the **Secretary for Development** on 22 June 2022 is in **Appendix 2**.

War of Resistance against Japanese Aggression

15. **MR CHAN HAK-KAN** (in Chinese): *There are views pointing out that during the occupation of Hong Kong by the Japanese army, local anti-Japanese aggression organizations (e.g. the Hong Kong Independent Battalion (“the Battalion”) under the Dongjiang Column anti-Japanese aggression guerrilla force of the Communist Party of China) insisted on protecting their homes and defending the country and waged a guerrilla war on the Japanese army invading China, playing an important role in the War of Resistance against Japanese Aggression (“War of Resistance”). In this connection, will the Government inform this Council:*

- (1) whether it has compiled statistics on the number of veterans of the Battalion in Hong Kong (including the number of the deceased);*
- (2) apart from general social welfare protection, whether the Government has plans to enhance the living support for the veterans of the Battalion, or award Medals of Honour to the members of the Battalion or commend them in other ways; if so, of the details;*
- (3) of the current number of relics in Hong Kong of the War of Resistance under the management of the Government, and whether it has plans to step up efforts to conserve and publicize the relevant relics;*
- (4) whether it has compiled statistics on the current number of items of oral history told by members of the Battalion which were collated in Hong Kong;*
- (5) to enhance the cultivation of patriotic sentiments among students, whether the Government will consider giving talks on the stories of martyrs in schools on the Victory Day of the War of Resistance, as well as organizing activities such as presenting flower bouquets and bowing to the monuments for martyrs; if so, of the details;*
- (6) whether it will consolidate the relevant existing exhibitions at the Hong Kong Museum of History and the Hong Kong Museum of Coastal Defence, and set up a memorial hall on the history of the Hong Kong War of Resistance and a museum of modern Chinese history to exhibit the stories and heroic deeds of the Hong Kong War of Resistance, so that members of the public can have a correct and*

comprehensive understanding of the history of the War of Resistance and the history of the Communist Party of China; if so, of the details; if not, the reasons for that; and

- (7) *whether it will establish a high-level inter-departmental steering committee, with the Chief Secretary for Administration coordinating the education on the history of the War of Resistance and issues relating to fostering patriotic sentiments; if so, of the details; if not, the reasons for that?*

The written reply provided by the **Secretary for Home Affairs** on 22 June 2022 is in **Appendix 2**.

Arrangements at the airport for travellers arriving in Hong Kong

16. **MR PAUL TSE** (in Chinese): *Some Hong Kong permanent residents recently returned to Hong Kong from overseas have complained to me about the chaotic arrangements at the Hong Kong International Airport (“the airport”) on reception of travellers arriving in Hong Kong and their quarantine upon arrival, which left both local residents and foreign travellers at a loss. The contents of their complaints include: that there was a lack of signage at the airport causing arriving travellers not clearly knowing where they should go; that travellers arriving in the small hours were not provided with any seats for taking a rest while waiting for several hours for receiving virus testing, and some travellers felt stuffy and unwell which was suspected to be caused by the air-conditioning system at the airport not having been turned on; that staff collecting specimens from travellers for testing did not clearly explain to travellers (especially foreign ones) about the subsequent quarantine arrangements after their arrivals; that travellers, when waiting for hotel feeder buses, easily spent more than one hour waiting, and travellers did not know which feeder bus to take nor when the next feeder bus would arrive due to the unclear signage there; and that the staff working there explained to travellers about the feeder buses’ destinations only in Cantonese, but disregarded the enquiries about such destinations made by foreigners in English, which made Hong Kong residents also waiting for buses there need to explain to foreign travellers. In this connection, will the Government inform this Council:*

- (1) *of the current process for receiving arriving travellers at the airport;*

- (2) *of the daily manpower arranged at the airport for receiving arriving travellers, and for conducting quarantine procedures for travellers; the respective ratios of full-time staff to part-time staff and their post titles;*
- (3) *whether it has assessed if the current manpower at the airport is sufficient to cope with the daily inflow of arriving travellers; if it has assessed, of the details; if not, the reasons for that;*
- (4) *whether the airport has employed temporary staff for executing the aforesaid work; if so, of the number of such staff employed, the expenditure involved, scopes of their work, and the criteria adopted by the airport for selecting and employing such staff;*
- (5) *as some travellers who visited Hong Kong recently pointed out that the authorities had not advised them to download and use the “LeaveHomeSafe” mobile application (“LeaveHomeSafe”), whether foreign travellers are required to use LeaveHomeSafe during their stay in Hong Kong; if so, how the authorities give such instructions and clearly explain to foreign travellers about the application;*
- (6) *whether it has looked into the reasons why those residents who returned to Hong Kong from overseas thought that the service quality of Hong Kong’s airport was deteriorating and receiving bad comments;*
- (7) *whether, during the epidemic, the authorities have conducted questionnaire surveys on arriving travellers to understand the experience of travellers with regard to the services and arrangements at the airport; if so, of the details; if not, whether they will consider conducting such surveys; and*
- (8) *whether it has assessed if the chaotic arrangements in respect of quarantine and reception at the airport will reduce foreign travellers’ interest in visiting Hong Kong, thereby bringing negative impacts on the post-epidemic recovery of Hong Kong’s tourism sector?*

The written reply provided by the **Secretary for Food and Health** on 22 June 2022 is in **Appendix 2**.

Special testing arrangement for travelling to the Mainland or Macao

17. **MR ROCK CHEN** (in Chinese): *Since 21 March this year, apart from holding a negative result proof of a nucleic acid test conducted within 48 hours prior to the time of immigration clearance, travellers travelling to the Mainland or Macao by land have also been required to undergo an additional polymerase chain reaction (“PCR”) nucleic acid test at immigration control points prior to departure. Only those who receive a negative result may continue with their journeys. It has been reported that some travellers who had obtained a negative result in the former test obtained an indeterminate result in the latter test, and were thus unable to continue with their journeys. In this connection, will the Government inform this Council:*

- (1) of the number of person-times of travellers to the Mainland or Macao who have undergone the aforesaid PCR nucleic acid tests at immigration control points since the implementation of the aforesaid measure, and set out by immigration control point the respective numbers and percentages of person-times obtaining positive, negative and indeterminate test results;*
- (2) whether it has studied the reasons for the aforesaid inconsistency between the former and latter test results; as some travellers have relayed that when they underwent the latter test again after waiting for a short while at immigration control points, the result obtained changed from indeterminate to negative, whether it has studied the reasons for that; and*
- (3) of the general waiting time for travellers to undergo PCR nucleic acid tests at immigration control points currently; whether the authorities will deploy additional manpower and increase the other resources needed to enhance testing efficiency, thereby shortening the waiting time for travellers to undergo testing and reducing their chance of being infected by other infected travellers?*

The written reply provided by the **Secretary for Food and Health** on 22 June 2022 is in **Appendix 2**.

Home adaptation or modification works in public rental housing

18. **MR TANG KA-PIU** (in Chinese): *It is learnt that at present, the Housing Department (“HD”) may, without referrals from medical officers, occupational therapists, physiotherapists or social workers (“medical social workers”), carry out simple home adaptation or modification works (e.g. installing grab rails in bathrooms) free of charge for elderly and disabled tenants of public rental housing (“PRH”) units. However, some elderly people have recently approached me for assistance, saying that HD staff have asked them to seek referrals from medical social workers on their own before these staff can install grab rails in the bathrooms of their units. In this connection, will the Government inform this Council:*

- (1) of the definition of “simple home adaptation or modification works”, and the procedure for applying for carrying out such works by PRH tenants; whether it has drawn up clear guidelines to assist frontline HD staff in handling applications for such works;*
- (2) of the publicity efforts made by the authorities on the aforesaid waiver of referral; whether they have considered uploading the relevant application form onto HD’s webpage to simplify the application procedure;*
- (3) as the authorities have indicated earlier on that grab rails will be installed in the bathrooms of all newly built PRH units, which PRH estate units already have such facilities installed in bathrooms; whether the authorities pre-install the grab rail facilities or need to obtain tenants’ confirmation before carrying out the installation works;*
- (4) whether the authorities will, when allocating non-newly built PRH units to elderly households (including families with elderly members), take the initiative to enquire about the needs of these households for barrier-free facilities, so that the units can be modified to cater for their needs; if so, whether such modification works require the referral from medical social workers; if they will not, the reasons for that;*

- (5) *of the total number of applications for home adaptation or modification works received by HD in the past three years and, among such applications, the percentage of those which were not referred by medical social workers and the types of works involved; as it is learnt that HD may, at the request of elderly PRH tenants, refer their cases to medical social workers of non-governmental organizations to obtain advice on home adaptation or modification works, of the percentage of the number of such referrals in the total number of applications for home adaptation or modification works in the past three years; and*
- (6) *of the current percentage of the number of singleton or doubleton elderly PRH tenants in the total number of PRH tenants in Hong Kong and, among such elderly tenants, the number of those whose units have undergone home adaptation or modification works?*

The written reply provided by the **Secretary for Transport and Housing** on 22 June 2022 is in **Appendix 2**.

Support for tourism industry

19. **DR TIK CHI-YUEN** (in Chinese): *Since the outbreak of the Coronavirus Disease 2019 epidemic, the Government has repeatedly provided support for the tourism industry. However, as normal traveller clearance between Hong Kong and the Mainland as well as other places has not yet been resumed, the business situation of the industry remains extremely critical. In this connection, will the Government inform this Council:*

- (1) *whether it has plans to disburse again cash subsidies to licensed travel agents, travel agents' staff and drivers of tour service coaches, so as to ensure that they can commence service immediately when the tourism industry recovers;*
- (2) *as it has been reported that the vast majority of the non-franchised public buses engaging mainly in tour services (commonly known as "buses with licence A01") still have their services suspended and most*

of their owners are still required to repay car loans, whether the Government will provide such owners with financial assistance again and explore with the Hong Kong Monetary Authority to extend the implementation period of the “Pre-approved Principal Payment Holiday Scheme” to until one year after the resumption of normal traveller clearance, so as to help such owners tide over the difficulties; and

- (3) *whether it will consider providing subsidies for all primary and secondary schools, kindergartens and related welfare organizations in Hong Kong for organizing at least two local tourism activities in the coming year so as to promote local tourism, thereby generating more businesses for travel agents and companies of tour service coaches?*

The written reply provided by the **Secretary for Commerce and Economic Development** on 22 June 2022 is in **Appendix 2**.

Planning and provision of car parking spaces

20. **MR CHAN HOK-FUNG** (in Chinese): *As at May last year, there were more than 810 000 licensed vehicles in the territory, but the total number of car parking spaces was less than 700 000. Some members of the public have relayed that the number of car parking spaces has persistently fallen short of the demand. In this connection, will the Government inform this Council:*

- (1) *given that last year the Government revised the Hong Kong Planning Standards and Guidelines (“HKPSG”) to uniformly raise the parameter for provision of car parking spaces to one car parking space per four to seven flats in respect of subsidized and private housing developments, whether the Government will, in view of the demand for car parking spaces in different districts, flexibly deal with such planning parameter; whether it has assessed if such parameter can cater for the demand for car parking spaces in the coming 30 years;*

- (2) *whether it will draw reference from the demand calculation methods adopted by other countries (e.g. Singapore) for planning car parking spaces, and review afresh the existing calculation methods under HKPSG; if so, of the timetable;*
- (3) *given that I have received requests for assistance from quite a number of owners of commercial vehicles (“CVs”) regarding the persistent shortage of car parking spaces, whether the Government will, pursuant to its policy of according priority to considering and meeting the parking demand of CVs as well as its principle of “single site, multiple uses”, add underground car parks for CVs in the existing facilities on Government, Institution or Community sites; if so, of the details;*
- (4) *given that automated parking systems can achieve greater spatial efficiency for parking, whether the Government will comprehensively adopt this type of systems for public housing car parks and public car parks to be built in future, so as to expedite the implementation of the smart city’s mobility modes; if so, of the details; if not, the reasons for that; and*
- (5) *as there are views that cross-boundary self-drive tours on holidays may become a holiday trend in future, whether the Government will, when planning the provision of car parking spaces for large-scale developments near the boundary in future, consider this factor and flexibly implement the aforesaid planning parameter for provision of car parking spaces?*

The written reply provided by the **Secretary for Transport and Housing** on 22 June 2022 is in **Appendix 2**.

Situation of street sleepers

21. **MR CHAN PUI-LEUNG** (in Chinese): *It is learnt that the number of street sleepers in the territory increased by 70% in the past five years and, amid the epidemic, street sleepers’ lives have become more difficult. In this connection, will the Government inform this Council:*

- (1) *of the number of street sleepers in the territory in each of the past three years, and set out in the table below a breakdown by the District Council district to which their street sleeping points belonged and by gender;*

<i>District</i>	<i>2019</i>			<i>2020</i>			<i>2021</i>		
<i>Council district</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
<i>Central and Western District</i>									
<i>...</i>									
<i>Total</i>									

- (2) *as it is learnt that due to the difference in the criteria for compiling statistics, the number of street sleepers registered under the Street Sleepers Registry of the Social Welfare Department (“SWD”) is far lower than the number in the statistics compiled by some community organizations, whether SWD will review and improve the registration procedure and the criteria for compiling statistics in respect of the Registry, so as to ensure that the figures can accurately reflect the actual situation;*
- (3) *of the details of the street sleeping points where most street sleepers are staying at present;*
- (4) *in respect of the emergency, temporary or long-term residential services (i) subvented by SWD and (ii) operated by non-governmental organizations (“NGOs”) on a self-financing basis, of their respective details, including their eligibility requirements for admission, time limits for the stay, and ratios of residential places for men and for women, as well as their occupancy rates in the past three years;*
- (5) *of the details of the following services provided in the past three years by the three Integrated Service Teams for Street Sleepers operated by NGOs with SWD’s subvention: the number of operations conducted, the number of persons reached, the assistance provided (e.g. personal*

epidemic prevention materials distributed to street sleepers), and the number of referrals made; the related expenditure and service effectiveness; and

- (6) *as some members of the public have relayed that the behaviours of some street sleepers have caused environmental hygiene nuisances, of the measures in place to provide assistance to street sleepers in order to address such problems?*

The written reply provided by the **Secretary for Labour and Welfare** on 22 June 2022 is in **Appendix 2**.

GOVERNMENT BILLS

Second Reading of Government Bills

Resumption of Second Reading Debate on Government Bill

PRESIDENT (in Cantonese): Government Bills.

This Council resumes the Second Reading debate on the Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022.

Dr Priscilla LEUNG, Chairman of the Bills Committee on the Bill, will first address the Council on the Committee's Report.

ARBITRATION AND LEGAL PRACTITIONERS LEGISLATION (OUTCOME RELATED FEE STRUCTURES FOR ARBITRATION) (AMENDMENT) BILL 2022

Resumption of debate on Second Reading which was moved on 30 March 2022

DR PRISCILLA LEUNG (in Cantonese): President, I submit the report in my capacity as the Chairman of the Bills Committee. The Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022 ("the Bill") seeks to implement the recommendations set

out in the report on “Outcome Related Fee Structures for Arbitration” published by the Law Reform Commission of Hong Kong in December 2021 by amending the Arbitration Ordinance and the Legal Practitioners Ordinance to provide that certain agreements using outcome related fee structures for arbitration (“ORFSA”) are not prohibited by the common law doctrines of maintenance, champerty and barratry. The Bills Committee has held two meetings, during which members discussed in detail the policy and drafting aspects of the Bill.

Members considered that Hong Kong’s existing legal fees for arbitration work were inflexible compared to other jurisdictions. The implementation of ORFSA would be conducive to responding to client demand by providing pricing flexibility, enhancing access to justice and promoting Hong Kong’s competitiveness as a leading arbitration centre. Therefore, members supported the early passage of the Bill.

Members expressed concerns over the broad definition of “clients” in the Bill. The proposed definition might possibly be construed as allowing an unrelated third party to enter into an ORFSA agreement with a lawyer for and on behalf of the actual party represented by the lawyer in the arbitration. Members also noted that the original drafting of the proposed new section 98ZP allowed communication of information relating to arbitral proceedings and awards by a party to a person for the purpose of entering into, or seeking to enter into, an ORFSA agreement with the person. Members were concerned that “a person” referred to in the section can be construed as a third party unrelated to an ORFSA agreement.

The Administration advised that by reading the Bill in context, the “client” must be a person who is relevant to or has an interest in the arbitration. Besides, the proposed new sections 98ZB to 98ZE make it clear that an ORFSA agreement is one made between a client and a lawyer of the client for a matter to be dealt with by arbitration. However, to address members’ concerns and suggestion that a more direct approach be used in drafting the proposed new section 98ZP, the Administration would consider replacing the phrase “a person” with the phrase “a lawyer” in the new section 98ZP. The references to “the person” in the same section should also be replaced by “the lawyer” accordingly.

In addition, members were concerned that the phrase “usually calculated at a discount” used to describe a fee payable for the legal services rendered by the lawyer for the client in the proposed new section 98ZE(b) will give the false

impression or misconception that a discount must be offered by a lawyer to the client on the fee that could be charged in a hybrid damages-based agreement (“Hybrid DBA”) whether the client is successful in obtaining a financial benefit or not.

In response, the Administration explained that the phrase “usually calculated at a discount” is intended to reflect the commonly accepted feature of the fee to be charged by a lawyer under a Hybrid DBA, without binding lawyers to provide such discount. Nevertheless, to address members’ concerns, the Administration was willing to amend the wording of the phrase concerned along the lines of “in any event—a fee, which may or may not be calculated at a discount”.

Some members suggested that the Administration state it clear in the proposed new section 98ZL that ORFSA agreements would not affect the claims made under the statutory compensation schemes for personal injuries. In addition, some members were concerned about whether the definitions of “personal injuries” and “personal injuries claim” as defined under section 98ZL(2) are wide enough.

In response, the Administration advised that the definitions of “personal injuries” and “personal injuries claim” in the proposed new section 98ZL(2) are obviously common law personal injuries claims which do not include personal injuries claims under statutory compensation schemes. The latter does not involve arbitration. However, any claims for common law damages beyond statutory compensation are in principle arbitrable. To avoid doubt, the Administration agreed to revise the definition for “personal injuries claim” in the new section 98ZL(2) along the lines of “... a claim brought under the common law for damages ...”. Furthermore, the Administration considered that the proposed definitions of “personal injuries” and “personal injuries claims” under section 98ZL(2) are inclusive in nature and wide enough to cover the arbitrable personal injury claims at common law, and are apposite for the effective enforcement of the new section 98ZL(1).

Furthermore, notwithstanding the safeguards and regulatory framework to be provided in subsidiary legislation, some members were still concerned that some work relating to ORFSA that is supposed to be lawfully conducted by lawyers would be handled by unauthorized non-professional intermediaries. In response, the Administration explained that it is proposed in the Bill that an ORFSA agreement is one made between a client and a lawyer. The Administration also

stressed that anyone, including the non-professional intermediaries, violating the common law offences of maintenance, champerty or barratry will still be liable to criminal prosecutions.

The Administration has responded to the questions raised by members of the Bills Committee and the Legal Adviser on the provisions and the three submissions from the public on the Bill.

President, the Bills Committee has completed its work and raised no objection to the resumption of the Second Reading debate on the Bill at the Council meeting of 22 June 2022. The Legal Service Division has not identified any difficulties relating to the legal or drafting aspects of the amendment proposed by the Administration after considering the views of the Bills Committee and examining the relevant provisions. The Bills Committee also has no objection and will not propose amendments to the Bill. Details of the deliberations of the Bills Committee have been set out in its report submitted to the Council.

President, I am going to express my views as follows.

First of all, I would like to declare that I am an arbitrator with the China International Economic and Trade Arbitration Commission. I support the early passage of the Bill.

The fee structure under the Bill, abbreviated as ORFSA, mainly seeks to permit an outcome-related fee structure for arbitration work conducted in Hong Kong. This practice has all along been disallowed in Hong Kong, meaning that it is not permissible to charge clients for arbitration services based on the outcome of a case. The Bill is therefore a major breakthrough, which is a significant piece of good news for the arbitration sector.

I would like to commend colleagues of the Department of Justice (“DoJ”) for their great respect for members’ views during the scrutiny of the Bill and for their considerable attention to the queries constantly raised by members on the terms and content of the Bill. As you have just heard from my report, they were happy to make amendments accordingly. Therefore, I think DoJ should be commended for their work.

The Bill will mainly give Hong Kong an extremely important advantage, namely the oft-mentioned competitiveness that Hong Kong should possess as an international arbitration centre. In May 2022, the Parliament of Singapore passed

a similar legislation, leaving Hong Kong to be the only place not permitting ORFSA in arbitration cases. With the current legislative amendment, Hong Kong will no longer lag behind the trends.

I have always supported settling civil and commercial disputes by arbitration, for which Hong Kong has a huge advantage. As arbitration process is not open to the public, both parties can protect their goodwill. Moreover, arbitration can resolve disputes in one go, which is much quicker than actually taking cases to the court.

The country has always positioned Hong Kong's development as an international financial centre, of which international arbitration is an extremely important component. Under the Belt and Road Initiative, arbitration plays a vital role in expanding cooperation with the Association of Southeast Asian Nations countries in the areas of infrastructure, livelihood and even maritime affairs. In particular, Hong Kong is the only common law jurisdiction in our country where bilingualism is practised. For this reason, common law plays an extremely important role as a legal bridge to facilitate Chinese capitals to "go global" and attract foreign investment. The development of robust international arbitration services in Hong Kong will enable the country to significantly boost investors' confidence in setting up joint ventures via Hong Kong or leverage Hong Kong as a bridge to invest in the Mainland.

In 2017, I participated in a project of the International Academy of the Belt and Road, under which a set of rules for the resolution of disputes on the Belt and Road have been formulated by community experts from more than 60 countries. From this experience, we can see that various countries, despite their different legal systems, have reached a lot of consensus and desired to achieve a common ground and a win-win situation on dispute resolution, especially in the areas of people-to-people exchanges, business and infrastructure.

In addition, the country has also mentioned in the 14th Five-Year Plan that it is necessary to enhance Hong Kong's position as an international maritime centre. The Government is also actively promoting and striving for Hong Kong's early accession to the Regional Comprehensive Economic Partnership. In fact, all these call for a sound arbitration mechanism.

President, please allow me to spend some time here to thank the Secretary for Justice ("SJ") because I think the current-term Government has done an excellent job in promoting international arbitration. The Asian-African Legal

Consultative Organization (“AALCO”) Hong Kong Regional Arbitration Centre in Hong Kong has been set up here, and Hong Kong has recently been ranked the third most preferred seat for arbitration in the world, a jump from the fourth place in 2018. Thanks to the considerable work done by SJ, we have gained the trust of the Central Government which has assisted Hong Kong in securing such a prominent position and actively obtaining the trust of foreign countries, which have therefore sent their experts here to set up the AALCO Hong Kong Regional Arbitration Centre. I am very pleased because the establishment of this centre is of great importance to the country.

In addition, over the past five years, SJ has led colleagues through Hong Kong’s transition “from chaos to stability” and “from stability to prosperity”. After the “black-clad riots” in 2019, DoJ has taken on the responsibility of implementing the Hong Kong National Security Law, and even the arduous task of improving the electoral system has been completed in time. The Bill we are discussing today is also an integral part of the transition “from stability to prosperity”. DoJ has been widely praised both at home and abroad for its work in promoting legal technology and online dispute resolution, and in improving legal and dispute resolution services. I was very impressed by the DoJ’s ceremony of sending bright and young colleagues to work in international organizations, which I think is a very important step in nurturing and attracting talents. DoJ has also launched a project called “Vision 2030 for Rule of Law” and has been promoting Hong Kong’s brand as a “rule-based society” overseas, which has made a highly positive impact. According to the World Justice Project’s Rule of Law Index 2021, Hong Kong was ranked fifth in the East Asia and Pacific region. In this regard, I think SJ has done an excellent job over the past five years and she has really worked hard. President, I would therefore like to take the opportunity today to thank SJ for her contribution, particularly in the area of arbitration.

President, I so submit.

MS CARMEN KAN (in Cantonese): Thank you, President. President, first of all, I declare that I am qualified as a lawyer in the Mainland and Hong Kong, and I have been appointed as an arbitrator with the China International Economic and Trade Arbitration Commission and the South China International Economic and Trade Arbitration Commission. I speak in support of the passage of Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022 (“the Bill”).

The National 14th Five-Year Plan has positioned Hong Kong as eight major centres, including supporting Hong Kong's development into a centre for international legal and dispute resolution services in the Asia-Pacific region. Meanwhile, the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area has also spelt out the need to establish an international arbitration centre; support exchanges and cooperation among arbitration and mediation institutions in Guangdong, Hong Kong and Macao; and provide arbitration and mediation services for the economy and trade of Guangdong, Hong Kong and Macao. As the only common law jurisdiction in the country, Hong Kong boasts a well-developed legal and arbitration system. The Law Reform Commission of Hong Kong published a report on "Outcome Related Fee Structures for Arbitration" and made recommendations in December 2021. The recommendations, after being considered and endorsed by the Department of Justice ("DoJ"), have been presented to the Council for consideration and legislation.

At present, many jurisdictions, such as the United Kingdom and Singapore, have adopted outcome related fee structures for arbitration ("ORFSA"). Regarding the Bill, Dr Priscilla LEUNG, Chairman of the Bills Committee, has already given a detailed report just now, and I only wish to highlight three aspects: first, the ORFSA agreements permitted to be formed between lawyers and clients are, namely, (1) conditional fee agreements, (2) damages-based agreements and (3) hybrid damages-based agreements. These three types of ORFSA agreements provide flexibility in the fee structure in response to clients' requests; the second major aspect is that they help enhance access to justice; third, ORFSA will enhance Hong Kong's competitiveness in arbitration and consolidate Hong Kong's position as an international arbitration centre, in line with Hong Kong's objective of developing into a centre for international legal and dispute resolution services in the Asia-Pacific region.

President, as a member of the Bills Committee, I have fully participated in the scrutiny of the Bill by the Bills Committee. I would like to express my gratitude to DoJ for taking on board some suggestions from me and fellow members. I would like to draw the authorities' attention to the following three areas:

First of all, I hope that the authorities will be more forward-looking in introducing legislation to this Council for consideration in the future. As I have expressed at the Panel on Administration of Justice and Legal Services as well as

the Bills Committee, I hope that the Government, apart from putting forward the justification that “Hong Kong should have ORFSA in order to remain competitive given the use of ORFSA in other jurisdictions”, will try to analyse the impact of the implementation of ORFSA on the overall dispute resolution environment in other jurisdictions. For example, is there an inverse relationship between arbitration cases and court cases? If so, how can resources be dynamically deployed between the two types of cases under the relevant structure? Has the introduction of ORFSA led to an increase in the number of misconduct cases among lawyers? President, these studies will help us gauge the far-reaching impact of ORFSA on Hong Kong and facilitate our proper planning for the future.

Secondly, I hope that the Administration, together with the two legal professional bodies and relevant international and Mainland arbitral institutions and organizations, will continue to monitor the allocation and utilization of resources. The reason is simple. The implementation of the legislation is closely related to the stakeholders, and it is necessary to study and consider complementary measures in tandem with the formulation of the legislation. For example, for the sake of implementing ORFSA, it is necessary to take into account the readiness of industries, the need to bring in arbitration experts, and the tracking of the industrial and commercial sectors’ adaptation to the use of arbitration in resolving contractual disputes and their awareness of the relevant changes.

President, lastly, I hope that DoJ and the two legal professional bodies will offer more explanation to the industrial and commercial sectors and the public. For example, they should explain clearly that certain claims do not involve arbitration under this legislation. In particular, ORFSA agreement is unenforceable to the extent that it relates to a personal injuries claim. Only ORFSA agreements entered into between clients and “lawyers” as defined in the law are not prohibited by the common law doctrines of maintenance, champerty and barratry in relation to certain ORFSA agreements. In addition, they should implement complementary measures on the one hand—as we understand, many complementary measures are needed, such as making rules and amending the respective codes of conduct of the two legal professional bodies—while promoting and explaining ORFSA on the other. President, the country supports Hong Kong’s accession to the Regional Comprehensive Economic Partnership Agreement (“RCEP”), and Hong Kong has already started the process of applying for accession. If successful, I hope to see DoJ join the promotion effort to attract more RCEP members, parties to Belt and Road investment projects and enterprises

from around the world to choose Hong Kong's arbitration services and Hong Kong's law practitioners, so that Hong Kong can soon become a centre for international legal and dispute resolution services in the Asia-Pacific region.

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

Deputy President, lastly, I would like to take this opportunity to thank the Secretary for Justice. The previous work undertaken by the team under her leadership, particularly the Bill relating to arbitration under our scrutiny this time, has made an outstanding contribution to the development of arbitration. During the scrutiny process, her colleagues present have patiently listened to and accepted the views of the Bills Committee. With these remarks, Deputy President, I support the passage of the Bill.

MR TONY TSE (in Cantonese): Thank you, Deputy President. Deputy President, I rise to speak in support of the Second Reading of the Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022 ("the Bill"). Some people in Hong Kong think that everything that comes from the United Kingdom ("UK"), and everything that is left over from the British rule is good. But the irony is that many of the systems and things that these people hold on to have actually been changed and abolished in UK a long time ago.

For example, the outcome related fee structures for arbitration ("ORFSA") proposed to be introduced in the Bill, which is commonly known as "conditional fees", was introduced in UK as early as in the 1990s, i.e. before the return of Hong Kong. The common law offences of maintenance, barratry and champerty have also been abolished correspondingly. Many people consider it too slow and backward for Hong Kong to carry out the relevant reform until now.

The Bill deals primarily with arbitral proceedings under the Arbitration Ordinance by introducing an ORFSA system. To put it simply, if a party to an arbitration enters into an ORFSA agreement with the lawyer representing him/her in advance, and the party eventually prevails in the arbitration or achieves the outcome specified in the agreement, the lawyer may then charge a higher fee in

accordance with the agreement. On the contrary, if the party to agreement fails to achieve the desired outcome, the lawyer will charge a lower fee, say, only the basic fee.

As we all know, Hong Kong's laws and judicial proceedings are reputable for being fair, impartial and independent, but the lawyers' fees are notoriously expensive. Besides, the waiting time and trial time of court hearings are also notably long, especially for civil litigation. Therefore, many people and enterprises who are less well-off but ineligible for legal aid would find it difficult to attain justice through judicial proceedings.

The original intent of the arbitration system is to provide a channel which is less expensive and faster than court proceedings for parties involved to participate voluntarily for resolving legal disputes. Yet, the lawyer fees for some relatively complex commercial cases, even being dealt with through arbitration, can be quite expensive. People are therefore deterred from making use of it.

ORFSA agreements can help people and enterprises with a strong case who believe they have a better chance of winning but lack the financial resources to attain justice through arbitration. They need not worry about not being able to pay the lawyer fees in case they lose a lawsuit, such that they will be bullied by some large companies and consortia with deep pockets or those that would even do harm to others with their money, thereby making it difficult to seek due justice.

Another purpose of introducing the ORFSA system is to enhance the competitiveness of Hong Kong's arbitration services, and to attract more local, overseas and Mainland companies to opt to conduct arbitration in Hong Kong. In fact, Singapore has already introduced conditional fees for arbitration services long ago in the hope that more arbitration proceedings will be conducted there. Hong Kong will soon lose its status as an international legal and dispute resolution centre in the region if we still do not carry out a reform.

Some people would worry that introducing such a fee system might encourage some frivolous litigation or even lawsuits that are close to an extortionate or blackmail nature, and that conflicts of interest may arise more easily between lawyers and their clients. Similar situations have occurred in the United States from time to time, thereby giving rise to numerous class action lawsuits with questionable justifications targeting at certain commercial organizations and government departments, with the hope that the other party would be forced to

make compensation for fear of troubles or damage to their reputation. But in the end, a significant proportion of the compensation might actually go to the lawyers' pockets.

In Hong Kong, it is presently against the law to conduct litigation under conditional fees. That said, we have all heard of some intermediaries which boast “no win, no charge”, usually in personal injury cases such as traffic accidents and work injuries. They would strongly advocate and abet the injured to file a lawsuit indiscriminately instead of negotiating a settlement, particularly in cases targeting some insurance companies. Earlier on, some cases relating to the “black-clad riots” were also suspected of illegal acts of maintenance and champerty. Such acts may not only prejudice the interests of the litigants, but also undermine the administration of justice, which deserves society's attention.

Nevertheless, the Bill on which we are debating today only proposes to introduce ORFSA for certain arbitration cases and the related mediation proceedings. It does not apply to court proceedings, as well as cases relating to compensation for personal injuries. In addition, the Bill provides that issues regarding the ORFSA agreements such as the charging method and level of fees, disclosure about an agreement and end of the agreement, as well as the cooling-off period, etc. will be prescribed by way of subsidiary legislation, so as to protect the rights and interests of the litigants, and to safeguard the transparency and fairness of the arbitration system.

What is more, the Department of Justice has duly considered and taken on board the views of Members and the legal professional bodies, and proposed amendments in respect of some unclear areas in the Bill that may be inconsistent with other existing laws. Therefore, I will support the Bill. Having said that, I think better efforts should be made to strengthen its public explanation work.

During the scrutiny of the Bill, The Law Society of Hong Kong and some Members who are solicitors raised a controversial issue which also originated from the British colonial system, and that is, the Chinese titles of “事務律師” (solicitor) and “大律師” (barrister). They held the view that the existing titles of “solicitor” and “barrister” tend to make people think that barristers are more superior than solicitors, and therefore their fees should be higher than those of solicitors. But in fact, the two are different legal professions specializing in different types of legal work, there is hence no hierarchy between them.

They questioned that using the generic term “lawyer” to refer to these two types of legal professionals in the Bill, both of which are rendered as “律師” in Chinese, would deepen the public’s misunderstanding. As such, they suggested that the term “法律執業者” (“legal practitioner” in English) should be used instead. Yet, I agree with the Department of Justice that the term “律師” (lawyer) is more easily understood by the general public than “法律執業者” (legal practitioner).

As regards the controversy over the Chinese titles of “solicitor” and “barrister”, although it should not be resolved in this legislative amendment exercise, I find it necessary to deal with it in the future for the sake of the general public and avoiding unnecessary misunderstanding.

I also urge the authorities to review the effectiveness of its implementation after the Bill has been passed and come into effect for some time, and to further study whether the conditional fees model can be extended to more types of legal services, so that members of the public and enterprises can attain justice through a cheaper, faster and better means. Deputy President, I so submit.

MR LAM SAN-KEUNG (in Cantonese): Deputy President, I have to declare an interest first since I am a practising lawyer and arbitrator.

I hope Members will support the passage of the Bill and the amendments.

I would like to take the opportunity of this motion debate to thank Ms Teresa CHENG, Secretary for Justice, for her efforts in developing international arbitration services during her term of office, so as to complement the policies under the National 14th Five-Year Plan to promote and develop Hong Kong as a leading centre for international legal and dispute resolution services in the Asia-Pacific region.

On 15 December 2021, the Law Reform Commission of Hong Kong (“LRC”) published a report entitled “Outcome Related Fee Structures for Arbitration” recommending the use of outcome related fee structures (“ORFS”) for arbitration.

The Department of Justice (“DoJ”) immediately drafted the Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022 (“the Bill”) within merely six months, and submitted it to

the Legislative Council for scrutiny. The Second Reading debate has been resumed today, and the Third Reading will also be conducted. I deeply appreciate DoJ's work efficiency, which is really commendable.

I strongly agree with LRC's recommendation in the report that ORFS should be used for arbitration. Such a fee structure is essential for the business community and the legal profession in Hong Kong nowadays. It would also help to enhance Hong Kong's competitiveness in international arbitration legal services.

Some people may think that this fee structure will set the precedent for carving up compensation under champerty with the claim "no win, no charge". In this regard, I must talk about the history of "champerty"—Mr Tony TSE has also mentioned this just now—Champerty was made an offence in the United Kingdom ("UK") in 1285. The original intent of the legislation was to uphold social justice by prohibiting wealthy individuals, politicians and lawyers from undergoing land annexation or obtaining monetary or political gains through helping others in litigation. This law was replicated in Hong Kong only because it was under British colonial rule in the past. But in fact, this law was abolished in UK in as early as 1967—Mr TSE has mentioned this point as well—and it has also been abolished in other common law countries such as the United States, Canada and Australia. Why Hong Kong still retains this law? I wonder.

Hong Kong is a free market and whether the fees charged are reasonable should be decided by the market and consumers, not the Government or the laws. Currently, insofar as international arbitration is concerned, ORFS is adopted elsewhere but in Hong Kong, fees are charged on both parties no matter they win or lose. This is precisely the reason causing many people to opt to conduct arbitration in other places, such as UK and Singapore, instead of Hong Kong. This is detrimental to the development of Hong Kong as an international arbitration centre.

The only flaw is that both "lawyer" and "solicitor" are translated as "律師" in the Bill—Mr TSE has also mentioned this point a moment ago—and the term "lawyer" (律師) is used to cover both "barrister" (大律師) and "solicitor" (律師). The terms "barrister" and "solicitor" have been defined very clearly in the Legal Practitioners Ordinance (Cap. 159 of the Laws of Hong Kong). The term "lawyer" is not used therein, only "barrister" and "solicitor" are used. A barrister is not a solicitor, and a solicitor is not a barrister. The Bill is drafted in such a way that there are inconsistencies in the terms used in the Laws of Hong Kong,

which would easily lead to misunderstanding and confusion. I have raised this issue in the Bills Committee earlier on, but unfortunately, DoJ did not take it seriously. I am also grateful to Mr TSE for agreeing to what I am saying now, that is, it is hoped that DoJ will study the terms concerned in the future to make the terms used in the Laws of Hong Kong more consistent.

Lastly, I would like to draw the attention of Members, especially those from the labour sector—two Members have mentioned this in their speeches just now, and I am going to repeat it—the Legislative Council has already excluded the extent of personal injuries claims when revising the fee structure of arbitration in this exercise. The compensation for the injured will not be carved up, and hence the legitimate rights of workers and accident victims will be effectively protected. The labour sector needs not worry that the compensation for work-related injuries will be affected by this amendment exercise.

I implore Members to support the passage of this motion.

Deputy President, I so submit.

MR HOLDEN CHOW (in Cantonese): Deputy President, I rise to speak in support of the Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022 (“the Bill”).

Deputy President, although I was not a member of the relevant Bills Committee, I can recall that when the Panel on Administration of Justice and Legal Services was discussing the Bill, many Honourable colleagues agreed coincidentally that the work done by the Department of Justice (“DoJ”) in this exercise represented a significant stride forward in promoting Hong Kong’s international status in the area of arbitration in the future. Rightly as Members have mentioned during the discussion today, the adoption of an outcome-linked charging mode for arbitration, which is simply known as “outcome related fee structures for arbitration” (“ORFSA”), ORFSA has actually been implemented in some other jurisdictions including Singapore and the United Kingdom. If we are aware that competitors in our peripheral regions are adopting this approach, but we do not optimize our own practices, we would easily fall into a disadvantaged position. Therefore, the introduction of an outcome-linked charging mode for arbitration by promoting work in this area will help to enhance Hong Kong’s competitiveness in arbitration in the future.

Yet, Deputy President, it is advisable to repeat an important matter three times. I remember it has been specifically emphasized at the meeting of the Panel on Administration of Justice and Legal Services that ORFSA, an outcome-linked charging mode, proposed in the Bill are restricted to arbitration without being extended to any other proceedings. It has also been specifically stated that even in arbitration, personal injuries cases are excluded, and such cases are definitely not included.

Deputy President, regarding this point, it is indeed advisable to repeat an important matter three times. Perhaps many members of the public may not understand why an outcome-linked charging mode cannot be adopted in personal injuries cases. As we can imagine, and if we draw reference from some other regions—Mr Tony TSE has made a good point just now—such as the United States, it is precisely because they allow the carving up of compensation, the adoption of an outcome-linked charging mode will only lead to a continuous increase in the number of personal injuries cases. This may encourage abuse by the people, or even give rise to moral hazards, including encouraging the procrastination of lawsuits, carving up compensation, and coercing those who seek help instead. I think that from the perspective of upholding legal justice, this practice indeed should not be extended to personal injuries cases, neither in the form of arbitration nor even litigation. As such, I find it necessary to put this on record today, and we should explain this situation clearly.

I would like to raise a point here. I notice that the Government's paper has also mentioned that this new mode of ORFSA is introduced in the hope of facilitating the promotion of Hong Kong's status in the area of arbitration in the future. It is particularly helpful to the conduct of arbitration in countries participating in the Belt and Road Initiative. I wish to point out specifically that our country, China, is playing such an important role in Regional Comprehensive Economic Partnership. Besides, as we all know, member states of the Association of Southeast Asian Nations ("ASEAN") are countries to which we will attach great importance in the future, since they are our targets for forging business and economic ties. In this connection, I hope DoJ will continue to focus on ASEAN countries in its future work to strengthen the promotion of arbitration, because it is a market which can definitely be developed.

I have to raise another point here. Regarding this arbitration arrangement, or from the perspective of enhancing our status on the whole, we certainly rely on the Government or the Secretary for Justice to visit the relevant countries and regions to do the explanation work more frequently in the future. They should

visit those places in person to do more explanation and promotion. I believe this will definitely be helpful when more regions have greater participation. I think it is necessary to compile statistics on a long-term basis after ORFSA has been introduced, so as to collect data on the increase in the number of arbitration cases handled by us upon introduction of this system. We can measure the relevant performance by making better observation, and I hope DoJ would listen to views in this respect. I would like to thank the Secretary for Justice again for her vigorous efforts in this area of work, i.e. promoting the development of arbitration.

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 Justice to reply. Then, the debate will come to a close.

SECRETARY FOR JUSTICE (in Cantonese): Deputy President, first of all, I would like to thank Dr Priscilla LEUNG, Chairman of the Bills Committee on Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022 (“the Bill”), other members and staff of the Legislative Council Secretariat for their efforts to complete the scrutiny of the Bill smoothly. The Bills Committee has conducted detailed deliberations and in-depth discussions on the provisions of the Bill and has put forward many valuable suggestions. After careful consideration, the Department of Justice (“DoJ”) has proposed some amendments, which I will give an introduction later. I would also like to thank the stakeholders of the legal and arbitration sectors for providing valuable opinions and supporting the Bill.

Background of the Bill

The Bill mainly seeks to amend the Arbitration Ordinance (Cap. 609) and the Legal Practitioners Ordinance (Cap. 159) to provide that certain agreements using outcome related fee structures for arbitration (“ORFSA”) are not prohibited

by the common law doctrines of maintenance, champerty and barratry; and provide for the validity and enforceability of such agreements, as well as relevant measures and safeguards.

The proposed amendments in the Bill are based on the recommendations set out in the report of the Law Reform Commission of Hong Kong on “Outcome Related Fee Structures for Arbitration” published in December 2021.

Benefits of implementing ORFSA

As I have pointed out when I submitted the Bill to the Legislative Council, the advantages of introducing ORFSA by legislation are as follows:

- (I) The Bill not only responds to demand of arbitration parties for flexibility in pricing and fee arrangements, but also facilitates the improvement of access to justice;
- (II) ORFSA has already been introduced in all major jurisdictions. The introduction of ORFSA will enhance Hong Kong’s competitiveness in arbitration, keep Hong Kong’s arbitration services abreast of the times, and further consolidate Hong Kong’s position as a centre for international legal and dispute resolution services in the Asia-Pacific region.

The amendments

I will later move four amendments and brief Members on the contents of the amendments at the Committee stage. I am pleased to note that the Bills Committee has expressed support for the Bill and has no objection to these amendments which are mainly technical in nature.

The way forward

After the passage of the Bill, the Government will commence legislative work on the relevant subsidiary legislation expeditiously to formulate a more detailed regulatory framework for the introduction of ORFSA, as well as measures to safeguard the rights of arbitration parties, so that ORFSA can be fully implemented in Hong Kong as early as possible.

We have listened to the views expressed by Members just now and we will actively follow up on them as appropriate. Last but not least, I would like to thank Dr Priscilla LEUNG and other Members for their recognition of DoJ's work. In fact, the achievements we have made are attributed to the concerted efforts of many DoJ colleagues, the support of the community and the Legislative Council, and more importantly, the positive response of the legal and dispute resolution professions. We will continue to follow up on the suggestions made by Members.

With these remarks, Deputy President, I implore Members to support the Second Reading of the Bill and the amendments which I will move later.

Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022 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): Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022.

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

DEPUTY CHAIRMAN (in Cantonese): This Council now becomes committee of the whole Council to consider the Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022.

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

**ARBITRATION AND LEGAL PRACTITIONERS LEGISLATION
(OUTCOME RELATED FEE STRUCTURES FOR ARBITRATION)
(AMENDMENT) BILL 2022**

DEPUTY CHAIRMAN (in Cantonese): Members have been informed that the committee will conduct a joint debate on the clauses and amendments.

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 6.

DEPUTY CHAIRMAN (in Cantonese): The Secretary for Justice will move the amendments which seek to amend clause 5.

Members may refer to the Appendix to the Script for details of the amendments.

Members may now proceed to a joint debate on the clauses and amendments.

I will first call upon the Secretary for Justice to speak, but she is not required to move the amendments at this stage. Then I will call upon Members to speak.

Upon the conclusion of the joint debate, the committee will first vote on the clauses with no amendment standing part of the Bill, and then the amendments.

Secretary for Justice, please speak.

SECRETARY FOR JUSTICE (in Cantonese): Deputy Chairman, I will subsequently move four proposed amendments to the Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022 (“the Bill”). The content of these amendments has been set out in the paper circulated to Members. I will now briefly introduce the amendments.

Amendments

(I) Hybrid damages-based agreement—The charging mode of lawyers

Under the Bill, the new section 98ZE(b) of the Arbitration Ordinance states that the fee charged by a lawyer for legal services under a hybrid damages-based agreement is “usually calculated at a discount”. This phrase is added to describe the special feature of this type of agreements, and to make it easier for a client to differentiate different types of outcome related fee structures for arbitration (“ORFSA”) agreements.

I note that some members of the Bills Committee have pointed out that the aforesaid descriptive phrase may be read as a lawyer must offer a discount in respect of the fee charged for legal services under a hybrid damages-based agreement, thereby prompting a client to request the lawyer to offer such a discount.

To address members’ concerns, I will move that section 98ZE(b) be amended by substituting “which may or may not be calculated at a discount” for “usually calculated at a discount”, so as to stipulate that under a hybrid damages-based agreement, a fee can be charged for the legal services rendered by the lawyer for the client during the course of the matter in any event.

(II) Definition of “personal injuries claim”

Proposed section 98ZL in the Bill makes it clear that an ORFSA agreement is void and unenforceable to the extent that it relates to a personal injuries claim. When drafting the definitions of “personal injuries” and “personal injuries claim” in section 98ZL(2), the Government has drawn reference from the general definition of personal injuries in the Rules of the High Court (Cap. 4A).

Having considered members' views, the Government now proposes an amendment to the definition of "personal injuries claim" in this provision to ensure that the definition is wide enough to cover the arbitrable personal injury claims "brought under the common law".

(III) Substituting the term “關乎” for “攸關”

The term “攸關” is used in the Chinese text of proposed sections 98ZO and 98ZS in the Bill. I now propose an amendment to substitute the term “關乎” for the term “攸關” in Chinese to make the relevant provisions more reader-friendly.

(IV) Substituting “a lawyer” for “a person”

Proposed section 98ZP in the Bill allows communication of information relating to arbitral proceedings and awards by a party in an arbitration to a person for the purpose of entering into, or seeking to enter into an ORFSA agreement with the person. Sections 98ZB to 98ZE make it clear that an ORFSA agreement is one made between a client and a lawyer of the client for a matter to be dealt with by arbitration. Thus, we can see that “a person” referred to in section 98ZP can only be construed as a lawyer (and not an unrelated third party) with whom the client might enter into an ORFSA agreement.

Having considered member's views, to avoid doubt and to draft the provisions in a more straightforward manner, I will move an amendment to section 98ZP to replace the phrase “a person” in this provision with the phrase “a lawyer”, with references to “the person” in the same provision replaced by “the lawyer” accordingly.

Conclusion

The Bills Committee agreed to and expressed support for the aforesaid four amendments. I implore Members to support the amendments. Thank you, Deputy Chairman.

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

(No Member indicated a wish to speak)

DEPUTY CHAIRMAN (in Cantonese): If not, the committee now first votes on the clauses with no amendment standing part of the Bill.

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clauses with no amendment as set out in the Appendix to the Script 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): The committee now votes on the amendments.

Secretary for Justice, you may move your amendments.

SECRETARY FOR JUSTICE (in Cantonese): Deputy Chairman, I move the amendments set out in the Appendix to the Script.

Proposed amendments

Clause 5 (See Appendix 3)

DEPUTY CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the amendments moved by the Secretary for Justice be passed.

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you as stated. 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 amendments passed.

CLERK (in Cantonese): Clause 5 as amended.

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That the clause as amended just read out by the Clerk stands 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 PRESIDENT (in Cantonese): All the proceedings on the Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022 have been concluded in committee of the whole Council. Council now resumes.

Council then resumed.

SECRETARY FOR JUSTICE (in Cantonese): Deputy President, I now report to the Council: That the

Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022

has been passed by committee of the whole Council with amendments. 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 Justice 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.

ARBITRATION AND LEGAL PRACTITIONERS LEGISLATION (OUTCOME RELATED FEE STRUCTURES FOR ARBITRATION) (AMENDMENT) BILL 2022

SECRETARY FOR JUSTICE (in Cantonese): Deputy President, I move that the

Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022

be read the third time and do pass.

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022 be read the third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

I declare the motion passed.

CLERK (in Cantonese): Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022.

Resumption of Second Reading Debate on Government Bill

DEPUTY PRESIDENT (in Cantonese): This Council resumes the Second Reading debate on the Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022.

Mr Tommy CHEUNG, Chairman of the Bills Committee on the Bill, will first address the Council on the Committee's Report.

INLAND REVENUE (AMENDMENT) (TAX DEDUCTIONS FOR DOMESTIC RENTS) BILL 2022

Resumption of debate on Second Reading which was moved on 11 May 2022

MR TOMMY CHEUNG (in Cantonese): Thank you, Deputy President. In my capacity as Chairman of the Bills Committee on Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 ("the Bills Committee"), I now report to the Legislative Council on the main deliberations of the Bills Committee.

The Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 ("the Bill") seeks to implement a proposal in the 2022-2023 Budget to provide a tax deduction for domestic rental expenses starting from the year of assessment ("YA") 2022-2023 for taxpayers who are not owners of domestic properties, subject to a deduction ceiling of \$100,000 per YA.

One of the eligibility criteria for the proposed tax deduction is that the tenancy of domestic premises must be stamped. However, since many tenancies of domestic premises are not stamped, members enquired whether the rent paid for such tenancy was eligible for tax deduction.

The Administration has advised that such tenants can arrange for stamping of tenancies upon paying back the stamp duty, and the total sum of stamp duty and penalty involved may not be substantial. In addition, depending on individual circumstances of each case, the Collector of Stamp Revenue may remit partly or wholly the penalty payable, if satisfactory explanation for the delay could be provided.

As regards the front-shop back-home premises, members asked how the Administration would determine the amount allowable for tax deduction.

The Administration has advised that it will apportion the amount of the rent attributable to such part of the premises that are used as a place of residence, and will determine the portion allowable for tax deduction on a reasonable basis in the light of the circumstances of each case.

Members noted that tax deduction for the rent paid for car parking space and incidental charges such as management fees is also allowed. In this connection, some members queried whether this would be inconsistent with the policy intent of alleviating the financial burden of low-income families, and whether it would constitute discrimination against tenants who rent a car parking space or pay management fees separately.

The Administration has explained that the allowable tax deduction per YA is intended to cover only the part of the domestic premises occupied by the tenant. However, the Administration has recognized that in certain so called “all inclusive” domestic tenancies which include rent for car parking spaces or management fees, it would be extremely difficult, if not impossible, for the tenant to separate them from the rent paid for domestic premises and administratively cumbersome for the Inland Revenue Department to verify the relevant amounts. The Administration has stressed that the estimated amount of the rent paid attributable to the rent for domestic premises in such cases will often be more than the maximum amount of deduction allowable, which is now proposed at \$100,000.

The Bill proposes to allow a maximum amount of tax deduction of \$100,000 per YA for a married taxpayer or his/her spouse (or both of them), provided that such person's spouse lives with him/her. In this connection, members have enquired about the eligibility for the proposed deduction in circumstances where the person's spouse is living apart from the person in a separate place of residence and paying tax separately; and whether in such circumstances the two persons would each be eligible for the maximum amount of tax deduction of \$100,000.

The Administration has explained that the proposed arrangement in relation to married couples is to allow flexibility for couples not living apart, with, for example, the husband being the taxpayer claiming tax deduction for domestic rents while the tenancy is signed by his wife, or vice versa. Furthermore, the couple would also be allowed to claim tax deduction for domestic rents in the proportion as agreed by them. However, depending on the facts and circumstances of the case (e.g. if a married couple have been separated and living apart), the husband and the wife could each be allowed deduction up to the maximum amount of \$100,000 for a YA if they have separate principal places of residences.

Deputy President, the following are my personal views on the Bill.

In fact, over the years, we, the Liberal Party, have strived for tax deduction for domestic rental expenses and proposed tax deductions for expenses incurred in hiring foreign domestic helpers, so as to release more female labour force. I am very grateful to the Financial Secretary for proposing a tax deduction for domestic rental expenses in this year's Budget. At present, many middle-class people find it difficult to make home down payments and mortgage repayments, so they have to rent domestic properties. As there are also many operators of micro-, small- and medium-sized enterprises, especially those in the catering industry, who have invested all they have into their business, they cannot afford home ownership and have to rent their homes. We believe that this measure will be of great help to them. Therefore, we are very grateful to the Financial Secretary for including this tax deduction measure in this year's Budget.

Deputy President, I would also like to mention that we have been able to expeditiously complete the scrutiny of this Bill because the Government has given members a very precise and simple explanation this time in a well prepared and forthright manner. For this reason, we can scrutinize the Bill very efficiently and speedily. I hope that in the future, government departments can work towards this good direction that I have seen recently, so that we can save time and devote more time on other tasks. So—I will say nothing more—I support this Bill.

MR CHAN CHUN-YING (in Cantonese): Deputy President, the Inland Revenue Department sent out 2.47 million tax returns in early June. I believe many members of the public have already received the “green bombs” by post or by email. This year’s Budget brings good news to taxpayers in that it proposes to introduce a tax deduction for domestic rental expenses, namely that deductions concerning salaries tax or tax under personal assessment are allowed for domestic rents, which I believe can alleviate the financial burden of taxpayers who are not owners of domestic properties. Therefore, I will certainly support the Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 (“the Bill”).

People generally spend their money on clothing, food, housing and transportation, which are also the basic necessities of life. However, in recent years, there has been a substantial increase in various items of expenditures. According to an international survey, Hong Kong has seen an increase of 3% in prices over the same period in the previous year, maintaining the position of one of the cities with the highest cost of living in the world. In the meantime, many people are facing mounting financial pressure with their income being seriously affected by the epidemic in recent years.

I know all along that the Government has introduced a number of tax allowances and tax deduction items to alleviate the financial burden of taxpayers. As early as in 1998, the Government introduced a tax deduction for home loan interest, which benefited many taxpayers who were making mortgage payments. Yet, there has been no corresponding tax deduction items for renters. Against the backdrop of high property prices and rentals in Hong Kong, domestic rents have become the largest expenditure of most Hong Kong families. A survey conducted a few years ago showed that housing costs of households living in Home Ownership Scheme flats and private domestic units accounted for nearly 36% of their household expenditure. The proportion should continue to rise in recent years.

The tax deduction for domestic rents introduced this time is also based on housing expenses. It is mainly targeted at taxpayers who are not owners of domestic properties but have to pay salaries tax or tax under personal assessment, especially those middle class whose income exceeds the limits for public rental housing application yet without enough savings for a home down payment. At present, as property prices in Hong Kong remain high, it is by no means easy for non-home owners to buy their first homes, so they can only rent homes temporarily.

According to the latest government statistics, sole tenants (i.e. excluding public rental housing tenants) account for as high as 44.7% of the total number of households. The Government estimates that about 430 000 taxpayers are eligible for the tax deduction for domestic rents this time. The beneficiaries are broad and targeted.

The tax deduction arrangement for domestic rents under the Bill has also struck a reasonable balance between administrative procedures and scope of reporting. As mentioned by Mr Tommy CHEUNG in his speech just now, the Administration will take proper care of such complicated situations as front-shop back-home, residential property together with a car parking space and even couples living separately. Same as the deduction for home loan interest, the amount of tax deduction for rents is also capped at \$100,000. The difference lies in that the former is subject to a 20-year deduction period, while the latter (i.e. the arrangement in this Bill) does not impose a limit for the entitlement period. I think this is also quite reasonable because, as we all know, local property prices have been rising continuously in the past. After owning any properties for 20 years, I believe that the properties will generally increase in value, accumulating a certain amount of assets and wealth for taxpayers. However, people who rent a home can only continue to fight with the rent, which is purely an expense without any appreciation in value. Hence, it is very reasonable not to set a limit for the entitlement period.

Deputy President, the relevant reporting requirements have been included in this year's tax return, so that taxpayers can report the estimated amount in advance without having to submit the relevant rental documents to the Inland Revenue Department. After the Bill is passed and comes into effect, the relevant tax deduction arrangements can be implemented. The entire tax deduction mechanism for rental expenses will not only relieve the financial pressure of taxpayers, but it is believed that the tax payments they save will most likely flow into the local consumer market, thereby promoting the growth of the local economy. This is undoubtedly a measure beneficial to the people's livelihood.

However, Deputy President, due to the impact of the war between Russia and Ukraine, global energy prices have soared and the supply chain has been disrupted, resulting in an increase in transport costs. The current inflation rate in Europe and the United States almost hits a double-digit of 10%. The Federal Reserve can only be forced to raise interest rates substantially to curb inflation. Interest rates in Hong Kong are also under short-term upward pressure. It is

believed that the burden of “mortgage payers” will continue to increase, and it is only a matter of time before rents are adjusted upward in the face of high inflation. I understand that the tax allowance should not be adjusted casually in the light of short-term economic factors. However, if the trend of global interest rate hikes takes shape and may last for a relatively long period of time, the Government should review the maximum amount of deduction for home loan interest in a timely manner and make reasonable adjustments, such as increasing the tax deduction amount by \$10,000 to \$20,000. It should also closely examine the rise of rents and review the tax deduction amount simultaneously.

Deputy President, I so submit.

MR JEFFREY LAM (in Cantonese): Deputy President, as a matter of fact, the Business and Professionals Alliance for Hong Kong already proposed tax deductions for rents many years ago. When Chief Executive Carrie LAM first took office, we proposed to the Government time and again to provide tax deductions for people renting private domestic properties. I am glad to see that, before the end of its term, the current-term Government has introduced tax deductions for domestic rents in the Budget as a regular item to cater for the needs of renters.

The Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 (“the Bill”) seeks to give effect to the tax deductions for domestic rents proposed in the 2022-2023 Budget. If the Bill is passed before the recess, the measure can be implemented from the year of assessment 2022-2023 onwards. As this month is the season for filing tax returns, people have started to receive the “green bombs” and taxpayers can now fill in the information of domestic rents on their tax return forms in advance. There are keen discussions about various tax deduction strategies.

The original intent of this measure is to relieve the pressure of property rental on people, especially those whose income has been affected during the epidemic. How helpful is the measure to them? Let me do the calculation for you.

Using the highest progressive tax rate of 17%, taxpayers can save a maximum of \$17,000 a year, but this calculation is only applicable to the middle class with higher income. Based on the median income of Hong Kong in 2022, i.e. \$21,000, and assuming that a person renting a flat on his own make full use of

the \$100,000 maximum tax deduction, he will save a maximum of \$4,600 a year. For co-tenancies, the tax deduction will be a little less. For renters, it is equivalent to paying half a month's rent for them, which is of limited help in reality.

The tax deduction of \$100,000 per year is about \$8,333 a month on average. What kind of flats can be rented with \$8,300-odd per month? Deputy President, I have searched the Internet and I think it probably is a 200 sq ft small flat in a slightly more convenient location in the centre of Tuen Mun. For a person who commutes to Hong Kong Island and wants to live closer to the office, the monthly rent would be almost \$12,000 minimum.

Why am I discussing rental properties? Some people consider rent a regular living expense. If this expense is tax deductible, can clothing, food and transportation be likewise tax deductible? I have differing views. For renters, in times of poor economic conditions, they can buy less clothes and eat out less, but rent is always the greatest expense, which cannot be made up for even if they do not eat or drink.

The Financial Secretary has described this initiative as “a gesture of goodwill from the Government”. I believe the public also feels the “goodwill” of the Government. However, as the introduction of tax deductions for rents is not a one-off arrangement and the authorities are prepared to implement it on a long-term basis, its implementation needs to be more “on point”. I hope the Government can draw more reference from the market rental trends and increase the amount of tax deductions so that the beneficiaries can truly feel the sincerity of the Government.

There is another point I would like to make. This time the Government requires that the taxpayer or the taxpayer's cohabitant spouse should not be an owner of any domestic premises in Hong Kong, thus excluding from the measure some “double renters” who rent a home and then rent their own out to others. I find this arrangement not the most desirable.

It needs no explaining that properties in Hong Kong are expensive. Most people can only afford one flat in their lifetime and just because they can afford to buy a flat does not mean they are under less pressure. There are many people who have bought a flat for their parents and rented another one for themselves. Or, someone who wants to achieve first-time home ownership but only has enough savings to buy a property in an undesirable location, so he has to rent another flat in another district.

These are just two examples. As the saying goes, “a dragon’s bed is nothing like a dog’s cot”. Landlords who do not live in their own property but rents a flat elsewhere usually have their own difficulties. These people are charged property tax for renting out their properties, but they are not eligible for tax deduction by renting other people’s flats. I hope that the Government will understand their difficulties in this respect and see if there is room for adjustment in policy to make it more humane from the perspective of the people of Hong Kong.

All in all, I welcome this first step of goodwill made by the Government in introducing tax deductions. The middle class in Hong Kong pays more taxes but enjoys fewer benefits. That is not something I have brought up only today. I hope to see the SAR Government increase the tax allowances for education, healthcare, housing and child support in the future, so as to alleviate the financial burden of the middle class and return wealth to the people.

Deputy President, I so submit.

MR CHAN HOK-FUNG (in Cantonese): Thank you, Deputy President. The Democratic Alliance for the Betterment and Progress of Hong Kong (“DAB”) has been striving for tax deductions for domestic rents for the middle class and renters, but the process has been full of twists and turns. The earliest proposal dates back to 2011, when DAB expressed its aspirations for the Budget to the Financial Secretary and suggested that the Government introduce a “tax deduction for rents of residence” capped at HK\$100,000 per annum for 15 years. In 2018, the Financial Secretary once gave a very positive response but, at the same time, brought out another problem, saying that the computer systems of the Inland Revenue Department needed adjustments. As a result, once again our hopes were dashed in that year’s Budget. In fact, I believe that one year should suffice to solve any technical or programming problems with computer systems, so we all eagerly awaited the eventual introduction of tax deductions for rents in 2019. To my surprise, this time the problem has shifted from one with the computer systems to that of fairness. In 2019, the Financial Secretary bundled the tax deductions for rents with the rental subsidies for the grass roots, arguing that it would be unfair and unreasonable to introduce the tax deductions for rents without providing rental subsidies. Despite our disagreement with the Financial Secretary’s remarks and the logic behind at the time, and while we also made our disagreement as well as disappointment known during the Budget debate that year, the discussion on the tax deductions for rents came to a fruitless end.

Subsequently, in response to the grass-roots rental subsidies DAB had long been striving for, the Government launched the three-year Cash Allowance Trial Scheme in June last year, thus solving the problem of unfairness mentioned by the Financial Secretary. DAB had persistently expressed such an aspiration to the Government over the past decade and it has finally come to fruition today. The Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 (“the Bill”) improves our initial proposals. There will be no time limit for the tax deductions upon its official implementation. And it will come into force starting from the current year of assessment.

Deputy President, a decade is not a short period of time. According to the Hong Kong Property Review, the rental index in January this year has increased by 43% compared to the same period in 2011. Is the tax deduction ceiling of \$100,000 proposed by DAB a decade ago sufficient today? This issue merits further discussion.

According to the 2016 Population By-census, the median monthly domestic household rent for private residential flats was HK\$10,000 and the median rent to income ratio was 30.7% in 2016.

But another figure warrants our attention. The median monthly mortgage payment for households living in private properties and still making mortgage payments is HK\$10,500. The median mortgage payment to income ratio was 19.0%. Simply put, the financial pressure on renters is much higher than that on mortgagors.

Although the maximum tax deduction of \$100,000 for rents is the same as that for home loan interest, these two groups of people come under very different financial pressure. Will there be a need for the Government to raise the ceiling of tax deduction for rents to, say, HK\$120,000? Some Members have expressed that the amount was not quite adequate and a review mechanism should be put in place.

During the scrutiny of the Bill, there were concerns about the eligibility of service apartments, and government officials clarified at the meeting that serviced apartments would not be excluded. However, we are concerned about how the Government will make publicity efforts to inform the public of this new item of tax deductions and the relevant eligibility requirements.

To give an example, can the Government collect data to find out whether the tenancies of serviced apartments are stamped at present? To my understanding, this is less often done. If the tenancies are not stamped, should landlords and tenants be given friendly reminders that they must complete the stamping procedures as soon as possible in order to benefit from this new item of tax deductions? The Government has explained this at the Bills Committee meeting, but I think further explanations can be made to the public that tenants can have the tenancies of their residence stamped on a retrospective basis, subject to a penalty for late stamping of up to 10 times the amount of stamp duty payable. However, the Government has also stated that the total amount involved may not be substantial and that the Collector of Stamp Revenue may even remit partly or wholly the penalty payable if reasonable explanations could be provided.

How should the Government proactively explain and publicize such information to the public? I am worried that many people will be overjoyed and assume that they are eligible for the new tax concession, only to find out later that they have missed out on some procedures and thus hold a lot of grudges. It is not our wish to see good policies not implemented properly. Therefore, I hope the Government will step up its publicity efforts.

Deputy President, there are also concerns in the community that the provision of tax deductions for rents may result in rent increases made by landlords. Therefore, we also hope that the Government will put in place a mechanism to closely monitor changes in the rental market and examine whether regular adjustments to the amount of tax deductions for rents are warranted.

I so submit and support the Bill. Thank you, Deputy President.

MR TONY TSE (in Cantonese): Deputy President, there is a famous saying in the West which goes like this: “Nothing is certain but death and taxes”. It means that there is nothing in life that we can be sure of, except for death and taxes which are unavoidable. That said, while taxes are unavoidable but they can be reduced, that is still better than nothing. This Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 (“the Bill”) tabled by the Government for deliberations by the Legislative Council proposes to allow tax deduction for a prescribed amount of the rent payable by people who are “shell-less” and unable to buy a property and have to rent their homes. This, I support in principle, but I

also wish to point out that, as other Members have said, the maximum amount of deduction is indeed too low. I hope that the Government can increase the amount of this concessionary deduction to provide more support to the middle-class people.

I have all along pointed out that since the mortgagors can enjoy a tax deduction for mortgage loan interest, why is it that tenants who cannot afford home ownership do not enjoy any tax deduction? This is why I have put forward this request over the years and now, finally we can see that hopefully people who do not own any property and have to rent their homes can claim tax deductions for the expenses on domestic rents, subject to a ceiling of \$100,000.

Deputy President, a ceiling of \$100,000 a year means that the monthly rent is less than \$8,500, and based on the current rental level in Hong Kong, what kind of flats can be rented? If calculation is made at an average tax rate of 4% applicable to the two lowest tax bands totalling \$100,000 under Personal Assessment, the maximum amount to be deducted from tax each month is actually less than \$340, and how many people can it help and how far is it helpful to them? But the Government pointed out that unlike the tax deduction for mortgage loan interest, there is no limit on the entitlement period of this tax deduction. So long as a taxpayer is eligible for it, theoretically he can apply for it every year for an indefinite period, and both types of tax deductions are subject to the same ceiling of \$100,000. To members of the public, this is still better than nothing.

Deputy President, regarding the proposed amendments, there is the view that it constitutes discrimination against tenants who rent a car parking space or pay management fees separately as they are not allowed to claim tax deduction for the relevant amounts paid for such purposes. The Administration explained that some “all inclusive” rents, such as those of serviced apartments, may include rent for car parking spaces or management fees, etc., and that it would be extremely difficult, if not impossible, for these expenses to be separated from the rent paid for domestic premises. Besides, it would be administratively cumbersome for the Inland Revenue Department to verify the relevant amounts, and it was estimated that a lot of additional resources would be involved and this would probably require extra manpower. As such, after consideration, I support and agree with the Government that it is not worth expending resources to break down these amounts.

Yet, I would like to draw the Government’s attention to one point. The Administration considered that domestic co-tenancies with more than one tenant are uncommon in the rental market as they constitute only 0.3% of the total number

of domestic tenancies. For simplicity, ease of administration and avoidance of dispute, the rent paid by respective tenants of such tenancies, disregarding whether or not the amount is the same, will be taken to have been paid by them in equal shares, meaning that they will share the deduction amount of \$100,000 evenly for the purpose of claiming tax deduction for rent payment. However, these co-tenants who are not related by family may be paying rent at different amounts for rooms of varying sizes inside the flat where they live. I, therefore, do not understand why they are not allowed to reach an agreement by themselves on their shares of the amount of tax deduction. I think this should not be complicated and will not give rise to a lot of extra administrative costs and work. So why does the Government not accept it?

Under the current proposal of the Government, I expect that the tenants of co-tenancies may ask the landlord to enter into separate tenancies with each of them in order to claim a higher amount of tax deduction because in so doing, there is still a chance for each co-tenant to claim the full amount of \$100,000 and that is, each tenant can claim full deduction up to the ceiling of \$100,000. I think it may attract some co-tenants to do so, and what will be the result? Certainly, this will lead to an increase in the number of sub-tenancies and a possible reduction in the Government's annual tax revenue.

Deputy President, according to the Government's estimate, the proposed tax deduction for domestic rents under the Bill will forgo about \$3.3 billion of tax revenue annually. However, this can lessen some burden on the tenants, making them feel that the Government has not neglected them, and this is also a fairer approach. I think the social benefits hence generated, including those on the economic front, will be no less than \$3.3 billion at an estimate. Therefore, I hope that the Government can, in the foreseeable future, review the proposed tax deduction ceiling of \$100,000 and increase the amount of tax deduction for people renting their homes, so as to ease the tax pressure on them.

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

MR LAI TUNG-KWOK (in Cantonese): Thank you, Deputy President. First of all, I express my support for this Bill. The Bill seems to be simple but insofar as its implementation is concerned, there are a lot of areas worthy of reconsideration. Noting that many tenancies for domestic premises are unstamped, I sought clarification from the authorities at meetings of the Bills Committee as to whether

rent paid in respect of these tenancies would qualify for tax deduction; and if not, whether the tenants could arrange for late stamping by paying the stamp duty for the tenancies concerned in order to be eligible for tax deduction.

The Administration advised that late stamping would attract a penalty of a maximum of 10 times the amount of stamp duty payable. The Collector of Stamp Revenue may consider remitting partly or wholly the penalty payable only if satisfactory explanation for the delay could be provided by the taxpayer. In this connection, I hope that the Government will handle such cases leniently to enable more taxpayers to benefit from this policy on tax deduction for rents.

Besides, regarding the conditions of eligibility for the proposed tax deduction, the Administration said that tax deduction would not be allowed for premises not allowed for residential purposes. This, I think, is sensible and reasonable. If domestic premises are used partly as a place of residence, the Government should determine the amount of deduction on a reasonable basis despite the absence of a formula for calculation.

On the method of calculation, as some so-called “all inclusive” domestic tenancies already include rent for car parking spaces or management fees, it will be extremely difficult to separate these amounts from the rent. By this logic, tenancies covering car parking spaces can qualify for tax deduction. But for some premises, the car parking spaces are not rented out as part of the domestic tenancies. This has resulted in separate tenancies for car parking spaces, in which case the taxpayers cannot claim tax deduction for the expenses incurred in renting car parking spaces.

Moreover, the Government also said that two internally connected units can be taken as one unit. But in reality, there are many ways to make alterations to the layout of a unit, and even after two units are internally connected, the situation for determining whether they should be taken as one unit or two units may vary from case to case. All these show that the provisions in the Bill still have plenty room for improvement. I hope that the Government can, when opportunities arise in the future, conduct a review and study how improvement can be made.

Deputy President, other members of the Bills Committee also raised many questions and yet, we were still able to complete the deliberations in one meeting, which shows high efficiency in the cooperation between the new term of the Legislative Council and the Government.

With these remarks, Deputy President, I support the motion on the Second Reading of the Bill.

MR LEUNG MAN-KWONG (in Cantonese): Thank you, Deputy President. I now speak on the Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 (“the Bill”) which I myself, together with Mr YANG Wing-kit, Ms LAM So-wai and Ir Gary ZHANG, support. The Bill proposes that a taxpayer may claim deduction from salaries tax or tax under personal assessment for the rent paid by him/her or his/her spouse who is not living apart from him/her as tenant, or by both of them as co-tenants, in relation to a relevant year of assessment for renting eligible domestic premises. The amount of allowable deduction is the rent paid under the relevant tenancies, subject to a ceiling of \$100,000 for each year of assessment.

I agree that this tax deduction for domestic rent can help ease the tax pressure on tenants renting units in the private sector, especially those in the middle class. Property prices in Hong Kong are so high that not every wage earner can afford buying a property or achieving home ownership. But taking an overview of the property market, while it is expensive to buy a property, renting a flat is equally expensive as many families are spending more than 30% of their income on rent. As the cost of living is high in Hong Kong, a tax deduction for the rent paid for eligible domestic premises will ease the burden of living on people renting their homes, especially the middle-class families.

To qualify for the tax deduction, a taxpayer must enter into a written tenancy agreement for the domestic premises and the tenancy must be stamped under the Stamp Duty Ordinance. Given the incentives provided by the tax deduction, tenants will certainly declare information about the units rented by them, thus making it easier for the Inland Revenue Department to find out units that are rented out without stamped tenancies. This can, in effect, encourage the stamping of tenancies that are not stamped as required under the Stamp Duty Ordinance and will incidentally address the problem of private property owners evading tax by not declaring that their properties are rented out.

There have been many so-called unscrupulous landlords who evicted the tenants without justifiable cause, or so-called “rogue tenants” who, for no reason, damaged the flats or defaulted on rent payment, and many of these disputes were the result of unstamped tenancies. This tax deduction can ensure that the

tenancies are properly stamped, which can, at least, guarantee that the terms of the tenancy offer protection to both the landlords and tenants in the terms of the tenancy.

Deputy President, I noticed that during the discussions of the Bills Committee, members mentioned the question of whether tax deduction would be allowed for rent paid in relation to a car parking space not separately sublet and covered under an eligible domestic tenancy. The Government explained that as some domestic tenancies already include rent for car parking spaces or management fees, it would be very difficult for the tenant to separate them from the rent paid. The Bill now provides that so long as a tenant obtains a right to the exclusive use of the domestic premises or the car parking space and does not sublet the car parking space, then this car parking space is taken to be part and parcel of the domestic premises. We agree that this arrangement can help allay the concerns of taxpayers and reduce the administrative burden of the department.

Deputy President, I also wish to raise some concerns about the improvement of the Bill in the future. As security and stability has been restored in Hong Kong after the implementation of the Hong Kong National Security Law and improvement of the electoral system, Hong Kong will certainly integrate into the overall development of the country step by step. Following the integration of the Greater Bay Area (“GBA”) and the planning of the Northern Metropolis, the development of Hong Kong and that of the country will definitely become inseparable. As there may be increasingly more Hong Kong citizens who have to cross the boundary for work in the future, the Government should properly make preparations for them in the foreseeable future. Before the outbreak of the novel coronavirus epidemic, actually some Hong Kong people had already chosen to rent a flat in Shenzhen and cross the boundary every day to work in Hong Kong, so as to reduce the cost of living. I believe under the promising vision of the development of the Northern Metropolis and GBA, this lifestyle of living in Shenzhen and working in Hong Kong and even living in the “one-hour living circle” will become popular again after the easing of the epidemic and resumption of cross-boundary travel. In this connection, we suggest that the Government should continuously observe and collect the relevant statistics, in order to understand the actual situation of Hong Kong people living across the boundary, and conduct studies in a timely manner on further extending the eligibility for this tax deduction for rent to Hong Kong people living in GBA cities.

Deputy President, a tax deduction for rent can no doubt alleviate the burden of taxpayers but as the Second Reading debate on this tax deduction is resumed today, I wish to take this opportunity to put forward one more proposal which many middle-class families would like us to convey to the Government here in this Chamber and that is, tax deduction for the expenses on hiring foreign domestic helpers (“FDHs”). Past surveys conducted by local universities and international banks have shown that for middle-class families with both parents working, apart from housing expenses, hiring FDHs has also become a necessary expense which even accounts for more than one-tenth of the household income. If the expenses on hiring FDHs are tax deductible, I believe it will further reduce the burden on the middle-class people. I hope that the Government can consider this when formulating future tax policies.

With these remarks, I, together with Mr YANG Wing-kit, Ir Gary ZHANG and Ms LAM So-wai, support the passage of the Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022. Thank you, Deputy President.

DR CHOW MAN-KONG (in Cantonese): Deputy President, given the high property prices, it is almost impossible for the grass roots and the sandwich class in Hong Kong to buy their first home. From the International Housing Affordability Survey Report published by an international research organization in March, it is learnt that Hong Kong has been the “most unaffordable” city in the world in terms of property prices for 12 consecutive years. Even if one does not eat or drink, it would still take 23 years to buy a home. With property prices remaining high, those who are neither eligible for public rental housing (“PRH”) nor Home Ownership Scheme (“HOS”) units and cannot afford to buy any property, especially the sandwich class, have no choice but to turn to the rental housing market. The heavy rental pressure affects the people’s acquisition of their first home, impacting on their upward mobility too. Hence, I would like to briefly present some of the difficulties faced by the sandwich class and the middle class in Hong Kong.

According to the information of the Census and Statistics Department, in the first quarter of 2022, the median monthly household income (“MMHI”) in Hong Kong was \$28,700. However, there are currently different definitions of the term “middle class”. If we take Organisation for Economic Co-operation and Development’s definition as an example, the “middle class” refers to those with a

household income level between 75% and twice of the median national income. If the aforesaid definition is used as the basis for projection, as pointed out by the media, the “middle class” in Hong Kong can be defined as those earning a household income between HK\$20,925 and HK\$55,800.

Since 2005, Hong Kong’s Composite Consumer Price Index and sub-indexes have been spiralling. We have not yet counted in the impacts of the recent fifth wave of the epidemic, the intensifying geopolitical tensions and the knock-on effects of the Russia-Ukraine war on the global supply chain, which have brought about soaring prices. If we take a look at the Household Expenditure Survey (“HES”) report, in 2019-2020, the average monthly expenditure of Hong Kong households in private housing reached some \$37,000, higher than that of households in PRH and HOS by more than 1.5 times and 37% respectively. This shows the great pressure borne by the middle class and sandwich class living in private rental housing.

As far as rental expenditure is concerned, the average rent of all types of private residential units in Hong Kong has been on the rise since 2005. Let us look at the first quarter of this year. The overall average monthly rent of five classes of properties by region comprising Hong Kong Island, Kowloon and the New Territories respectively reached \$418, \$346 and \$267 per square metre, representing a respective increase of 87%, 98% and more than 100% over the same period in 2005. Among them, the increase in the New Territories was the highest. Let me cite a real example. Private properties near Cityplaza, such as Kao Shan Terrace, are very popular among tenants. The monthly rent for a flat with a saleable area of some 500 sq ft, with two bedrooms and two living rooms, ranges at least from \$23,000 to \$25,000. For flats of similar size and layout in Tseung Kwan O, such as those in Park Central, the rent would be at least \$17,000. For flats in younger buildings facing the seashore, it would even be up from \$20,000.

The HES report also reveals that in the first quarter of this year, the number of renter households reached 1.19 million, accounting for about 44% of the total number of households. For households in HOS and especially those in private housing, rent made up the largest proportion of their total expenditure. It reached \$11,000 to \$17,000 on average, accounting for respectively 40% and 44% of their total expenditure. Other essential expenses, including food and transport, amounted to \$12,000 to \$16,000 on average. I have quoted a bunch of figures which may be hard to digest. But if we do a calculation based on MMHI of \$28,700 mentioned by me just now, after the average rent of \$17,000 is deducted,

only \$11,000 is left. Thus, we can see that if rents go up further, the middle class and sandwich class will actually have to struggle to make ends meet. It can be said that they will have a much harder time than HOS and PRH residents. What is more, the sandwich class has to deal with their children's education, support their parents and repay school loans. Young people would really be "frightened" when it crosses their mind, thus leading to their late marriage or refraining from getting married. This is not healthy for the mobility and growth of the whole society.

It is noteworthy that compared with the same period of the previous year, the increase in MMHI in private housing in the first quarter of 2022 was lower, being only 2%, while PRH and HOS households, on the contrary, saw an increase of 6.3% and 8.3% respectively. It is thus evident that faced with the tremendous rental pressure and the very limited increase in income, private housing tenants indeed lead a more difficult life than PRH and HOS residents.

All the figures mentioned just now prove that bearing high property prices and high rents has become a common picture in Hong Kong. It is also the main reason why the sandwich class and the working poor in Hong Kong are almost pushed to the lowest stratum of society.

For this reason, over the past 10 years or so before I joined the Council, as well as in early January this year, I have respectively submitted proposals on tax allowance for domestic rental expenses to the Financial Secretary of the previous and current terms through different channels. In my submission on the Budget early this year, I stressed the need to strive for a tax allowance for domestic rental expenses for households living in rental properties, especially the sandwich class. This time the proposed allowance is \$100,000, which would save about \$17,000 in salaries tax if the tax payment is calculated at the standard rate of 17%. Certainly, there are employees who have not reached this standard rate. It is highly likely that they will consequently fall out of the tax net. Hence, this tax allowance can definitely alleviate their financial burden and pressure. However, as mentioned by Mr Tony TSE just now, I hope this \$100,000 tax allowance is only a start, since it is still far below the current rental level.

As we should know, under the current welfare system, the middle class and sandwich class can hardly benefit from the welfare policies of the SAR Government. They are only left with one mission, which is to remember to pay taxes on time. I believe this beneficial policy of the Financial Secretary is an important initiative taking heed of good advice and showing understanding of

public sentiment, which can help to win back the hearts of Hong Kong people. I hope the new-term SAR Government will attach more importance to the provision of support to the middle class and sandwich class, especially in tackling the rental and housing problems, which is definitely conducive to resolving the problem of upward mobility of working youths. I thank the Financial Secretary and the Secretary for Financial Services and the Treasury again for accepting our views, and I fully support the Bill.

Deputy President, I so submit.

MR KWOK WAI-KEUNG (in Cantonese): Thank you, Deputy President. I rise to speak in support of this Bill on tax deduction for rent.

Recently, people have received the “green bomb” one after another. Generally speaking, people are not too happy to receive the tax return, but if the ones receiving it are tenants, they may still find a little “sweetness” amid all the bitterness this year, since it has been announced in the Budget that starting from 2022-2023, rental expenses will be tax deductible with a cap of \$100,000 each year.

As we all know, Hong Kong is one of the places with the highest cost of living. This is mainly attributable to housing expenses. As pointed out by the Economist Intelligence Unit, Hong Kong’s cost of living ranked first in 2020 and fifth in 2021, but the reason for the drop in ranking was not that our cost of living had fallen, but that the cost of living in other places had risen. Also, according to the website “Numbeo”, Hong Kong ranks first in Asia and second in the world in terms of rent. In addition, in the report entitled “Mapping the World’s Prices 2019” published by Deutsche Bank, Hong Kong ranked only 27th when compared with other places in terms of the monthly salary (net of taxes) of wage earners. Our income does not rank first, but our cost of living is near the top. It is imaginable how much pressure Hong Kong people are under. Many families cannot but live paycheck to paycheck so long as they need to make mortgage or rental payments.

How big is the rental burden in Hong Kong? Let me take the rental properties in Hong Kong Island East as examples: for a flat with a saleable area of 209 sq ft in Parker33, Sai Wan Ho, the rent is \$11,800, whereas that for a flat of 485 sq ft in Lei King Wan, Sai Wan Ho is \$19,000. Come to think about it. A flat of 209 sq ft, excluding the bathroom and the kitchen areas, can barely fit a sofa,

but the rent already amounts to some \$10,000. Deputy President, the median monthly employment earning in the first quarter of 2022 was only \$20,000, but it costs more than half of the earning to rent a tiny flat. It thus shows how out of place the high rent is. Some people say that as the difference is only a few thousand dollars, renting the 485-square-foot flat may be a better option. Frankly, for a single person who lives on his/her income alone, it is hardly affordable. It will be better to have a partner to share the rent. However, even if the person can find a partner to form a dual-income family, the rent will actually take up half of the household income.

This time the Financial Secretary provides a tax allowance of \$100,000 to residential tenants. As calculated by many Honourable colleagues just now, if the tenants have reached the highest tax band, they can pay \$17,000 less in taxes each year. For those who have not reached the highest tax rate and only belong to a lower tax band, even if they can manage to use up the \$100,000 tax allowance, they may only save a few thousand dollars each year. On average, only a few hundred dollars can be saved each month. Nevertheless, having some tax deduction is better than having none. Earlier on, the Government has introduced a rental subsidy to relieve the rental burden of the grass roots, but the middle class has been unable to benefit. This time, the tax deduction arrangement can finally fill the gap, enabling the middle class to taste some “sweetness”.

In fact, as early as in 2012, The Hong Kong Federation of Trade Unions (“HKFTU”) already proposed tax deduction for rent. We suggested that taxpayers who do not own any property and live in private rental housing should be entitled to tax concessions. Regrettably, it was not until this year, almost 10 years later, that the Government said it would be put into practice. Of course, many groups are unanimously in favour of this. I have noticed that everyone says they have long proposed this, but this is exactly what we should think about. Why does it take more than a decade to implement a policy proposal which has cross-party support? I hope such a situation will not happen again in the new-term Government.

On the other hand, many tenants are concerned that after the legislation comes into effect, landlords may take the opportunity to increase the rent, thus eroding the tax deduction provided by the Government. Indeed, in a capitalist market, such a situation can hardly be avoided. Therefore, to resolve the plight of people having housing difficulties and heavy burdens, the fundamental is to increase the supply of land and housing, which is the top priority of the new-term

Government. Be it reclamation in the central waters or development of the Northern Metropolis, it must be fully implemented to increase the land supply substantially. Only then can the housing needs of the public be satisfied.

In addition to increasing the supply of land and housing, HKFTU considers it necessary to segregate the speculative market from the market of owner-occupied residential properties. The purchase of some public subsidized housing should be restricted to eligible persons only, so that they will not be affected by speculative price hikes in the private market.

Deputy President, HKFTU supports the Bill on tax deduction for rent. Consequently, the Treasury will receive \$3.3 billion less in tax revenue, but after all, many people cannot afford to buy their own homes and have to bear high rents because of the Government's poor housing policy. To help people living in rental properties and alleviate their rental burden through collecting less public revenue is something the Government should do. At the same time, I also concur with the suggestion made by other Honourable colleagues that the tax deduction ceiling should be enhanced when appropriate because \$100,000 is really too little. I hope the Government can conduct a review and raise the ceiling in due course.

Deputy President, I so submit.

MR SO CHEUNG-WING (in Cantonese): Thank you, Deputy President. The pandemic and the “black-clad violence” in 2019 have taken a toll on and caused distress to the economy and people's livelihood in Hong Kong for three consecutive years, and I believe no one has been spared the impact. The tax deduction for domestic rent proposed by the Financial Secretary in this year's Budget is in line with the timely measures previously introduced by the Government to prop up the economy and relieve the public of their livelihood difficulties, and they all carry great significance. This measure meets the pressing needs of Hong Kong people. It helps reduce the cost of living directly and boost the spending power of the public, which can, in turn, stimulate economic development. I support the passage of the Bill.

Deputy President, according to the latest Annual Report of the Inland Revenue Department, there were 1.9 million taxpayers in the year of assessment 2019-2020; 40% of them earned \$200,000 to \$400,000 a year and at least 140 000 taxpayers defaulted on tax payment and had to pay a surcharge of 5%. This shows

that many members of the public are facing financial difficulties. Last year in 2021, the Administration achieved an economic growth of 6.4% against all odds, and the unemployment rate also dropped significantly from 7.2% in early 2021 to 3.9% in January this year, but the fifth wave of the epidemic has made these figures worse. Given such volatile situations where future developments remain unpredictable, coupled with the ongoing Russia-Ukraine war, worsening of the Mainland economy and the fact that cross-boundary travel has yet to be fully resumed, and so on, the Financial Secretary's proposal of providing tax deduction for domestic rent undoubtedly shows that he is addressing the pressing needs of the people and exploring all means to stimulate the economy and restore its growth momentum.

Hong Kong people spend huge sums of money on housing, and they are under extremely heavy pressure whether in meeting mortgage loan payment or paying rent, and as these expenses account for a large portion of their income, this has a direct bearing on the public's ability to cope with the prevailing hardship and on their spending power. This Bill which allows deduction for rent payment can ease the burden on taxpayers liable to salaries tax and tax under personal assessment who do not own any domestic property, enabling this group of about 430 000 taxpayers to benefit from it.

But while the Bill will create the positive chain effects of easing the people's burden and stimulating the consumer market, it will also produce other effects, such as bringing about changes in the rental market, recovery of the stamp duty, and so on.

I hope that when improving the Bill, the Government can properly fill the gaps that come along with the other effects produced by the Bill. For example, how will the Government, in this Bill, balance or cater for the needs of some special groups involving quite a large number of people as follows? For instance, people with limited financial means but since having to take up the responsibility of looking after their parents or other family members, they have spent all within their buying power on purchasing a property for their parents to live in while renting a flat separately for themselves as well as their spouses and children to live in; or people with a large family first rented a flat of the right size but as they feared that their wealth would be eroded by inflation and rising property prices, they spent all their savings buying an extremely small flat for value preservation. If such being the case, these people cannot claim tax deduction for home loan interest for their self-occupied property nor claim tax deduction for rent under the Bill. As a result,

they are caught in a dilemma and cannot benefit from this caring measure of the Government. What can they do? Having regard to the original intent of the Bill, can the Government consider taking care of these special groups of people when making further amendments and improvement to the Bill? I hope that the Government can take into account the various circumstances in a more humanistic manner and improve the Bill.

Deputy President, I so submit.

MR CHAN KIN-POR (in Cantonese): Thank you, Deputy President. I rise to speak in support of this Bill. In this year's Budget, the Financial Secretary has introduced various measures to relieve people's hardship. Apart from the consumption vouchers which bring joy to everyone, this measure of tax deduction for rent is also a big highlight in the Budget. Benefiting numerous "shell-less snails", it is definitely a significant benevolent policy.

As a matter of fact, the Legislative Council has called for tax deduction for rent for years. In the past, I have put forward the same proposal, but the Government might have many considerations back then, especially when it involved the issue of taxation. Hence, it had not been adopted until this year when the Financial Secretary considered the timing appropriate and finally launched the scheme. Moreover, it is not a one-off measure. According to some sources, the Government had studied this measure for four years, but owing to various problems, it could not be rolled out. Yet the Government did not give up. Then this year, when the time was ripe, it resolutely introduced this measure. I sincerely thank Financial Secretary Paul CHAN and his team for making it happen today.

The provision of tax deduction for rent can be regarded as a benevolent policy, but there are inevitably alternative voices in society. Some people opine that tax deduction for rent cannot help the grass roots who are bearing high rents but need not pay tax. Actually, such a remark is not fair. The Government has to help the grass roots, but at the same time, it also has to cater for the needs of the middle class. The target of tax deduction for rent should be the middle class or sandwich class. They need to pay a lot of taxes but seldom enjoy social benefits. They are not eligible for public rental housing ("PRH"), and most of them are not eligible for Home Ownership Scheme flats either. Yet they cannot afford the expensive private housing. Therefore, from the perspective of the overall housing policy, the Government is simply doing justice to the middle class in introducing

the measure of tax deduction. For the grass roots who are bearing high rents, the Government has made the best efforts to help them, including the provision of PRH, temporary housing and other welfare measures beneficial to the grass roots. The community should urge the Government to speed up the creation of land for housing, so that they can be allocated PRH as soon as possible.

Besides, some people say that the new measure will lead to higher rent. The tax deduction will only go into the pockets of the landlords and even cause property prices to rise. I believe that these are unwarranted worries. Rents and property prices are actually determined by supply and demand. Moreover, rents are now falling slightly. The annual tax deduction is only some \$10,000 at the maximum, which is not enough to affect rents, let alone property prices. In fact, the measure of tax deduction for home loan interest which the Government has launched for years has been working well without bringing any adverse effect to the market. Now the introduction of tax deduction for rent, I believe, will not pose any problem either.

Housing woes have always been a deep-rooted problem in Hong Kong. Although the tax deduction for rent currently proposed is a benevolent policy, it only tackles the “symptoms”. We should continue to seek to tackle the problem at its root. Housing development and land creation is a priority task of the Government of this term. However, it is certainly tough and extremely challenging to resolve such a longstanding problem. Therefore, I hope the Government can live up to our expectations, tackling both the symptoms and the root of the problem properly.

Thank you, Deputy President.

MR EDWARD LEUNG (in Cantonese): Thank you, Deputy President. I rise to speak in support of the Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 (“the Bill”).

I believe that many people have received the “green bomb” recently, and so have I. I thus fully understand how it feels. Nevertheless, there is a little “sweetness” amid all the bitterness, which is the new tax deduction for rent with a ceiling of \$100,000. Although we are still examining the Bill in the Legislative Council now, members of the public can already claim this tax allowance for rental expenses when they fill in their tax returns today.

We very much hope that when taxpayers file their tax returns, they will remember that this good news for tenants is the fruit of years of fight by us in the Democratic Alliance for the Betterment and Progress of Hong Kong (“DAB”). Over the years, DAB has found the housing costs in Hong Kong too high. For this reason, we hope that we can promote tax deduction for rent, so as to greatly relieve the financial pressure of the middle class.

After we have fought for so many years, taxpayers can finally enjoy this fruit today. We hope that the 430 000 beneficiaries will recognize the efforts of DAB. I wonder if they include Chief Executive Carrie Lam, who will soon retire and has indicated that she will rent a flat. We hope that when she fills in her tax return, she will also feel the warmth we have brought to her.

As regards the Bill, apart from the Government’s acceptance of DAB’s proposal, there is another point which deserves our commendation, that is, there is no limit for the entitlement period of this tax allowance. Compared with the 20-year entitlement period of tax deduction for home loan interest provided to property owners, the Government is more lenient to tenants. However, I believe that next year, we will have to strive to align the tax allowance for home loan interest with that for rental expenses by setting no limit for the entitlement period.

Despite these commendations, I think there is still room for improvement in the Bill. Currently, to be eligible for the tax allowance for rental expenses, a taxpayer must meet three prerequisites: (1) he does not hold any private property; (2) the property rented is not owned by his relative(s); and (3) the relevant tenancy is stamped.

I have some views on these prerequisites which I hope the Government will improve.

In fact, under the epidemic, many monthly rental services of serviced apartments and hotels have become very popular with the public because their rents are close to those of residential properties, but they are inclusive of water, electricity, Internet access and even cleaning services. That is why my friend has stayed in such accommodation for two years already.

However, these tenancies will not be stamped. There will only be a service contract. I have noted that in response to this question at the Bills Committee meeting, the Administration stated that the Bill imposes no restriction on the types

of domestic premises and does not exclude serviced apartments. The prerequisite for the entitlement to tax deduction for rent is that a landlord-and-tenant relationship has been clearly established. Much has been said, but after all, the Administration did not explain clearly whether such rents are tax deductible. Hence, I think the Administration should make it clearer so that the public will know whether they are entitled to this new tax allowance.

In my view, the legislative intent is to alleviate the tenants' burden, and the monthly rental schemes of serviced apartments and hotels have become the general trend of tenancy for the new generation. For this reason, the newly introduced tax allowance should cover this type of tenancy, and the Bill should be written more clearly to avoid future disputes which will turn something good into something bad.

Another trend which I think is worthy of follow-up by the Government is the situation of Hong Kong people who live on the Mainland and have to return to Hong Kong to work every day. Of course, given the epidemic, we no longer see this phenomenon at the moment, but the Government should not neglect this group of Hong Kong people. The Government should consider extending the tax allowance to Hong Kong people who rent domestic properties on the Mainland. This can expand our living circle and create more conditions for integration between Hong Kong and other cities in the Greater Bay Area.

Deputy President, I must reiterate that the introduction of the new tax allowance for rental expenses is an excellent first step. However, as times change, the mode of tenancy and location of rented properties also change. I hope the Government will keep reviewing its policy to ensure that those who meet the legislative intent will not be missed out, so as to truly help the public.

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

MR ROBERT LEE (in Cantonese): Thank you, Deputy President. I support the Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 ("the Bill"). The Bill seeks to give effect to a tax concession proposed in the Budget, that is, a tax deduction for domestic rental expenses would be provided starting from the year of assessment 2022-2023, subject to a deduction ceiling of \$100,000 for a year of assessment.

The purpose of providing a tax deduction for domestic rental expenses is to ease the burden of renting a private property on taxpayers who are not owners of domestic properties. If the Bill is passed, this would be the first time that a tax deduction for rental expenses is introduced, and it is estimated that about 430 000 taxpayers will benefit. Besides, it is also conducive to bringing about a more active rental market.

Hong Kong has been subject to high property prices and exorbitant rents for years. In addition, the epidemic has been raging for more than two years, which has dealt a heavy blow to various trades and sectors, and this has added to the burden on those renting a property. Take the securities industry of the financial services sector as an example, as at 31 May, as many as 23 small- and medium-sized brokerage firms have suspended or ceased operation in this year, representing an increase of almost 80% when compared with the figure of 13 in the same period last year. Since small- and medium-sized enterprises (not only those of the financial services sector) as well as various trades and sectors are facing operational difficulties, quite a lot of employees may suffer a pay cut or even layoff, so the burden of domestic rental expenses on them would in turn increase. I believe that this tax deduction measure for rental expenses can help wage earners who have been hard-hit by the epidemic.

I wish to put forward the following views on the implementation details and implications of the tax deduction measure for rental expenses:

First of all, a mechanism should be set up to plug the loopholes. Although the Bill has clearly specified the qualifying conditions regarding eligible persons and eligible premises as well as the deduction rules under different scenarios, there are still grey areas which may lead to abuse of the tax deduction measure. For instance, the Bill has stipulated against the rental of flat units between associated persons, such as parents renting a property to their children. Notwithstanding this, if two unrelated taxpayers rent a property from each other's parents, there is the possibility that they may be suspected of abusing the tax deduction arrangement by making use of the grey areas.

On the other hand, I am concerned about the financial implications of the tax deduction measure on the Government. The Bill provides that there is no limit for the entitlement period, which implies that the tax deduction will become a regular support measure. The Government has roughly estimated that the tax deduction item will cost about \$3.3 billion of tax revenue annually.

Given that Hong Kong is now facing an increasing pressure of economic downturn, the Government's tax revenue will inevitably be affected. The Government should seriously consider the long-term implications and pressure on its fiscal position brought about by tax deductions for domestic rents as a regular measure.

Deputy President, I so submit.

MR EDMUND WONG (in Cantonese): Deputy President, I rise to speak in full support of the Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 ("the Bill"). Over the years, the Hong Kong Institute of Certified Public Accountants and the Society of Chinese Accountants and Auditors, to which I belong, have actively advocated the introduction of tax deduction for domestic rent, so as to alleviate the burden of numerous people in the sandwich class who are ineligible for public housing or who have not acquired their own homes. Hence, the accountancy sector and I are grateful to the Financial Secretary Paul CHAN for proposing tax deduction for domestic rent in this year's Budget in response to the request made by our sector over the years.

Deputy President, the content of the Bill is relatively simple, but there are two points which I wish to expound in particular. Although the Bill provides tax deductions based on domestic rents, it also allows tenants of units serving both commercial and residential purposes in compliance with the lease requirements (commonly known as "front-shop back-home") to have tax deduction for the area for residential use after excluding the area for commercial use. This can undoubtedly increase the flexibility of the Bill and better meet the needs of the public under different circumstances, which deserves our recognition.

The second point is that under the Bill, a tenancy for domestic premises for which stamp duty has been paid, commonly known as a "stamped" tenancy, will qualify for tax deduction. To a certain extent, this will increase the incentive for stamping the tenancy agreement signed between the landlord and the tenant, making it more legally binding. Should any dispute arise between the landlord and the tenant, it will be easier for both parties to protect their own interests through legal means, thereby enhancing the legal protection for landlords and tenants.

Of course, the Bill, which provides tax deduction of up to \$100,000 for each eligible tenant each year, will somewhat alleviate the pressure of living of those who are ineligible for public housing and cannot afford home ownership.

However, given all kinds of expenses faced by these “shell-less snails”, can the tax deduction for domestic rent alone really help the sandwich class? I consider it too optimistic.

According to a research report released by the Legislative Council in March last year, within as short as 15 years from 2004 to 2019, the increase in property price in Hong Kong reached 391%, while the median household income only increased by 78% during the same period. Property prices have risen at a rate far beyond the affordability of ordinary wage earners. As wages cannot catch up with property prices, people with housing needs have no choice but to turn to the rental market. As shown by the same research report, between 2009 and 2019, the number of non-owner occupier households living in rental properties increased by 250 000, accounting for over 70% of the total number of new households.

Deputy President, more than 70% of the new households have rented rather than purchasing properties. Certainly, some people can afford to buy their own home but prefer to rent it. Yet I believe they are in the minority. Nevertheless, the aforesaid figures have precisely indicated that property prices have gone far beyond people’s affordability. More people have turned to the rental market, which has in effect led to drastic increase in rent. It further adds to the burden of people living in rental properties, making it even more difficult for these “shell-less snails” to buy their own home, thus forming a vicious cycle. As such, how can Hong Kong people live in peace and work with contentment? Although property prices and rents in Hong Kong have recently dropped due to the COVID-19 epidemic and the volatile external economic environment, this long-standing, grave and thorny problem still exists and has become one of the most deep-rooted conflicts in Hong Kong society. The tax deduction for rent can only slightly reduce the people’s burden of housing expenses. In the long run, Hong Kong needs a comprehensive set of policies on land and housing to enable the public to live in peace and work in contentment.

Deputy President, the Chief Executive-elect John LEE has put forward four tenets in his election manifesto, one of which is “Streamline procedures and provide more housing and better living”. Earlier on, the Chief Executive-elect has stated that led by the Financial Secretary and the Deputy Financial Secretary, the Task Force on Public Housing Projects and the Steering Committee on Land and Housing Supply mentioned in his election manifesto will coordinate the land and housing policies of the next-term Government. I hope the Financial Secretary

and the new Deputy Financial Secretary can assist the Chief Executive in resolving the housing difficulties of Hong Kong people with a new mindset, so that the public can lead a happy and blissful life in Hong Kong, their home.

With these remarks, I support the Bill. 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 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, the Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 (“the Bill”) seeks to give effect to the proposal made in the 2022-2023 Budget of allowing tax deduction for domestic rent, in order to ease the burden on taxpayers liable to salaries tax and tax under personal assessment who do not own any domestic property.

The Bill was tabled to the Legislative Council for deliberations in May this year. I thank Mr Tommy CHEUNG, Chairman of the Bills Committee, and Members who participated in the Bills Committee, for completing the deliberations on the Bill some time ago at the end of May and supporting the resumption of the Second Reading debate.

Subject to the support of the Legislative Council, the tax deduction will take effect from the year of assessment (“YA”) 2022-2023. The proposed ceiling of tax deduction for domestic rent is \$100,000 for each YA, and there is no limit for the entitlement period for this deduction. A taxpayer may claim tax deduction for the rent paid by him/her or his/her spouse (who is not living apart from him/her) in relation to a relevant YA for renting domestic premises. The relevant premises must be the taxpayer’s principal place of residence, and the relevant tenancy must

be stamped. The measure is expected to benefit about 430 000 taxpayers, and the government revenue forgone will amount to about \$3.3 billion per year.

To ensure that it is a targeted measure that supports taxpayers who are most in need, forestall abuse, and prevent potential double tax benefit or tax avoidance, the Bill also provides for certain circumstances in which the deduction is not allowed. For example, the landlord or principal tenant of the rented domestic premises is an associate of the taxpayer or his/her spouse, the taxpayer or his/her spouse (who is not living apart from the taxpayer) is provided with a place of residence by his/her employer, and so on.

The Bills Committee had detailed discussions on the eligibility criteria for claiming tax deduction for domestic rent and on how to determine the allowable deduction, such as whether buildings prohibited from being used for residential purposes and serviced apartments are eligible premises; the handling of tenancies with late stamping, tenancies covering car parking spaces and incidental charges, as well as co-tenancies and sub-tenancies; deduction arrangements for married persons, and so on. We have made explanations with regard to the various circumstances. Here, I very much thank Mr Tommy CHEUNG and Mr LAI Tung-kwok for their recognition of the explanatory work carried out by colleagues of the Treasury Branch, the Inland Revenue Department (“IRD”) and the Department of Justice. We will bring back with us these compliments and continue to work hard. Regarding the issue relating to serviced apartments raised by Mr Edward LEUNG earlier, actually it is very clear. If a person rents a serviced apartment by entering into a tenancy agreement which is stamped under the Stamp Duty Ordinance, deduction is allowed for the relevant rent.

(THE PRESIDENT resumed the Chair)

We proposed a ceiling of \$100,000 per YA for tax deduction for domestic rent. Some Members asked whether there is room for an upward adjustment of the ceiling. In setting the deduction ceiling for rental expenses, we have taken into account a series of factors, including the impact on government revenue, the rental level of domestic premises, the maximum amounts of other deductions under salaries tax or tax under personal assessment, and so on. A ceiling of \$100,000 can, to a certain extent, alleviate the financial burden on taxpayers in renting properties while at the same time striking a balance with the Government’s

financial commitment over which Mr Robert LEE has expressed concern earlier. We have also drawn reference from the existing deduction for home loan interest which is also subject to a ceiling of \$100,000 per YA. The deduction for home loan interest is allowed for a period of 20 years whereas for the deduction for rents for domestic premises as we propose now, there is no limit on the entitlement period.

Many Members are concerned about our work in reviewing the taxation arrangements relating to salaries tax and tax under personal assessment in the future. Reviewing these arrangements is part of our regular work, and it is also our duty to carry out such work, which includes conducting a comprehensive review of the overall tax rates, allowances and deductions in the formulation of the Budget annually. We will keep in view the implementation of the deduction for domestic rent after it came into operation, including a series of factors such as the number of cases in which taxpayers claimed deductions and the amount of deductions, and the level of rental expenses, and will make ongoing efforts to review the implementation of this measure.

President, tax deduction for domestic rent can ease the tax burden on eligible taxpayers. Taxpayers can provide information about their expected domestic rent paid in relation to YA 2022-2023 in the tax returns issued this month. Upon passage of the Bill, IRD can then take into account the deduction when assessing the provisional salaries tax for YA 2022-2023. I implore Members to support the Bill, so that taxpayers can benefit from it early.

I so submit. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 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): Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022.

Council became committee of the whole Council.

Consideration by Committee of the Whole Council

CHAIRMAN (in Cantonese): This Council now becomes committee of the whole Council to consider the Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022.

INLAND REVENUE (AMENDMENT) (TAX DEDUCTIONS FOR DOMESTIC RENTS) BILL 2022

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 8.

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): If not, we now proceed with the voting.

I now put the question to you and that is: That the clauses read out by the Clerk stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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.

PRESIDENT (in Cantonese): All the proceedings on the Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 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) (Tax Deductions for Domestic Rents) Bill 2022

has been passed by committee of the whole Council without amendment. I move the motion that “This Council adopts the report”.

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.

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

(Members raised their hands)

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

(No hands raised)

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

I declare the motion passed.

Third Reading of Government Bill

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

INLAND REVENUE (AMENDMENT) (TAX DEDUCTIONS FOR DOMESTIC RENTS) BILL 2022

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I move that the

Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022

be read the third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022 be read the third time and do pass.

Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

I declare the motion passed.

CLERK (in Cantonese): Inland Revenue (Amendment) (Tax Deductions for Domestic Rents) Bill 2022.

MEMBER'S MOTION

PRESIDENT (in Cantonese): Member's motion on the period for amending subsidiary legislation.

Proposed resolution under the Interpretation and General Clauses Ordinance to extend the period for amending the Antiquities and Monuments (Declaration of Monuments and Historical Buildings) (Consolidation) (Amendment) Notice 2022, which was laid on the Table of this Council on 25 May 2022.

I now call upon Mr Tony TSE to move the motion.

PROPOSED RESOLUTION TO EXTEND THE PERIOD FOR AMENDING SUBSIDIARY LEGISLATION (L.N. 107 OF 2022)

MR TONY TSE (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

The motion moved by Mr Tony TSE is in **Appendix 4**.

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

PRESIDENT (in Cantonese): I now put the question to you as stated. 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 each of the two groups of Members present, that is, those returned by the Election Committee and those returned by functional constituencies and geographical constituencies.

I declare the motion passed.

NEXT MEETING

PRESIDENT (in Cantonese): Members, today is the last time that officials of the fifth term of the SAR Government attend a meeting of the Legislative Council. Taking this opportunity and on behalf of all Members, I thank the Chief Executive, Mrs Carrie LAM, and all officials for always exerting their best efforts to serve the public in the past.

Over the past few years, apart from being up to our neck in tackling the pandemic of the century, we have also faced daunting and unprecedented challenges. The Legislative Council and the SAR Government have joined hands to strive ahead, and being companions to each other, we have gone through five years of “wind, rain and sunshine”. I believe the Chief Executive and officials, like us Members, have profound feelings of what we have been through together.

During the fifth-term Government, the Legislative Council has passed a total of 120 government bills, including the two bills passed at this meeting, and approved many funding applications. They are all closely related to people's livelihood and the economy, and are conducive to the long-term development of Hong Kong, including the local legislation on the improvement of the electoral system to enhance the implementation of “one country, two systems”, which has safeguarded the constitutional order of Hong Kong.

The current-term Government has also attached great importance to the relationship between the executive and the legislature. Apart from regularly attending the Question and Answer Sessions, each lasting 1.5 hours, the Chief Executive has also pioneered a new practice of coming to the Legislative Council regularly for a question time conducted in a “short question, short answer” format to respond to issues of public concern.

During her 42 years of public service, Mrs LAM, whose original aspirations remain unchanged, has worked diligently for the people and devoted untiring efforts in various positions to improve the well-being of the public. Here, I express my heartfelt gratitude to her. I wish Mrs LAM and every official of the fifth-term Government good health and the best of luck in all their endeavours. Despite their different pursuit in the future, I believe their love and passion for Hong Kong will not wane and that they will continue to build Hong Kong and contribute to our country in different positions and arenas.

Following the smooth formation of the new governing team of the sixth-term Government, the Legislative Council will continue to discharge its constitutional duties to monitor and complement the governance of the new-term Government. Under the “patriots administering Hong Kong”, the two branches will act in concert to resolve the pressing social issues for the best interest and a brighter future of Hong Kong.

PRESIDENT (in Cantonese): I now adjourn the Council until 11:00 am on Wednesday, 6 July 2022.

Adjourned accordingly at 3:38 pm.

WRITTEN ANSWER

**Written answer by the Secretary for Labour and Welfare to
Ms Doreen KONG's supplementary question to Question 4**

All inspections conducted at the residential care homes for the elderly ("RCHEs") by the inspectors of the Licensing Office of Residential Care Homes for the Elderly ("LORCHE") of the Social Welfare Department, including those for handling of complaints or routine/ focus inspections, are surprise inspections. They are conducted at different times during office and non-office hours, for monitoring and regulating the operation, management and service of the RCHEs.

If an RCHE is found during the complaint handling or inspection to have failed to comply with the requirements stipulated in the Residential Care Homes (Elderly Persons) Ordinance (Cap. 459), the Residential Care Homes (Elderly Persons) Regulation (Cap. 459A) or the Code of Practice for Residential Care Homes (Elderly Persons), depending on the nature and severity of the non-compliances, LORCHE will consider issuing written advice, warning, direction or instigating prosecution to the RCHE.

In the past two years, LORCHE conducted 10 992 inspections to the RCHEs, of which 5 668 inspections were conducted in 2020-21 and 5 324 inspections in 2021-22.

LENGCO QUESTION No. 7
(Written Reply)

Asked by: Dr Hon Hoey Simon LEE Date of Meeting: 22 Jun 2022

Replied by: Secretary for Security

Reply:

President,

Since the promulgation and implementation of the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region ("HKNSL") on 30 June 2020, there has been a significant drop in violent acts. However, there are still some violent extremists hidden in the community. They make use of the Internet to incite others to commit radical acts. Domestic terrorism activities have even shown signs of going underground and becoming clandestine, posing severe challenges to security locally. The Hong Kong Special Administrative Region ("HKSAR") Government has all along been fully committed to counter-terrorism ("CT") efforts and adopted an inter-departmental approach to jointly combat domestic terrorism.

The reply of the Security Bureau ("SB") to Dr Hon Hoey Simon LEE's question is as follows:

(1) and (2)

The SB and the Inter-departmental Counter-terrorism Unit ("ICTU") with its member departments (namely the Hong Kong Police Force ("HKPF"), Immigration Department, Customs and Excise Department, Correctional Services Department, Fire Services Department and Government Flying Service) are committed to combating violent radicalisation and strengthening the prevention and tackling of terrorist threats along the following directions:

(I) Vigorous combat of terrorist activities in accordance with the law

The Police are deeply concerned about cases of extreme violence and committed to fully investigating and vigorously combating such cases in accordance with the law. If sufficient evidence is found upon investigation, the Police and the Department of Justice will consider prosecution under the United Nations (Anti-Terrorism Measures) Ordinance ("UNATMO") (Cap. 575) and freezing the property related to terrorist activities to cut off the funding sources of offenders and prevent them from recruiting members. Regardless of whether prosecution is made under the UNATMO, terrorist acts (such as cases of

explosives and firearms) per se are very serious crimes, which are subject to the maximum penalty of life imprisonment under the Crimes Ordinance (Cap. 200), the Firearms and Ammunition Ordinance (Cap. 238) and the Organized and Serious Crimes Ordinance (Cap. 455).

Since the eruption of riots in 2019, the Police have cracked down on 26 cases involving firearms, explosives, explosive precursors or terrorist activities under the HKNSL, arresting more than 114 persons in total. For the case where the Police found two improvised explosive devices weighing ten kilograms in total outside Wah Yan College in Wan Chai in December 2019, ten of the defendants have been charged for conspiracy to violate the “prohibitions against bombing of prescribed objects” under the UNATMO. The maximum penalty this offence is life imprisonment. The ten defendants are being remanded in custody and will appear in Eastern Magistrates’ Courts on 4 July.

(II) Strengthening CT preparedness

Since its establishment in 2018, ICTU has continuously enhanced its internal CT preparedness, including strengthening intelligence collection, conducting strategic research, training and CT exercises, as well as stepping up inter-departmental collaboration to enhance Hong Kong’s overall CT capability. The specific work includes:

Intelligence collection

- (a) ICTU adopts a multi-pronged approach by proactively co-ordinating, facilitating and reinforcing intelligence exchange and analysis among member departments on one hand, and strengthening intelligence exchange with Mainland and overseas law enforcement agencies through different channels for strategic deployment of CT resources in response to threats on the other. ICTU also attaches great importance to strengthening communication and collaboration with public and private organisations to enhance their security and property management personnel’s CT awareness, thereby expanding the CT intelligence network of the Police in the community. Moreover, as reports from the public could provide important leads for CT efforts, ICTU has launched the “CT Reporting Hotline 63-666-999” to facilitate members of the public to report suspected terrorism-related cases or violent acts around them, so as to enable the Police to intervene, investigate and prevent extremists’ activities as soon as possible.

CT training and exercises

- (b) ICTU has, to date, provided various forms of CT training to more than 23 600 officers of disciplined forces to enhance their awareness of the terrorism landscape and their professional capability in collecting intelligence as well as reporting and handling suspected terrorism-related incidents. ICTU has also organised over 50 training sessions for personnel of facilities with a higher risk of attack, such as airports, major shopping malls and hospitals. More than 2 500 persons attended these training sessions.

Besides, ICTU co-ordinates inter-departmental CT exercises on a regular basis, with a view to strengthening the capability of various departments in handling terrorist attacks, educating the public to be vigilant against terrorist activities, and maintaining public confidence in the HKSAR Government's CT capability. Over the past five years (2017-2021), the Police organised a total of 67 CT exercises to simulate emergency situations where various locations/important facilities were under attack and to test the response and co-ordination of relevant departments. In November last year, ICTU co-ordinated a CT exercise codenamed "TIGERPACE" at the High Speed Rail Hong Kong West Kowloon Station with about 300 officers from ICTU's member departments taking part in it.

(3)

As regards public education and publicity on CT, combating terrorism requires concerted efforts and vigilance of everyone in the society. Therefore, the Government has all along attached great importance to the work in this respect. Apart from the above-mentioned "CT Reporting Hotline", ICTU continues to promote various public educational themes on CT, including "Stay Vigilant to Bomb", "Run, Hide and Report", and "Spot and Report", to enhance public awareness of terrorism and the threat of self-radicalisation. For greater publicity, ICTU promotes CT messages through a number of physical and digital advertising platforms, including bus and tram bodies, bus stops, tunnels, cinema advertisements, television announcements of public interest, advertisements in mobile phone applications and distributing leaflets along with water bills, so that more people can access information on CT and put the "whole-of-community" approach in CT into practice. The Police will also continue to disseminate and explain CT messages to the public through different channels, such as Police Community Relations Officers of various districts.

In addition, the Fight Crime Committee (FCC) is an important partner of the Government. FCC is responsible for planning and guiding the fight against crime, providing advice and recommendations to the Government on measures to prevent and reduce crime, as well as co-ordinating and monitoring the effectiveness of crime-fighting efforts. The Commissioner of Police reports to FCC regularly on the latest law and order situation, including the overall counter-terrorism situation and the corresponding combating strategies and measures. FCC also discusses the rehabilitation work of the Correctional Services Department, including how to help the young people who had been incited to become radicalized and violent to get rid of the extreme thoughts and rebuild correct life values. In light of crime trends, “enhance the law-abiding awareness of young people” has been one of the themes of the FCC publicity campaigns since 2021. FCC will continue to work closely with the HKPF, District Fight Crime Committees, and community groups to organise various types of fight crime publicity activities in disseminating fight crime messages to different sectors of the community.

LEGCO QUESTION NO. 8

(Written Reply)

Asked by: Hon Stanley NG

Date of meeting: 22 June 2022

Replied by: Secretary for Transport and
Housing

Reply

President,

Having consulted the Development Bureau (DEVB), our reply to the question raised by the Hon Stanley Ng Chau-pei is as follows.

1. Based on the forecast as at March 2022, the number of flats, housing type, location and date of commencement of application of the subsidised sale flats (SSFs) of the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HKHS) from 2022-23 to 2026-27 is at **Annex**. Having considered factors such as the progress of construction and sales preparation, HA will review from time to time the date of pre-sale of the projects and endeavour to offer SSFs for sale as soon as possible when circumstances permit.
2. The Land Sharing Office (LSO) of DEVB has so far received five formal applications under the Land Sharing Pilot Scheme (LSPS). The locations concerned are Lo Fai Road and Ting Kok Road in Tai Po, Ho Chau Road in Yuen Long (near Tung Shing Lei), She Shan Road and Lam Kam Road in Tai Po (near Lam Tsuen), South of She Sha Road, Lam Tsuen in Tai Po and Wing Ning Tsuen, Long Ping Road in Yuen Long respectively. The five applications involve a total land area of about 39 hectares. A total of about 17 300 public housing/Starter Homes (the exact subsidised housing type is to be determined by the Government) and about 7 800 private housing units are proposed under the five applications. The actual number of flats that could be provided is subject to the findings of relevant technical assessments and further vetting of the Government.

The Panel of Advisors (PoA) of LSPS has initially reviewed the three applications received earlier on. The Panel has considered the preliminary assessments of the applications by relevant

bureaux/departments and made comments from a variety of perspectives including plot ratios, building heights, the demarcation of public and private portions, building disposition, infrastructure facilities and the impact on traffic and the surrounding environment, etc. LSO has conveyed the comments from the PoA and bureaux/departments concerned to the applicants, such that they can revise their proposals. If the application is supported by the PoA, DEVB will seek the Chief Executive in Council's in-principle endorsement, followed by relevant statutory and administrative procedures. The relevant progress will be disclosed as appropriate.

As regards the two applications received recently, DEVB is seeking comments from relevant departments and will submit the applications for PoA's consideration as soon as possible.

Regarding the housing type, we will maintain flexibility on the types of public housing to cater for the change of demands between public rental housing and SSFs, and adjust their supply in a timely manner to better respond to the market changes and the housing needs of the community at large. Based on the concept of "inter-changeability", in planning public housing projects, the Government will consider a number of factors including local housing need and the that of the community as a whole.

- 3&4. Private sector participation can help increase the building capacity of HA and the supply of subsidised housing. The Government hence adopts a positive attitude towards tapping the resources of the private market to assist in providing subsidised housing. That notwithstanding, there were issues on flat quality under the former Private Sector Participation Scheme as a result of the lack of sufficient economic incentives to encourage developers to ensure flat quality. With reference to past experience, we consider it necessary to put in place a mechanism that is effective in providing sufficient incentives to encourage private organisations to develop subsidised housing while ensuring the quality of the flats at the same time. We will explore a suitable framework along this direction.

Recently, a private developer has publicly expressed its intention to provide subsidised housing on its private land and has submitted the planning application. The Transport and Housing Bureau welcomes such a proposal. If the proposal is materialised, it will help increase the supply of subsidised housing and can provide an additional option for potential homebuyers. We have been maintaining communications

with the private developer concerned and would provide assistance as appropriate.

5. The Government has been sparing no efforts in identifying land for housing construction so as to address the housing needs of different sectors, including the sandwich class families and the youth. We are also committed to enriching the housing ladder, including revising the pricing policy for Home Ownership Scheme by delinking the selling price of the flats with the property prices in the private market to make them more affordable; introducing the “Starter Homes” pilot projects; regularising the Green Form Subsidised Home Ownership Scheme and the White Form Secondary Market Scheme; and accelerating the sale of unsold flats in the Tenant Purchase Scheme estates, etc. The objective of the Government in providing SSFs is to address the home ownership aspiration of families with different incomes. All eligible persons can apply for the above-mentioned schemes. We do not have any plan to introduce new home ownership schemes targeting specifically at the sandwich class families and the youth.

- END -

**Production Forecast and Date of Commencement of Application of
Subsidised Sale Flats (SSFs) of the Hong Kong Housing Authority (HA) and
the Hong Kong Housing Society (HKHS)
(from 2022-23 to 2026-27)
(Based on the Forecast as at March 2022)**

(A) HA's Green Form Subsidised Home Ownership Scheme (GSH)

Sub-district (District Council)	Project Title	Estimated Flat Number	Date of Commencement of Application
Estimated Project Completion in 2022-23			
Kwai Tsing	Tsing Hung Road (Ching Fu Court)	2 900	December 2019
Sub-total		2 900	
Estimated Project Completion in 2023-24			
Wong Tai Sin	Diamond Hill Phase 2 (Kai Chuen Court)	2 100	May 2021
Sub-total		2 100	
Estimated Project Completion in 2024-25			
Kwun Tong	Lei Yue Mun Phase 4 (Ko Wang Court)	2 000	Q3/Q4 2022 (tentative)
North	Fanling Area 36 Phase 4 (Ching Tao Court)	800	Q3/Q4 2022 (tentative)
Sub-total		2 800	
Estimated Project Completion in 2025-26			
Sha Tin	Hang Tai Road Phase 2 (Kam Pak Court)	1 900	Q3/Q4 2022 (tentative)
Sub-total		1 900	
HA's GSH Total		9 700	

Remarks

1. The GSH projects to be offered for sale after 2022 are to be confirmed. HA will offer GSH projects at an appropriate time taking into account various factors including prevailing demand for Public Rental Housing, condition of property market and the progress of construction and sales preparation of individual projects.
2. Flat numbers are rounded to the nearest hundred and may not add up to the total due to rounding.
3. The figures are subject to amendments at the detailed design stage.

(B) HA's Other Subsidised Sale Flats (SSFs)

Sub-district (District Council)	Project Title	Estimated Flat Number	Date of Commencement of Application
Estimated Project Completion in 2022-23			
Wong Tai Sin	Diamond Hill Phase 3 (Kai Cheung Court)	900	September 2020
Sha Tin	Ma On Shan Road (Kam Chun Court)	2 100	September 2020
	On Muk Street Phase 1 (Yu Tak Court)	500	February 2022
Islands	Tung Chung Area 54 (Yu Nga Court)	3 300	February 2022
Sub-total		6 900	
Estimated Project Completion in 2023-24			
Eastern	Java Road (Kei Wah Court)	200	February 2022
Sai Kung	Chiu Shun Road (Chiu Ming Court)	600	February 2022
Sub-total		800	
Estimated Project Completion in 2024-25			
Kowloon City	Kai Tak Site 2B2 (Kai Yan Court)	1 800	February 2022
	Kai Tak Site 2B6	2 000	To be decided
	Ko Shan Road (Kwun Shan Court)	500	February 2022
Sai Kung	Anderson Road Quarry Site RS-1 (On Sau Court)	1 900	February 2022
	Anderson Road Quarry Site R2-5	1 100	To be decided
	Anderson Road Quarry Site R2-7	400	To be decided
	Anderson Road Quarry Site R2-8	1 400	To be decided
Tuen Mun	Hang Fu Street	500	To be decided
Sub-total		9 700	
Estimated Project Completion in 2025-26			
Kowloon City	Kai Tak Site 2B5	1 700	To be decided
Sai Kung	Anderson Road Quarry Site R2-6	1 000	To be decided

Islands	Tung Chung Area 109	1 300	To be decided
Yuen Long	Long Bin Phase 1	3 100	To be decided
Sub-total		7 100	
Estimated Project Completion in 2026-27			
Kowloon City	Kai Tak Site 2B3	1 200	To be decided
	Kai Tak Site 2B4	1 300	To be decided
Island	Tung Chung Area 103	1 800	To be decided
Tuen Mun	Wu Shan Road	2 600	To be decided
Sub-total		7 100	
HA's Other SSFs Total		31 600	

Remarks

1. Flat numbers are rounded to the nearest hundred and may not add up to the total due to rounding.
2. The figures are subject to adjustments at the detailed design stage.

(C) HKHS's Subsidised Sale Flats (SSFs)

Sub-district (District Council)	Project Title	Estimated Flat Number	Date of Commencement of Application
Estimated Project Completion in 2023-24			
North	Pak Wo Road	700	To be decided
Sub-total		700	
Estimated Project Completion in 2024-25			
Sai Kung	Anderson Road Quarry Site R2-2	1 400	To be decided
	Anderson Road Quarry Site R2-3	400	To be decided
Yuen Long	Hung Shui Kiu/Ha Tsuen New Development Area Dedicated Rehousing Estate Phase IA	300	To be decided
Sub-total		2 100	
Estimated Project Completion in 2025-26			
Kowloon City	Kai Tak Area 1E1	700	To be decided
North	Jockey Club Road	600	To be decided
Sub-total		1 300	
Estimated Project Completion in 2026-27			
Kowloon City	Kai Tak Area 2B1	1 800	To be decided
Sai Kung	Anderson Road Quarry Site R2-4	1 000	To be decided
Yuen Long	Hung Shui Kiu/Ha Tsuen New Development Area Dedicated Rehousing Estate Phase II	1 000	To be decided
Sub-total		3 700	
HKHS's SSFs Total		7 900	

Remarks

1. Flat numbers are rounded to the nearest hundred and may not add up to the total due to rounding.
2. The figures are subject to adjustments at the detailed design stage.
3. HKHS does not have any SSF projects expected to be completed in 2022-23.

- END -

LEGCO QUESTION NO. 9

(Written Reply)

Asked by	: <u>Hon Jimmy NG</u>	Date of meeting	: <u>22 June 2022</u>
		Replied by	: <u>Secretary for Commerce and Economic Development</u>

Reply:

President,

Since June 2018, the Hong Kong Export Credit Insurance Corporation (ECIC) has, in response to the escalating China-US trade conflict, taken the lead to launch a series of supportive measures for “Small Business Policy”¹ (SBP) holders affected by US tariff measures. The outbreak of the COVID-19 pandemic has triggered global supply chain bottlenecks, leading to a drastic increase in trading costs for exporters. Against this backdrop, apart from further expanding and strengthening existing coverage to the trade, ECIC also rolled out various new measures aiming to alleviate risks and financial burden of policyholders, so as to better support Hong Kong exporters in the face of credit risks and to seize business opportunities brought by our country’s sustained export and import development.

As regards the six parts of the question raised by Hon Jimmy NG Wing-ka, my consolidated reply in relation to ECIC’s concrete supportive measures is as follows:

(1) Since 2018, ECIC has launched 10 supportive measures to support Hong Kong exporters. Among these, the following measures are tailored for SBP holders:

- (i) free pre-shipment cover in all ECIC’s insured markets for buyers approved for such cover;
- (ii) 20% uplift in all valid buyers’ credit limits, covering all ECIC’s insured markets at a cap of \$5 million;
- (iii) premium payment due date extended for one month; and

¹ The “Small Business Policy” is applicable to Hong Kong exporting companies with an annual turnover of less than \$50 million.

- (iv) premium discount for each SBP holder increased from 30% to 50%.

The supportive measures for all policyholders are as follows:

- (v) waiver of annual policy fee;
- (vi) across-the-board payment term of 120 days for all approved buyers' credit limits;
- (vii) waiver of additional premium charged to policyholders for buyers' extension/change of payment term;
- (viii) expedited claims settlement process involving amount up to \$1 million; claims payment will be made within 5 days upon receipt of relevant documents;
- (ix) simplified procedures and flexibility in processing claims cases of payment difficulty; and
- (x) 10 additional free credit check facilities.

As at end-May 2022, around 1 300 and 1 800 policyholders have benefitted from free pre-shipment cover and increased credit limits respectively, amounting to over 9 000 credit limits uplifted and \$1.34 billion of additional credit limits. More than 900 policyholders have also enjoyed extended premium payment due date and additional premium discount respectively, with the additional discounts amounting to \$11 million. Furthermore, around 2 600 policyholders have received waiver of the annual policy fee and more than 2 500 exporters benefitted from extension of payment term to 120 days.

(2) "100% Credit Limit Top-Up Scheme"

To provide further support to exporters in seizing post-pandemic business opportunities, ECIC launched the "100% Credit Limit Top-Up Scheme" (the Scheme) in June 2020, proactively uplifting the credit limits of its current policyholders to support the export sector in the face of credit risks. As at end-May 2022, over 13 500 credit limits have been uplifted under the Scheme, benefitting more than 1 800 exporters and providing protection for a cumulative amount of about \$23 billion of shipments.

Geopolitical tension and the pandemic have caused instability to the current external economic environment, and the level of credit risks remains high. ECIC has already further extended the validity period of the 10 aforementioned supportive measures and extended the Scheme for the fourth time, both to 31 December 2022, in order to continue supporting exporters in exploring worldwide markets with confidence.

(3) New Initiatives in 2021 Policy Address

ECIC has been implementing the three new initiatives introduced in the 2021 Policy Address in an orderly manner. These include EC-Reach 2.0, the Export Credit Guarantee Programme (the Programme) and the “Flexible Indemnity Ratio” arrangement. Details of the progress are as follows:

- (i) ECIC launched in December last year, as scheduled, the upgraded online self-service platform for small and medium enterprises (SMEs), EC-Reach 2.0, simplifying and expediting application approvals, so as to provide exporters with more flexibility in taking out insurance cover. As at end-May 2022, ECIC has processed about 60 applications submitted via the online platform. ECIC will transfer over 1 400 “Online Micro-Business Policy”² and SBP holders to EC-Reach 2.0 later this year, facilitating more policyholders in making use of the enhanced online platform.
- (ii) The Programme was launched in March this year as scheduled, providing guarantee up to 70% of the export financing of ECIC’s policyholders at a maximum guarantee limit of \$50 million, thereby enhancing banks’ confidence in granting loan facilities to SMEs. After the launch of the Programme, ECIC has immediately written to respective local chambers of commerce, SME associations, around 40 banks and all of its policyholders. In addition to collaborating with organisations such as the Trade and Industry Department in joining and organising webinars, ECIC has stepped up promotional efforts through different channels including social media platforms, online and railway stations advertisements, etc. ECIC has since

² The “Online Micro-Business Policy” is tailored for Hong Kong exporters with an annual turnover of less than \$20 million.

received positive feedback from most banks active in trade finance for SMEs, as well as about 60 enquiries regarding operational details and application for the Programme. At present, two banks have already signed agreements with ECIC to join the Programme, while other banks are examining relevant legal documents. ECIC will continue to maintain close liaison with the banks proactively, whilst answering the trade's enquiries concerning details of the Programme.

- (iii) ECIC plans to implement the “Flexible Indemnity Ratio” arrangement in the third quarter of this year. Policyholders whose credit limit applications are not fully approved may, according to their needs, automatically increase credit limits up to \$5 million, thus strengthening the insurance coverage to exporters under different risk situations. ECIC will announce the relevant details in due course.

ECIC will continue to uphold the principle of operating on a self-sufficient basis, ensure effective and professional risk management, provide timely and appropriate supportive measures, and actively respond to the needs of the trade.

- END -

LEGCO QUESTION NO. 10

(Written Reply)

Asked by: Hon NGAN Man-yu

Date of meeting: 22 Jun 2022

Replied by: Secretary for Transport
and Housing

Reply

President,

Having consulted the Constitutional and Mainland Affairs Bureau, our reply to the question raised by the Hon Ngan Man-yu is as follows.

There are currently four public rental housing (PRH) estates under the purview of the Hong Kong Housing Authority (HA) with flag poles installed for display of the national flag/ regional flag, including Shun Lee Estate, Kwong Tin Estate, Lam Tin Estate and Yat Tung (1) Estate. HA will facilitate the applications from district councillors/Members of the Legislative Council or local organisations for using the above flag poles and common areas of other PRH estates to display the national flag/ regional flag during the festive days. In the past three years, HA has approved a total of about 70 applications for these activities. When HA handles their applications for display of the national flag in PRH estates, one of the important factors for consideration is public safety, under which flags displayed in PRH estates should be firmly fastened and should not cause nuisance or danger to the residents or pedestrians in the estates.

Flag poles have been installed at the HA headquarters at Fat Kwong Street to display the national flag and regional flag appropriately in accordance with the National Flag and National Emblem Ordinance. Staff responsible for flag-raising and lowering have been informed of the proper way of flag-raising/ lowering in detail.

The HKSAR Government encourages members of the public to use the national flag and regional flag on appropriate occasions. At the same time, they have the responsibility to ensure that the national flag and regional flag are displayed in a proper manner in order to safeguard the dignity of the flags. When local organisations request installing flag poles at existing PRH estates to facilitate activities with raising of the national flag and regional flag, HA will assess factors such as site layout, environment, safety, etc. and follow up the request if the overall situation is considered favourable, so as to ensure that the national flag and regional flag will be raised and hoisted at a suitable location.

- END -

LEGCO QUESTION NO.11

(Written Reply)

Asked by Hon CHAN Kin-por

Date of meeting : 22 June 2022

Replied by : Secretary for Transport
and Housing

Reply

President,

In consultation with the Home Affairs Bureau and the Leisure and Cultural Services Department, my reply to the various parts of the question raised by the Hon CHAN Kin-por is as follows.

(1) According to the information of the Hong Kong Police Force (the Police), the numbers of accidents, casualties and arrested cases involving electric mobility devices (EMDs) over the past three years are as follows –

Year	No. of accidents			No. of arrested cases
	Involving casualties	With Damage-only	Total	
2020	17	1	18	285
2021	23	4	27	217
2022 (As at 31 May 2022)	7	0	7	79

The Police and the Transport Department (TD) do not maintain statistics on the number of prosecutions involving EMDs and the numbers of accidents, casualties and prosecutions involving skateboards and scooters.

(2)&(3) According to the relevant bureaux/departments, currently we have no plan to introduce legislation on mandating users of skateboards and scooters to wear helmets and other protective equipments. However, as the use of EMDs (including electric scooters, electric unicycles and power-assisted pedal cycles, etc.) is gaining popularity in Hong Kong in recent years, we are exploring ways

for proper regulation of their use in Hong Kong. Our initial view is that while EMDs shall not be used on footpaths and carriageways for the sake of the safety of pedestrians and other road users, arrangements for their use on cycle tracks may be explored should certain technical and safety requirements be met. In this connection, TD conducted site trials in 2021 on sections of cycle tracks in Tseung Kwan O and along the Science Park respectively, with a view to gaining the relevant experience of regulating EMDs and their technical and safety requirements. Starting from May this year, TD has also been carrying out a six-month pilot trial at the cycle track between the Science Park and the University MTR station to gather data on the use of EMDs for short-distance commuting.

We will carefully review and analyse the results of the aforementioned trials, listen to the views of the relevant stakeholders, and draw reference from the requirements in other regions for further considering the regulatory framework for EMDs (including whether or not to require users to take out third party risk insurance), and report to the Legislative Council in due course.

- END -

LEGCO QUESTION NO. 12
(Written Reply)

Asked by Hon SHIU Ka-fai

Date of meeting : 22 June 2022

Replied by : Secretary for Education

Reply

President,

The Hong Kong Qualifications Framework (HKQF) is a seven-level hierarchy covering qualifications in the academic, vocational and professional, and continuing education and training sectors, with clear and objective standards applicable to such qualifications. The primary objective of the HKQF is to promote lifelong learning with a view to continuously enhancing the quality, professionalism and competitiveness of our workforce. Our response to different parts of the question is as follows:

(1)

The HKQF provides a solid foundation for articulation and progression pathways under Vocational and Professional Education and Training (VPET). We have set up Industry Training Advisory Committees (ITACs) for 23 industries for the implementation of the HKQF, covering industries with over 50% of the workforce in Hong Kong. ITACs are responsible for drawing up the Specification of Competency Standards (SCS) of the relevant industries, setting out the skills, knowledge and competency standards required of practitioners for various job functions in the industries. The SCS facilitates the formulation of training programmes for recognition under the HKQF. As of May 2022, over 1 380 SCS-based courses had been developed by education and training providers. In addition, the development of the Vocational Qualifications Pathway (VQP) for six industries (i.e. the Automotive, Banking, Property Management, Elderly Care Service, Printing and Publishing, as well as Insurance industries) has been completed, facilitating practitioners in drawing up their learning and career progression plans, further enhancing the synergy between learning and employment. There are more than 60 VQP courses on the Qualifications Register.

At the same time, the Government has been encouraging post-secondary education institutions to strengthen collaboration with the industries, launching

and designing programmes that suit the social and economic development needs of Hong Kong.

(2) and (3)

To review and consider enhancements to the promotion of VPET in Hong Kong with a more targeted approach, the Government established the Task Force on Promotion of VPET (Task Force) in April 2018. Having made reference to overseas (including Germany and the United Kingdom) experience and conducted an in-depth review of the VPET development in Hong Kong, the Task Force submitted its report to the Government in January 2020 and put forward a series of recommendations, with a view to facilitating the development of VPET programmes. The Government is proactively following up on the recommendations made by the Task Force, including fostering industry participation in VPET, and enhancing the work-based learning elements in VPET, so as to provide a more diversified and recognised VPET pathway, facilitating the parallel development of the VPET and academic education pathways.

The Government and different organisations and institutions provide diversified workplace practice and learning experiences for students and young people. At the post-secondary level, the Government launched a Pilot Project on the Development of Applied Degree Programmes in December 2020, with the requirement that applied degree programmes, which blend theory and practice, be developed with strong industry involvement and the recognition of the relevant industries. The Review of Sub-degree Education, which was also launched in December 2020, also covers strengthening certain areas of the Higher Diploma qualification, including work-based learning, industry participation, and progression pathways.

In addition, since the 2014/15 academic year (AY), the Government has implemented the Training and Support Scheme (i.e. the Earn and Learn (E&L) Scheme) through the Vocational Training Council (VTC). With the tripartite collaboration among the Government, industries and the VTC, on-the-job training and school learning are integrated in a structured manner, enabling trainees to acquire job-related knowledge and skills in the course of their studies. To further enhance the E&L Scheme, starting from the 2019/20 AY, the Government has provided the VTC with non-recurrent funding to promote and support employers to participate in workplace learning and assessment (WLA) under the Scheme, so as to conduct systematic WLA for trainees. The assessment standards are set with reference to industry and international standards for employers to assess the trainees' competencies in the workplace and provide suggestions for the trainees to improve their performance.

At the secondary level, the Education Bureau (EDB) promotes cooperation between schools and business entities through the Business-School Partnership Programme (BSPP), with a view to enabling students to understand the operations of industrial and commercial corporations, thereby strengthening life planning. In addition, the EDB proactively promotes the engagement of industry partners in Applied Learning courses, and opening up Extension Programmes to foster workplace learning opportunities for students.

(4)

The HKQF is a seven-level hierarchy in which HKQF-recognised qualifications are assigned different QF levels to reflect the depth and complexity of learning leading to such qualifications. In 2012, the Government introduced the Award Titles Scheme and QF credit under the HKQF. Award title reveals the nature, learning area and range of QF levels of a qualification, and QF credit indicates the volume of learning of the qualification. The relevant information enables training providers, institutions and learners to better understand the different qualifications recognised by the HKQF and make informed consideration in establishing and choosing their progression pathways.

(5)

The policy bureaux and departments of the Government participate in and promote the development of the HKQF at different levels. For recruitment, the EDB has featured the QF language in its civil service recruitment exercises since 2016 with a view to raising public awareness of the HKQF. A number of other Government departments (e.g. the Housing Department, the Civil Engineering and Development Department, the Civil Aid Service (CAS), the Working Family and Student Financial Assistance Agency, and the University Grants Committee Secretariat) have also featured the QF language in their recruitment / tendering process. For internal training, several disciplinary forces (e.g. the Hong Kong Police Force, the Customs and Excise Department, the CAS, the Correctional Services Department, and the Fire Services Department) have launched training programmes that are recognised by the HKQF. We also extended a special invitation to 17 government departments and public organisations to take the lead in participating in the first cohort of QF In Action in 2020, highlighting their exemplary practices in applying the HKQF to enhance the quality of services and the professionalism of staff members. Relevant information has been incorporated into the publications which are uploaded onto the website of the HKQF for members of the public and industry stakeholders to note and make reference to the implementation of the HKQF by government departments and public organisations.

(6)

We are stepping up our work in relation to the HKQF with the Mainland. Since the Letter of Intent on QF Co-operation between Hong Kong and Guangdong was signed between the EDB and the Department of Education of Guangdong

Province in 2019, and to cope with the rapid developments of the Guangdong-Hong Kong-Macao Greater Bay Area in recent years, the EDB, the QF Secretariat, and the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) have been cooperating with the relevant authorities in the Guangdong Province to foster collaboration between the two places on qualifications framework related matters. In early 2022, the HKCAAVQ accepted an invitation from the relevant authorities in the Guangdong Province to provide a two-year consultancy service to the latter to support the development of the Guangdong Lifelong Education Qualifications Framework, including providing assistance in establishing a quality assurance mechanism, accreditation standards and procedures, piloting accreditation exercises, and developing guidelines for setting up a qualifications register, thereby laying the foundation for further liaison and cooperation between the qualifications frameworks of the two places in the long term.

LEGO QUESTION NO. 13

(Written Reply)

Asked by Hon Tony TSE

Date of meeting : 22 June 2022

Replied by : Secretary for Development

Reply

President,

The Government all along attaches great importance to the partnership with engineering and architectural related consultants, maintains regular communication with relevant trade associations and professional institutions on procurement and contractual terms of public works consultancies, and where necessary enhances the related procedures with a view to creating a more favourable business environment for the sector. When preparing architectural, engineering or associated consultancy agreements, departments will clearly specify the scope of consultancy services, details of deliverables and submission timetable, as well as relevant technical, manpower and experience requirements, etc. so that consultants can have sufficient information to determine the consultancy fees required. In the implementation of consultancy agreements, we will remunerate consultants for tasks completed according to the mechanism in the agreements. Where consultants are required to provide services that are not specified in the agreements or when there is a delay due to unforeseen reasons in construction works contracts under the management of the consultants, rendering the consultants to incur additional costs, there are established mechanisms and procedures in the prevailing agreements to deal with such matters. In general, if the above situations occur, the consultants can serve notices of claim to the departments in accordance with the mechanism in the agreements, and the departments will examine the relevant justifications in an objective manner. Once the claims are substantiated, the departments will reasonably determine and pay the compensation to the consultants.

My reply to the three parts of the question raised by the Hon Tony TSE is as follows:

- (1) In the past three years, departments received a total of 23 compensation claims lodged by engineering or architectural consultants through the mechanism in the consultancy agreements, as a result of additional costs incurred due to projects not being implemented as planned. Two of the claims have been satisfactorily settled. As for the remaining claims, the departments are still awaiting further information and records to be submitted by the relevant consultants so that they can assess the validity of the claims as well as the compensation amounts if substantiated. As these claims involve third-party information, we are not able to disclose the details. On the other hand, departments did not receive any claims lodged by engineering or architectural consultants through other channels outside consultancy agreements.
- (2) When departments apply for funding approval (including payment for consultants' fees), they will allow certain contingencies to cover some unforeseeable expenditures. With respect to consultancy agreements, the contingencies reserved by departments are generally sufficient to cover additional costs incurred under the agreements, including costs incurred by consultants for additional services requested by departments or other reasonable claims made by consultants. However, even if the Approved Project Estimate is not sufficient to cover these additional expenses, departments will not reject the reasonable claims and will apply for additional funding following the established procedures.
- (3) There are established mechanisms under the prevailing public works consultancy documents to deal with claims submitted by consultants. If consultants consider that they have incurred additional expenses due to the provision of additional services which fall outside the scope of the agreements or other reasons such as project delays, etc., they shall file claims to departments in writing, detailing the additional services involved, the reasons giving rise to such additional services and the claimed amounts. Departments will review the reasonableness of the cases based on the information provided by consultants to assess whether they are justified, and examine the information submitted by consultants to evaluate the compensation to be paid. In addition, the Development Bureau has issued

internal guidelines to departments outlining the principles and procedures in handling of such claims, so that departments can handle the matter more effectively. For example, if there is a delay to the consultants' services due to funding not being approved as scheduled, departments should reasonably review and assess the circumstances, including whether the consultants have carried out additional work during the delay period, and if so, the departments should pay the consultants for the associated additional expenses.

The aforementioned mechanism can effectively and properly handle consultants' claims arising from project delays. All in all, we have no plan at this stage to introduce additional contract provisions similar to the "extension of time" provisions in public works contracts for consultancy agreements.

- End -

LEGCO QUESTION 14

(Written reply)

Asked by : Hon Andrew LAM Date of meeting : 22 June 2022

Replied by : Secretary for Development

Reply:

President,

The reply to the questions raised by the Hon Andrew Lam is as follows:

- (1) At present, a series of procedures is required for the Government to turn a piece of “primitive land” (i.e. land not originally planned/zoned for development and/or not ready for housing works to commence) into a “spade-ready site” (i.e. land ready for commencement of works). Take the example of rezoning a single land parcel for public housing development, the Civil Engineering and Development Department (CEDD) will first conduct an engineering feasibility study to assess the impact on transport, environment, etc., which typically takes around two years. The Planning Department will then proceed with rezoning under the Town Planning Ordinance (Cap. 131) (the Ordinance) (normally requiring 11 months in accordance with the Ordinance), followed by detailed design for engineering and architectural works by CEDD (normally requiring 18 to 24 months). If private land is involved, the Lands Department (LandsD) and relevant departments will take forward the gazettal of land resumption and works area under the Lands Resumption Ordinance (Cap. 124) and other ordinances as well as handle any objections. When the detailed designs and estimated expenditures are ready, the Government will seek funding approval from the Legislative Council (LegCo) for the works. Upon funding approval, LandsD will commence the land resumption procedures and arrange rehousing compensation for the affected tenants or operators, and then clear the land for CEDD to conduct site formation and infrastructural works, which would take around two to three years (depending on site conditions). After taking into account that some procedures would be

carried out concurrently as far as possible, the above procedures altogether take at least six years to complete. Longer time might be required for cases of larger-scale and more complex developments.

Procedures which could be carried out simultaneously, such as the detailed design of the site formation and infrastructure works, the related statutory procedures (such as the gazettal procedures under the Lands Resumption Ordinance (Cap. 124), the Roads (Works, Use and Compensation) Ordinance (Cap. 370) and the Water Pollution Control (Sewerage) Regulation (Cap. 358AL)) and the handling of objections, would typically be carried out concurrently; CEDD will as far as possible implement the site formation and infrastructure works in phases in order to hand over the completed parts of the site to the Housing Authority (HA) for housing development, and arrange the works of the remaining parts to be conducted in parallel with the building construction works. To streamline procedures, CEDD has also earlier introduced term consultancy agreement for the engineering feasibility studies conducted for the public housing developments in some of the areas, saving four to five months of purchasing time.

The Transport and Housing Bureau (THB) indicated that foundation and building works of public housing would normally take about four to five years to complete but may vary depending on the conditions of individual sites, including the ground and geological conditions of the sites, the project design and number of storeys of the building blocks, as well as other unforeseeable factors such as inclement weather, etc.

Before site handover, HA would carry out pre-construction preparatory tasks, including formulating planning briefs, conducting detailed design, site investigation, inviting tender, etc., with a view to facilitating the commencement of the construction works as soon as the sites are handed over to HA. Depending on the conditions of individual projects, project budget and scheme design would be considered and approved by the Building Committee of HA about one year before site handover, followed by preparation of tendering for the foundation works. Invitation to tender for building works would be carried out while foundation works are in progress so that building works could commence immediately after the completion of foundation works. Structural

works and building services installations will be carried out concurrently with the building works in order to minimise construction time.

THB indicated that in order to compress the housing construction workflow, HA will also adopt the Modular Integrated Construction method and innovative construction technology more widely. Besides, to cope with the increasing housing production, HA will leverage on resources and the expertise of the construction industry by adopting a new Design and Build contract procurement model in suitable projects to allow contractors to undertake both design and construction. HA can then allocate its existing manpower in performing design work to focus on expediting pre-construction planning of new projects with a view to awarding the construction contracts as early as possible.

- (2) As for private housing, if it involves the process of producing a piece of land from “primitive” to “spade-ready”, most of the procedures are similar to those mentioned in part (1). Depending on the unique characteristics and conditions of individual sites, the Government would conduct technical feasibility study as necessary, followed by the relevant statutory procedures like rezoning, road works gazettal and the handling of objections. LandsD would be responsible for the relevant land administration process, such as land clearance and the drafting of land sale conditions. That said, unless the sites are located in New Development Areas where the Government undertakes holistic planning and site formation, Government land sale sites normally do not involve the resumption of private land, detailed design for engineering and architectural works and site formation works will also be carried out by the developer. The developer after successfully bidding a site, is required to submit applications to relevant departments in respect of its proposed development for approval, such as submission of building plans/application for the consent to commence works, etc. Upon the approval of relevant applications, the developer must complete the development within the building covenant period stipulated under lease, and obtain an occupation permit.

Apart from Government land sale sites, developers may also take forward private residential development projects via lease modification/land exchange applications to LandsD if the proposed

development is permitted under the planned use or after applying for a planning approval. The process from the receipt of a valid application to the execution of the lease involves various procedures, including the drafting of basic terms and conditions as well as premium negotiation, etc. The processing time required for each application depends on the complexity of the individual case. In this regard, LandsD's performance pledge is to provide a provisional offer with basic terms, a rejection or an indication of in-principle agreement to the applicant within 22 weeks upon receipt of a valid application.

As one of the measures to streamline administrative procedures, for those rezoning applications approved by the Town Planning Board (TPB) under section 12A of the Town Planning Ordinance (Cap. 131) and with a set of development parameters, LandsD would now accept request for advance processing of lease modification/land exchange before completion of the rezoning process. Besides, to expedite the supply of private housing, the Government has established two dedicated teams for taking forward private residential development projects as follows –

- (a) the Land Supply Section (LSS), established by LandsD in April 2019, is dedicated to handling sites under the Government Land Sale Programme and large-scale lease modification and land exchange cases across the territory. The LSS maintains close liaison with the applicants and proactively arranges inter-departmental meetings with a view to resolving any issues arising from the approval process expeditiously; and
 - (b) the Development Projects Facilitation Office (DPFO), established by the Development Bureau (DEVB) in December 2020, facilitates the processing of development approval applications for larger-scale private residential developments (with 500 flats or more) leading up to the commencement of works. DPFO works with designated coordinators in the relevant bureaux and departments to ensure effective processing of applications.
- (3) To further shorten the time required for development-related procedures, DEVB is working closely with relevant bureaux and departments to give priority reviewing development processes under various legislations

(including the Town Planning Ordinance (Cap. 131), the Lands Resumption Ordinance (Cap. 124), the Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127), the Roads (Works, Use and Compensation) Ordinance (Cap. 370) and the Railways Ordinance (Cap. 519)), with a view to streamlining or shortening statutory procedures of town planning applications, land resumption and gazettal of road works, etc.

We briefed the LegCo Panel on Development on the initial proposals on 22 March 2022, covering the following major directions: (a) streamlining and shortening statutory procedures (e.g. shortening the statutory timeline allowed for completion of a rezoning process); (b) avoiding repetitively executing procedures of a similar nature (e.g. minimising the need of handling similar objections to the same project under different ordinances); (c) providing an express mandate for departments to run different procedures in parallel (e.g. allowing reclamation to take place while formulating detailed land use); (d) rationalising relevant arrangements (e.g. confining rezoning applications to those applicants with control over the land concerned); and (e) streamlining miscellaneous processes for more effective use of public resources (e.g. requiring the applicant lodging a review of TPB's decision to set out grounds for review).

We target to submit legislative amendments for these measures before the end of this year, if approved and implemented, will be able to expedite various development projects in the pipeline. Using the example mentioned in part (1) as an illustration, and assuming the relevant project would involve all procedures including study, rezoning, land resumption and funding approval, etc., if the legislative proposals are implemented, the time required for turning a piece of “primitive land” into a “spade-ready site” (currently requires at least six years) could be shortened by around two to two and a half years.

- End -

LEGCO QUESTION NO. 15

(Written Reply)

Asked by Hon CHAN Hak-kan

Date of meeting : 22 June 2022

Replied by : Secretary for Home Affairs

Reply

President,

Regarding the question raised by the Hon CHAN Hak-kan, the Home Affairs Bureau's consolidated reply on behalf of the Government is as follows:

During the War of Resistance against Japanese Aggression ("the War of Resistance") and Japanese occupation of Hong Kong, under the leadership of the Communist Party of China, the Hong Kong Independent Battalion of the Dongjiang Column dealt a severe blow to the Japanese invaders in various parts of Hong Kong to defend the motherland, making significant contribution to the ultimate overall victory of the War of Resistance which lasted for 14 years in total. Their heroic deeds are honourable and respectable. The Government of the Hong Kong Special Administrative Region Government ("Government") has all along been promoting patriotic education and a correct understanding of history, including the 14-year history of Chinese people's War of Resistance against Japanese fascist and militarist invasion, and will continue to do so in order that the young generation in particular will understand and remember this piece of important history. Understanding the great contributions made by war heroes to the country and the nation can cultivate a sense of national identity and national pride among the young generation, as well as enhance their relevant knowledge so that they may prepare themselves for the cause and development of the country and the nation in the future.

Over the years, the Hong Kong Museum of History ("HKMH") and the Hong Kong Museum of Coastal Defence ("HKMCD") managed by the Leisure and Cultural Services Department ("LCSD") under the Home Affairs Bureau ("HAB") have presented in their permanent exhibitions the history of the War of Resistance on a long-term basis. Currently, HKMH and HKMCD are revamping their permanent exhibitions to further enhance the presentation of the Japanese invasion of China, Japanese attack on Hong Kong, the Battle of Hong Kong, the Hong Kong Independent Battalion of the Dongjiang Column and so on to deepen

public awareness of this chapter of Hong Kong history. In addition, HKMH has engaged experts and academics to conduct thematic research on anti-Japanese aggression activities in Hong Kong. Some of the findings were published in “The Defence of Hong Kong – Collected Essays on the Hong Kong-Kowloon Brigade of the East River Column”. These oral historical materials and research findings are extremely important in preserving, displaying and promoting the history of the War of Resistance.

HKMCD has organised from time to time thematic exhibitions relating to the War of Resistance, such as the “Anti-Japanese War Heroes: An Exhibition on the Hong Kong Independent Battalion of the Dongjiang (East River) Column” and “The East River Column and the Hong Kong-Kowloon Independent Brigade” which focused on the stories about the Dongjiang (East River) Column. Other thematic exhibitions included the “Braving the Storm: Hong Kong under Japanese Occupation” exhibition. Through a wide range of activities in the form of talks, study tours to military relics, workshops, roving exhibitions and dramas, *etc.*, HKMCD has enhanced public understanding of the related history. HKMCD also provides roving exhibition panels on the theme of the history of the War of Resistance in Hong Kong for free loan to local schools, youth organisations, uniformed groups, community organisations and other charitable or non-profit-making organisations.

Moreover, the LCSD museums have attached considerable importance to the digitisation of information on museum collections. The website of HKMH has provided relevant links to facilitate public search of selected museum collections, including the artefacts related to the War of Resistance and the Dongjiang Column. In the future, HKMH and HKMCD will continue to organise thematic exhibitions from time to time to arouse public interest with a view to promoting a better understanding of the War of Resistance, especially among the young generation, and educating the public to value and address this chapter of history. The two museums will also continue to devote resources to study, collate, preserve, display and promote the historical records and collections relating to the War of Resistance in Hong Kong while introducing to the public the heroic stories of the Hong Kong Independent Battalion of the Dongjiang Column in the anti-Japanese war under the leadership of the Communist Party of China through exhibitions and activities. In collaboration with the Hong Kong War History Research Association, HKMCD has organised a series of activities to recognise the heroic deeds of the Hong Kong Independent Battalion of the Dongjiang Column in the War of Resistance, enabling the public to have a better understanding about the glorious history of the War of Resistance and let them take pride in being a member of the Chinese nation.

Apart from HKMH and HKMCD, the Hong Kong Film Archive has curated the “Cine Memories of the War of National Resistance” programme since 2015 on a regular basis to present free screenings on the theme of the anti-Japanese war during the period before and after the dates commemorating the victory of the Chinese people’s War of Resistance each year. Through these screenings, it is hoped that the public will gain a better understanding of this significant historical event while enjoying the films.

Apart from the museums, the Hong Kong Public Libraries (“HKPL”) has been playing a complementary role on various fronts such as enriching relevant library collection, including books and multimedia information, to facilitate public search of the information on the brave history of China and its people in the resistance against Japanese invasion. HKPL also plans to organise seminars on the anti-Japanese war with books display in libraries in the period before and after the dates commemorating the victory of the Chinese people’s War of Resistance each year. Since December 2014, HKPL has taken up the management of the “Hong Kong Memory” website and has collaborated with various LCSD museums to develop, upon studying, analysing and collating the historical archival materials, new collections on a regular basis to recount the stories of Hong Kong, including the touching stories of the Dongjiang Column, with a view to arousing public interest while preserving records on the history and culture of Hong Kong. The special collection “Imprint of the Heart: Artistic Journey of Huang Xinbo” launched in November 2019 showcased some of the woodcuts by Huang Xinbo on the lives of people during the War of Resistance, as well as his anti-Japanese caricatures. From his works and experience during wartime, readers may realise how a patriotic artist in his predicament aroused patriotic sentiment in the people and urged them to stand against the Japanese invasion together through his artistic creations. The “Hong Kong Memory” website is also planning a newly selected collection on the War of Resistance in collaboration with HKMCD.

Besides, the Committee on the Promotion of Civic Education (“CPCE”) under HAB is committed to promoting civic education (including national education) outside schools. The Civic Education Resource Centre (“CERC”) established by CPCE comprises a thematic exhibition area for holding thematic exhibitions, including exhibitions on national themes and Hong Kong history, such as the “Exhibition on the Chinese History from the First Sino-Japanese War to the Victory in the War of Resistance against Japanese Aggression” and the “Exhibition Commemorating the 70th Anniversary of Victory in the War of Resistance against Japanese Aggression”. A pictorial exhibition titled “Braving the Storm: Hong Kong under Japanese Occupation”, running from early May to mid-July 2022, is also organised by CPCE at the CERC to shed light on the contributions that the people of Hong Kong made to the anti-Japanese efforts in

the Mainland, and the city's days of darkness during the "*three years and eight months*" of Japanese occupation. Moreover, CPCE has, via its social media platforms, published posts on topics covering national history and culture like "the 90th anniversary of the September 18 Incident", etc.

In remembrance of the Chinese people's courageous resistance to the invasion from Japanese fascists and militarists and to pay tribute to the martyrs and tens of millions of compatriots who bravely fought and even died for the country and the people, the Government has since 2014 hosted an official commemorative activity to commemorate the victory of the Chinese people's War of Resistance on the morning of 3 September each year at the Hong Kong City Hall Memorial Garden. Invitees include veterans of the Hong Kong Independent Battalion of the Dongjiang Column, senior government officials, diplomats from various countries, deputies to the National People's Congress and members of the National Committee of the Chinese People's Political Consultative Conference, members of the Executive Council and the Legislative Council, representatives of the Judiciary, representatives of various sectors, as well as uniformed youth groups, students, local youth representatives. By inviting them to the official commemorative activities, we hope that Hong Kong people, especially young people, will have a stronger sense of belonging to the country, as well as a greater affection for the country and respect for the martyrs. In addition to the annual official ceremony to commemorate the victory of the Chinese people's War of Resistance and pay tribute to martyrs and civilians who lost their lives in the war, HAB and the Home Affairs Department ("HAD") will continue with the relevant work, including encouraging community groups, especially youth organisations and uniform groups, to organise various commemorative activities, as well as support and complement the efforts of organisations of the resistance force. The aim is to introduce to the public the history of the resistance against Japanese aggression, helping them learn the glorious history of the Motherland, compatriots and Hong Kong people joining hands to resist Japanese aggression, and fostering among them patriotic sentiments and national confidence. Meanwhile, HAD also supports and encourages community organisations to organise various commemorative activities each year. Regarding the erection of the Cenotaph for Martyrs, the projects implemented under the Minor Works Programme of HAD include the re-provisioning works of the Cenotaph for Martyrs in Wu Kau Tang and the construction of the monument for anti-Japanese aggression martyrs under planning at Lung Kwu Tan, Tuen Mun. Besides, the Sai Kung District Office also assisted in the maintenance and cleaning of the Memorial Monuments for Sai Kung Martyrs in Tsam Chuk Wan.

Meanwhile, the Education Bureau ("EDB") has always attached great importance to education about the history of the War of Resistance. The relevant

history is taught according to the curricula of Chinese History and History subjects at both the junior and senior secondary levels. EDB also encourages and assists schools to organise activities on relevant historical issues. For example, in this school year, the Secretary for Education attended a commemorative activity of the “Victory Day of the Chinese People’s War of Resistance against Japanese Aggression” organised by a school on 3 September 2021, and joined the teachers and students in paying tribute to martyrs and civilians who lost their lives. He delivered a speech, in which he mentioned that people in Hong Kong inspired by the righteous cause of the nation and the patriotic spirit persevered with resistance and ultimately succeeded in withstanding foreign invasions, thereby nurturing students’ national identity and patriotic spirit. As 2021 marked the 90th anniversary of the “September 18 Incident”, EDB organised a dedicated seminar themed “The September 18 Incident and the War of Resistance against Japanese Aggression” cum sharing session by veterans of the War of Resistance. EDB also organised the “Remember History, Cherish Peace: the 84th Anniversary of Nanjing Massacre” school commemorative activities and teacher seminars in a school in December the same year. Participants observed a moment of silence for all compatriots who sacrificed themselves in the Nanjing Massacre and the War of Resistance, and expressed the utmost reverence and appreciation to the patriots who resisted the enemies with resilience. The activity also encouraged students to learn their forefathers’ spirit of commitment and sacrifice in safeguarding the country, as well as cherishing peace. Besides, EDB has developed relevant learning and teaching resources to enhance teachers’ strategies and effectiveness in teaching relevant topics, such as “「九一八事變與抗日戰爭」歷史專題簡報” (Chinese version only) and “The 70th anniversary of the Victory of the War of Resistance against Japanese Aggression: Selections from the Hsu Chung Mao Collection” and the Learning and Teaching Package for “History of War in China”. To further enhance the teaching of the history of the War of Resistance, EDB issued in early June this year the circular memorandum on “Teaching the History of the War of Resistance against Japanese Aggression: Teacher Seminars cum Field Visits Series, Teaching Support Programme and Learning and Teaching Resources”, in which schools are informed in advance of the programme series and projects on the War of Resistance that will be organised by EDB, including seminars and field study activities in connection with the 80th anniversary of the founding of the Dongjiang Column and the Hong Kong Independent Battalion, as well as the pilot scheme of a drama education programme on “September 18 Incident”, so as to support the teaching of the history of the War of Resistance.

The Government attaches great importance to the history of the War of Resistance and will continue to spare no efforts in promoting patriotic education, including the history of the 14-year War of Resistance and in particular, the great achievements in resisting Japanese aggression made by the Hong Kong

Independent Battalion of the Dongjiang Column under the leadership of the Communist Party of China so as to enhance our patriotic sentiment, sense of pride as a Chinese and confidence in our nation.

LEGCO QUESTION 16

(Written Reply)

Asked by: Hon Paul TSE

Date of meeting: 22 June 2022

Replied by: Secretary for Food and Health

Reply:

President,

As the global pandemic persists, the Government continues to prevent the importation of cases under the policy direction of dynamic “zero infection” and maintains stringent inbound prevention and control measures. These measures aim to, on the premise of the proper management of importation risks, allow Hong Kong to maintain contact with overseas places while rigorously guarding against imported cases from entering the local community.

In addition to the stringent boarding requirements including being fully-vaccinated and pre-departure nucleic acid tests, inbound persons are subject to “test-and-hold” at the airport upon arrival, where those who obtain a negative result would be transferred by Government-arranged designated transport under closed-loop management to designated quarantine hotels (“DQHs”) for compulsory quarantine, during which they would undergo multiple tests. The relevant arrangements are necessary measures to prevent the importation of cases, which can help identify imported cases as early as possible for appropriate isolation, and can effectively segregate inbound persons who may be infected but are still under the incubation period, in order to prevent cases from entering the local community as far as possible.

In consultation with the Transport and Housing Bureau, Innovation and Technology Bureau as well as Commerce and Economic Development Bureau, my consolidated reply to the question raised by the Hon Paul TSE is as follows:

“Test and hold” arrangement, obtaining quarantine order and transfer to DQHs

Generally inbound persons from overseas and Taiwan, upon disembarkation, are required to proceed to the Temporary Specimen Collection Centre (“TSCC”) 1 set up at the airport Midfield Concourse to undergo the “test-and-hold”

arrangement and receive quarantine orders. The Government and the Airport Authority of Hong Kong have already set up clear and large signage along the route and arranged on-site staff to provide instructions and assistance. Major steps involved are as follows-

- (a) Present upon entering TSCC the QR code generated by the completed electronic health declaration form and undergo temperature screening;
- (b) Verify personal details and receive specimen collection bottles at specimen registration counters;
- (c) Undergo in individual specimen collection booths a PCR-nucleic acid test as well as a rapid antigen test (“RAT”) at the same time by professional specimen collection;
- (d) Submit documentation such as personal identification documents, vaccination records and booking confirmation at DQHs for verification and issuance of quarantine orders by staff. Those who hold non-local vaccination records would also be issued the QR codes for Provisional Vaccine Pass.

If the RAT results of the relevant inbound persons are negative, they can leave TSCC to proceed with immigration procedures. Upon completion of which and following instructions of the staff on site, they will be transferred under closed-loop management by designated transport to DQHs to wait for the PCR nucleic acid test results and undergo compulsory quarantine. Currently, it takes about an average of 55 minutes for travellers to complete the above procedures.

The inbound travellers would reach the waiting hall for designated transportation after leaving the Restricted Area. Having registered at the counter, they would be informed of the route number for the designated transportation. The inbound travellers should then go downstairs and queue up for the coach. The security guards of the airport and the staff of the contractors would provide assistance to the travellers in Cantonese, Putonghua and simple English. Sufficient notices are also placed in appropriate locations to remind travellers to get ready the documentation required, information of the route and designated quarantine hotel booked etc. for boarding. In non-peak hours, the waiting time from registration to boarding should be within 30 minutes.

There are about 180 Government employees and about 320 outsourced staff responsible for the daily operation of TSCC-1, including temperature screening,

quarantine and passenger clearance, crowd control, specimen collection and other administrative duties. To ensure the smooth operation of the designated transportation, 9 government officers are deployed to monitor the situation every day. Besides, the contractor of designated transportation has deployed about 240 staff to run the service.

Generally speaking, the above manpower would suffice for handling the relevant duties. The Government understands that the waiting time might be longer during certain peak periods due to the large number of travellers. Since the implementation of “test-and-hold” in March 2020 and the DQH arrangement in December 2020, the Government has been reviewing and constantly enhancing the relevant arrangements, so that while infected cases can be detected and isolated as early as possible, the waiting time of inbound persons can be shortened as much as possible, including setting up TSCC at the airport Midfield Concourse, adopting rapid PCR nucleic acid tests, as well as the addition of RAT on 9 May this year, allowing inbound persons with negative RAT results to proceed to DQHs to wait for their PCR nucleic test results, etc.

The Government will continue to closely monitor the number of arrivals at the Hong Kong International Airport, as well as the time taken for the relevant inbound persons to undergo “test-and-hold” and be transferred to DQHs under closed-loop arrangement, and will review the relevant implementation details in order to further enhance the relevant arrangements.

“LeaveHomeSafe” and Provisional Vaccine Pass

Under the prevailing social distancing measures, in general, all customers entering scheduled premises are required to scan the venue QR code using the “LeaveHomeSafe” mobile app. Persons aged 12 or above are required to display the Vaccine Pass QR code for scanning by the “QR Code Verification Scanner” mobile app when entering some of the premises subject to active checking. To tie in with the relevant arrangement, from 5 May onwards, inbound travellers subject to compulsory quarantine will be issued a Provisional Vaccine Pass QR code at boundary control points to facilitate their entry to specified premises. They could use the “LeaveHomeSafe” mobile app to display the Provisional Vaccine Pass or carry the paper record. The Provisional Vaccine Pass contains the hyperlink to the Vaccine Pass thematic website to provide relevant information. The Government has also prepared a series of

leaflets to illustrate the latest arrangement and requirements of Vaccine Pass, as well as a number of relevant videos and infographics for introducing how to use the “LeaveHomeSafe” mobile app and display the Vaccine Pass, with a view to allowing citizens and travellers to have a better understanding of the related operation.

As for the desire of visitors to travel to Hong Kong mentioned by the Member, it depends on various factors, including personal travel experience, economic considerations, the local and global epidemic development and changes in anti-epidemic arrangements, etc. The mode of tourism worldwide has been evolving according to the development of the epidemic. When planning their itineraries, travellers will carefully consider the risks of the epidemic in various places and the required testing, quarantine and other arrangements. The Government will continue to closely monitor the development of the epidemic and maintain close liaison with the trade; encourage the trade to develop and launch more tourism products with cultural and heritage elements through different incentive schemes; improve the professional standards and service quality of the talents in the tourism industry by subsidising the training of tourism practitioners; and provide additional funding to the Hong Kong Tourism Board in a bid to revive the tourism industry, so as to get prepared for the recovery of tourism industry. The Airport Authority of Hong Kong has been actively cooperating with the Government in implementing quarantine arrangements at the Hong Kong International Airport, and will reflect to the Government any comments from travellers relating to the quarantine arrangement.

- End -

LEGCO QUESTION 17

(Written Reply)

Asked by: Hon Rock CHEN

Date of meeting: 22 June 2022

Replied by: Secretary for Food and Health

Reply:

President,

To prevent the exportation of local cases and to support the Mainland's anti-epidemic efforts, the Government has implemented since March 2022 a special testing arrangement. Outbound travellers to the Mainland or Macao are subject to an additional free rapid PCR-based nucleic acid test prior to departure from Hong Kong at the airport or land boundary control points ("BCPs"). Only those who receive a negative result can continue with their journeys. To further complement the Mainland's testing arrangements, the relevant special nucleic acid tests switched to using nasopharyngeal swabs ("NPS") for specimen collection from 13 April.

My reply to the various parts of the question raised by the Hon Rock CHEN is as follows:

(1)

For land BCPs, from 21 March to 20 June 2022, the numbers of rapid PCR nucleic acid tests performed for outbound travellers to the Mainland or Macao were over 51 000 and 17 000 respectively for the Shenzhen Bay ("SZB") Port and the Hong Kong-Zhuhai-Macao Bridge Hong Kong ("HZMB") Port. The positive rates for the PCR nucleic acid tests conducted in SZB Port and HZMB Port were 0.50% and 0.39% respectively.

As regards the airport, from 29 March to 20 June 2022, the number of rapid PCR nucleic acid tests performed for outbound travellers to the Mainland or Macao at the Hong Kong International Airport was over 21 000, and the positive rate was about 1%.

Since the special nucleic acid tests switched to using NPS for specimen collection from 13 April, the relevant positive testing rates have increased in the above three BCPs. As those who are tested positive cannot continue with their journeys, this means the corresponding cases exported to the Mainland and Macao have decreased.

(2)

To support the Mainland's anti-epidemic efforts and testing requirements, the special tests are conducted with specimens collected by NPS. When travellers undergo the special tests at Hong Kong BCPs, their test results must be negative in order to continue with their journeys. Generally speaking, when the viral load is at a very low level, repeated specimen collection and testing might yield different results. This is a known phenomenon. Contractors who provide testing services to the government all meet the quality assessment and possess the relevant medical laboratory accreditation. Contractors are also required to regularly participate in and pass the continuous quality assurance programme of the Centre for Health Protection, with samples provided by the centre for comparative testing. The relevant arrangements also effectively ensure that the detection limits and sensitivity of the testing contractors meet the relevant Mainland requirements. Generally speaking, the different results of virus testing (such as pre-departure testing conducted in Hong Kong and post-arrival testing conducted in the Mainland) may be affected by factors such as the incubation period of the virus, and have nothing to do with the professional standard and accuracy of the testing. Unless all travellers taking the "48-hour nucleic acid test" also undergo closed-loop arrangement, infection during the period cannot be ruled out. The pre-departure rapid nucleic acid test deployed at the border control points is set up to prevent the above situation.

(3)

For the special test conducted at SZB Port and HZMB Port, depending on the passenger flow of outbound persons at the land BCPs, it would take an average of about one to two hours. As the passenger flow to Shenzhen via SZB Port has increased recently, in order to further reduce the time needed for the special testing procedures, the testing operator contractor has further increased the number of testing equipment and manpower upon the Government's request, increasing testing capacity by nearly 40%, and the nucleic acid testing

procedures at SZB Port has been shortened by about 20 minutes to an average of about 80 minutes. Meanwhile, the testing operator has also installed priority seats at the waiting area of nucleic acid test results at SZB Port for persons with needs. In addition, to further facilitate travellers, the Government has been discussing with the relevant departments of the BCPs to further enhance the arrangement at the waiting area, including the addition of seats, etc. The Government will continue to closely monitor the testing operator and implement suitable improvement measures, in order to ensure the quality of nucleic acid test service.

- End -

LEGCO QUESTION NO. 18

(Written Reply)

Asked by: Hon TANG Ka-piu

Date of meeting: 22 June 2022

Replied by: Secretary for Transport and
Housing

Reply

President,

Our reply to the question raised by the Hon Tang Ka-piu is as follows.

- 1,4&5. The Hong Kong Housing Authority (HA) undertakes home modification/ adaptation works in public rental housing (PRH) flats as requested by existing elderly or disabled tenants. The works generally include, where practicable, provision of a ramp at the entrance of flat, widening the doorway of bathroom, laying non-slip floor tiles on suitable floor surfaces, conversion of the bath tub into a shower area, installation of grab rails in the bathroom, raising the floor slab of the balcony to make it level with that of the living room, etc. If a tenant only requests for the provision of grab rails or installation of shower area in the bathroom, HA can directly arrange the related works free of charge without obtaining advice from a physiotherapist (PT) or a doctor. For other home modification/ adaptation works, in order to ensure that the works can meet the actual needs of individual tenants, HA will seek advice from PTs or doctors with the tenant's consent. HA has already put in place internal guidelines to assist frontline staff in handling the applications of these works. HA does not maintain central records of applications of adaptation/ home modification works.

In addition, HA will provide special allocation arrangement for people with special housing needs. If PRH applicants or their family members have non-temporary indoor dependence on wheelchair for mobility or are tetraplegia, HA will arrange pre-offers of flats for them prior to the issue of offer letters so that they and their Occupational Therapist (OT) / PT may conduct flat visit to advise on home modification works suggestions and whether the flats are suitable for their living. This allows the flats be modified to cater for their needs in respect of their health condition and use of different types of wheelchairs. Subject to OT/PT's advice that the flat is fit for the prospective tenants' living, and that the home modifications works can

be carried out according to their suggestions, HA will issue offer letters formally. HA will make corresponding arrangements in response to the proposals made by prospective PRH tenants before or during intake. If more time for the works is required, HA may postpone the commencement date of the tenancy to a date after the completion of the works.

2. HA has provided various types of facilities and services to the elderly and disabled tenants living in the estates. In order to inform prospective tenants about the services provided by HA, we will distribute various promotional brochures during intake, including the one entitled “Introduction to Services and Facilities for Persons with Disabilities”. There is no need for the tenants to fill out application form when requesting for home modification / adaptation works in PRH flats. HA will provide immediate and appropriate assistance to the tenants according to circumstances whenever a special request is received. Moreover, residents can learn about the various arrangements provided by HA through its website.

3. HA is committed to improving the living qualities of residents in public housing development. In line with the Government’s policy of “Ageing in Place”, HA also takes into account the needs of the elderly and other tenants with limited mobility in the design of public housing development, with a view to providing a safe and convenient living environment for them.

To facilitate the activities of tenants, including the elderly and those with limited mobility in the shower areas, starting from 2020, HA has installed grab bars in the shower area of the units in some newly completed public housing developments, for example, Fu Fai House of Fu Shan Estate in Wong Tai Sin; Choi Wo House of Choi Fook Estate in Kwun Tong; as well as Hong Tin House, Kin Tin House, Sum Tin House and Wing Tin House of Pak Tin Estate in Sham Shui Po. Grab bars have been installed in the shower areas of the units in all newly completed public housing developments since 2021.

6. As at 31 March 31 2022, about 22% of HA’s PRH tenants in Hong Kong are all elderly members. HA does not maintain a central record of the number of adaptation/ home modification works carried out in units with all elderly members.

- END -

LEGCO QUESTION NO. 19

(Written Reply)

Asked by: Dr Hon TIK Chi-yuen Date of meeting: 22 June 2022

Replied by: Secretary for Commerce
and Economic
Development

Reply

President,

The Government understands that tourism-related industries have been facing a difficult business environment due to the impact of the COVID-19 epidemic situation, and has therefore been providing support through various means and maintaining close liaison with the trades.

Having consulted relevant bureaux, our reply to the question raised by Dr Hon Tik Chi-yuen is as follows:

- (1) In the past two years or so, the Government has rolled out financial support and schemes with over \$3.88 billion funding commitment to support the travel trade, including providing seven rounds of direct financial support to the travel trade through the Anti-epidemic Fund (“AEF”), benefitting over 1 700 travel agents and around 21 000 practitioners covering travel agent staff, tourist guides, tour escorts, and drivers of tour service coaches, around 2 100 hotels and guesthouses as well as the cruise industry, and have been supporting the trade through the Travel Agents Incentive Scheme and the Green Lifestyle Local Tour Incentive Scheme (“GLIS”). On the other hand, the travel trade is also benefitted from the two rounds of Employment Support Scheme under AEF.

In addition, the Government has earmarked a total of \$1.26 billion in the 2022-23 Budget to support and develop the tourism industry, of which \$600 million will be allocated to implement the Cultural and Heritage Sites Local Tour Incentive Scheme for encouraging the trade to develop and launch more tourism itineraries and products with cultural and heritage elements as well as supporting the operation of GLIS; \$60 million will be allocated to subsidise the training of tourism practitioners for improving the professional standards and service quality of the tourism industry; and additional \$600 million will be allocated to the Hong Kong Tourism Board (“HKTB”) to revive the tourism industry, so as to prepare

for the return of visitors. The various measures will help the tourism industry to set off again after the epidemic.

Apart from financial support, the Government has also been creating rooms for business for the trade on the premise of containing and combating the epidemic. Among these, with the phased and gradual relaxation of social distancing measures from 21 April 2022, various tourism facilities and activities, such as theme parks and local tour, have been reopened or resumed. HKTG has also been using the “Hong Kong Summer Treats” platform for promotion to support local tourism and has so far rolled out seven rounds of Local Tours Programme and Staycation Delights to stimulate local consumption on retail and catering, and encourage the general public to take part in local tourism as well as experience the services and facilities of local hotels.

- (2) In view of the impact of the epidemic on the local transport sector, the Government has implemented a series of relief measures under AEF. For non-franchised buses, the Government has provided one-off non-accountable subsidy of \$95,000 in total for each eligible non-franchised bus (including non-franchised buses with tour service (A01) endorsement) under AEF so as to assist the trade to tide over the difficult period.

In addition, in order to alleviate the financial burden of the trade during the epidemic, the Government has waived the fees for vehicle licence for commercial vehicles, vehicle examination for licence renewal, Passenger Service Licence, Passenger Service Licence Certificate and closed road permit from 30 December 2019 to 29 December 2022, as well as provided temporary parking spaces for idle non-franchised buses in suitable locations. Operators of the non-franchised buses with tour service endorsement can also benefit from the above measures.

As to the Pre-approved Principal Payment Holiday Scheme launched by the Hong Kong Monetary Authority (“HKMA”) together with the Banking Sector SME Lending Coordination Mechanism in May 2020, it covers all corporate customers, including those in the transportation sector, with an annual sales turnover of HK\$800 million or below.

In view of the severity of the fifth wave of the epidemic and its impact on the challenging operating environment for individual corporates, HKMA and the banking sector decided in February 2022 to extend for the fourth time the Pre-approved Principal Payment Holiday Scheme by six months to end-October 2022. Moreover, for the transport sector, the Banking Sector SME Lending Coordination Mechanism has, in January 2021, recommended banks to actively consider extending the maximum loan

tenors for existing commercial vehicle loans having regard to the circumstances of individual borrowers. The same principles under the Pre-approved Principal Payment Holiday Scheme are also applicable in handling requests for principal payment holiday and extension for commercial vehicles loans taken out by personal customers.

HKMA will continue to maintain close dialogue with the banking and commercial sectors, pay close attention to changes in the operating environment for corporates, and review the current relief measures as and when appropriate.

- (3) The Education Bureau has been providing resources to primary schools, secondary schools and kindergartens through various subsidies or schemes for arranging life-wide learning activities dovetailing with needs of learning and teaching, including local field trips and visits etc., so as to foster students' whole-person development and personal growth.

For non-governmental organisations subvented by the Social Welfare Department, they may, subject to their compliance with the Funding and Service Agreement, flexibly deploy resources and organise activities in different manners to meet the needs of service users.

- End -

LEGCO QUESTION NO. 20
(Written Reply)

Asked by: Hon CHAN Hok-fung

Date of meeting : 22 June 2022

Replied by : Secretary for Transport
and Housing

Reply

President,

The Government's policy in the provision of parking spaces is to accord priority to considering and meeting the parking demand of commercial vehicles ("CVs"), and to provide an appropriate number of private cars ("PCs") parking spaces if the overall development permits, but at the same time not to encourage frequent users of public transport to opt for PCs in lieu of public transport, so as to avoid aggravating the burden on road traffic.

In recent years, the Government has been continuously pursuing a host of short-term and medium- to long-term measures to increase parking provision. Apart from the measures of providing public parking spaces in suitable "Government, Institution or Community" ("GIC") facilities and public open space ("POS") projects following the principle of "single site, multiple uses" and promoting the application of automated parking system ("APS") mentioned in the question, we have also been designating suitable on-street locations as night-time CV parking spaces and stipulating the provision of a minimum number of parking spaces for CVs in the tenancy agreement of suitable short-term tenancy ("STT") car parks, etc. Our coordinated replies to various parts of the Hon CHAN Hok-fung's question are as follows:

(1) & (2)

Hong Kong Planning Standards and Guidelines ("HKPSG") states that the principle for the provision of ancillary parking facilities in residential developments should be sufficient to satisfy self-generated parking demand while considerations should also be given to the limitation of road capacity. For example, the number of parking spaces for private housing development

recommended by the HKPSG is calculated based on various factors, including the number and sizes of flats, development densities, and the distance between the development and railway stations, etc.

TD commenced a consultancy study in 2018 to review the standards for the provision of ancillary parking spaces for CVs and PCs under the HKPSG. TD conducted large-scale parking demand surveys, including surveying the provision of parking spaces and the demand of residents in private and subsidised housing developments, and conducting surveys among CV drivers through questionnaires, to have a grasp of the latest local situation in order to estimate the parking demand of various residential developments. During the course of the review, the consultant also drew reference from the parking provision standards adopted by other countries and jurisdictions with levels of urban development similar to that of Hong Kong, such as Singapore, New York and London. Considerations taken into account by these places are generally based on the types of development, the standards of public transport services and other factors depending on the local circumstances. Considering that the urban planning, demand and supply of vehicles, as well as the measures for managing the situation vary among different regions, the consultant's recommendations were mainly based on the actual circumstances in Hong Kong. The Government completed the revision of the HKPSG in August last year, which has raised the number of ancillary parking spaces for PCs in private and subsidised housing developments and increased the type and number of parking spaces for CVs in subsidised housing developments. TD will continue to regularly review the parking standards under the HKPSG every few years with timely updates, to tie in with the changes in social and economic environment, such as the future cross-boundary transport and transport policies, etc.

The Government generally requires a project proponent to provide an appropriate number of ancillary parking spaces in the project according to the parking standards under the HKPSG. In addition to the HKPSG, TD will also consider other factors such as the demand and supply of parking spaces in the vicinity and the actual traffic conditions when setting the parking standards for a development project.

(3) & (5)

Apart from the provision of ancillary parking spaces in development projects, TD will also consider different measures to provide a suitable number of public parking spaces after reviewing the parking demand in the area concerned, such as providing public parking spaces in suitable GIC facilities and POS projects following the principle of “single site, multiple uses”, or providing parking

facilities near land boundary crossings to meet the needs for cross-boundary travel.

As for CV parking, the recommendations arising from the Consultancy Study on Parking for CVs (“the Study”) conducted in 2017 are being taken forward by TD, one of which is the implementation of eight suitable sites for public CV parking following the principle of “single site, multiple uses”. These sites include Amenity Complex in Area 103, Ma On Shan, Leisure and Cultural Complex Project at Tin Yip Road, Tin Shui Wai, Open Space cum Public Vehicle Park at To Wah Road, West Kowloon, and Sports Centre and Open Space at Aldrich Bay, Shau Kei Wan. The remaining four sites in Tung Chung, Tuen Mun, Kowloon City and Hung Hom are currently in the preliminary planning stage.

When determining the number of parking spaces, apart from implementing the recommendations under the Study, TD has also reviewed the parking demand of various classes of vehicles (including CVs) in the peripheral areas of different projects at other locations following the principle of “single site, multiple uses”. Having regard to the current progress, it is expected that, starting from 2024-25, a total of around 5 100 parking spaces (for CVs and PCs, etc.) will be provided by about 20 suitable projects by batches (which have included the projects under the Study that have reached a more mature stage).

As regards the suggestion of constructing additional underground car parks for CVs at the existing facilities on GIC sites, in view of the considerations such as cost-effectiveness, technical feasibility and the constraints brought by the existing facilities, the Government will mainly consider providing car parks in new GIC facilities based on individual project’s characteristics, including geological conditions, construction time and cost required, and cost-effectiveness, etc. As to the provision of car parks for CVs at basement, in general, when compared to ground floor and aboveground car parks, additional costs and time will be required for providing CV parking spaces at basements because the parking spaces for CVs are larger in size and occupy more spaces.

(4)

The Government is actively taking forward APS projects in suitable STT car parks and public works projects. The first APS taken forward by the Government at the STT site on Hoi Shing Road in Tsuen Wan was commissioned in November 2021, while the second APS at the STT site at Pak Shek Kok in Tai Po is expected to be commissioned in the fourth quarter this year.

Regarding public works projects that provide APS, the construction works at the Joint-user Government Office Building in Area 67 in Tseung Kwan O and the

District Open Space, Sports Centre cum Public Vehicle Park at Sze Mei Street in San Po Kong have already commenced, and are expected to be completed in 2025 and 2026 respectively. The construction works for the project at the junction of Yen Chow Street and Tung Chau Street in Sham Shui Po are planned to commence in 2023. As for the project at the Joint-user Complex at the junction of Shing Tai Road and Sheung Mau Street in Chai Wan, TD aims at applying to the Town Planning Board for planning permission before or by the end of 2022. The Government will seek funding approvals from the Legislative Council for the aforesaid projects in Sham Shui Po and Chai Wan.

TD will continue to explore the use of APS as far as possible in their future public vehicle park projects and in suitable STT car parks, taking into account the site constraints, cost-effectiveness, etc. For future public works projects with public vehicle parks, TD will invite the responsible departments to consider the feasibility of using APS at the planning stage.

The Hong Kong Housing Authority has been liaising closely with TD to learn from the Government's experiences in taking forward the APS projects. It will also actively study the feasibility of applying APS in future public housing developments with regard to various aspects such as technical issues, operation, management and future maintenance, etc.

- END -

LEGCO QUESTION NO. 21

(Written Reply)

Asked by : Hon CHAN Pui-leung

Date of meeting : 22 June 2022

Replied by : Secretary for Labour
and Welfare

Reply

President,

Street sleeping is a complex social problem involving policies and work of various bureaux and departments. Concerned government departments and local service units have been in close collaboration to assist street sleepers. Having consulted the Food and Health Bureau and the Home Affairs Bureau, I provide a consolidated reply to the question as follows:

(1) and (2)

To keep track of the demand for welfare support services for street sleepers, the Social Welfare Department (SWD) has set up a Computerised Street Sleeper Registry (Registry) to collect information about street sleepers through various service units of the SWD and non-governmental organisations (NGOs), as well as NGOs dedicated to serving street sleepers (including the SWD-subvented Integrated Services Teams for Street Sleepers (ISTs) and the Care and Support Networking Team).

According to the information kept by the Registry, the numbers of street sleepers by District Council district in the past three years are as follows:

Year	2019-20			2020-21			2021-22		
District Council district	Male	Female	Total	Male	Female	Total	Male	Female	Total
Central & Western	54	8	62	51	9	60	46	6	52

Year	2019-20			2020-21			2021-22		
District Council district	Male	Female	Total	Male	Female	Total	Male	Female	Total
Wan Chai	69	9	78	69	9	78	53	7	60
Eastern	22	4	26	26	2	28	23	2	25
Southern	4	0	4	3	0	3	3	0	3
Yau Tsim Mong	513	65	578	644	81	725	541	69	610
Sham Shui Po	403	30	433	396	36	432	388	33	421
Kowloon City	34	5	39	30	5	35	53	7	60
Wong Tai Sin	6	1	7	10	0	10	12	0	12
Kwun Tong	43	6	49	51	10	61	62	14	76
Kwai Tsing	10	0	10	13	0	13	20	3	23
Tsuen Wan	36	3	39	39	4	43	40	10	50
Tuen Mun	3	1	4	8	2	10	20	7	27
Yuen Long	30	5	35	27	4	31	64	6	70
North	6	3	9	7	3	10	22	4	26
Tai Po	16	5	21	15	3	18	17	8	25
Sha Tin	7	1	8	5	1	6	12	2	14
Sai Kung	0	0	0	0	0	0	1	0	1
Islands	17	4	21	16	1	17	9	0	9
Total	1 273	150	1 423	1 410	170	1 580	1 386	178	1 564

At present, with the consent of the concerned street sleepers, social workers will submit their information to SWD after making professional judgment on their welfare needs. Moreover, the social workers are required to update the Registry as soon as possible if there are changes in the situation of the street sleepers in order to maintain the data accuracy of the Registry. As every case detail of every street sleeper is different, it may not be feasible and practicable to adopt aligned criteria for compiling statistics. SWD will keep in view the evolving welfare needs of street sleepers, and review from time to time to see if there is room to improve the registration procedure and the criteria for compiling statistics in respect of the Registry.

(3)

According to the Registry, street sleepers mainly sleep on streets, roadsides, footbridges or in parks, etc. In 2021-22, the district with the largest number of registered street sleepers was Yau Tsim Mong (610 people), accounting for 39%

of the registered street sleepers, followed by Sham Shui Po (421 people), which accounted for 27%. Please refer to the reply to parts (1) and (2) for details.

(4)

SWD provides emergency shelter/short-term hostel places for street sleepers to address their short-term accommodation needs and assist in their transitional arrangements. Service users should, in general, have basic self-care ability. Social workers will help them develop a regular living pattern during their stay, and will assist them to identify long-term accommodation or appropriate residential service. The SWD-subsented hostel placement normally lasts for a maximum period of six months, and social workers responsible may consider extending the length of stay subject to the needs of individual cases.

At present, there are a total of 620 places of temporary accommodation for street sleepers, including 228 NGO-operated short-term hostel/emergency shelter places subsented by SWD, and 392 places provided by NGOs on a self-financing basis. The numbers of places for men and women are 472 and 148 respectively. The average occupancy rates of subsented places in 2019-20, 2020-21 and 2021-22 (up to December 2021) are about 83%, 75% and 74% respectively.

(5)

The three ISTs subsented by the SWD conduct outreaching visits to approach street sleepers for early identification of their needs, providing them with appropriate social welfare support and service referral. These include counselling, employment support/guidance, service referrals, Comprehensive Social Security Assistance referrals, personal care (e.g. bathing, haircut and meal arrangement), emergency shelter/short-term accommodation, as well as emergency fund to cover various expenses (e.g. short-term payment of rent and living costs, rental deposits and other removal expenses). In 2019-20, 2020-21 and 2021-22 (up to December 2021), the ISTs conducted 1 075, 1 347 and 1 162 outreaching visits respectively, and approached 622, 837 and 532 street sleepers. During the epidemic, the ISTs continued to conduct outreaching visits so as to identify the social welfare needs of street sleepers and provide them with the services required, including dissemination of up-to-date pandemic-related information and distribution of anti-epidemic supplies. The ISTs also made use of the SWD's emergency fund to meet the urgent welfare needs of street sleepers

as and when required. In addition, to provide assistance in stepping up preventive measures against the spread of the virus, SWD has provided six rounds of special allowance to subvented NGOs (including service units serving street sleepers) and NGOs operating hostels for street sleepers on a self-financing basis for the purchase of personal protective equipment and disinfection supplies. The Outcome Standards to be met by the ISTs under the relevant Funding and Service Agreement are set out at Annex. SWD does not keep information on the service referrals made by the ISTs.

The Government provides integrated services for street sleepers (including residential services) through subventions to NGOs. The expenditures involved in 2019-20 and 2020-21 are about \$23.6 million and \$27.5 million respectively, while the revised estimate for 2021-22 is \$29.6 million.

(6)

Government departments are responsible for the cleansing duties for the areas under respective purviews to maintain the environmental hygiene of the sites concerned. Concerned government departments and local service units will continue to be in close collaboration, with a view to providing appropriate assistance to street sleepers.

Annex

**The overall performance of the Integrated Services Teams
for Street Sleepers in terms of Outcome Standards**

Outcome Indicators	Agreed Level	Performance Level		
		2019-20	2020-21	2021-22 (up to December 2021)
Non-relapse rate* of accommodated cases	80%	97%	95%	94%
Percentage of service users with perceived improvement in the main problem(s) after receiving services from the Integrated Services for Street Sleepers	65%	92%	97%	95%
Percentage of service users with improved self-esteem after receiving services from the Integrated Services for Street Sleepers	65%	93%	96%	92%
Percentage of service users with enhanced support network after receiving services from the Integrated Services for Street Sleepers	65%	92%	93%	90%

* Percentage of accommodated cases without returning to street sleeping for a period of more than 7 consecutive days within the past 6 months after leaving hostels

Arbitration and Legal Practitioners Legislation (Outcome Related Fee Structures for Arbitration) (Amendment) Bill 2022

Committee Stage

Amendments moved by the Secretary for Justice

<u>Clause</u>	<u>Amendment Proposed</u>
5	In the proposed section 98ZE(b), by deleting “usually calculated at a discount” and substituting “which may or may not be calculated at a discount”.
5	In the proposed section 98ZL(2), in the definition of <i>personal injuries claim</i> , by adding “brought under the common law” after “a claim”.
5	In the proposed section 98ZO(2)(b), in the Chinese text, by deleting “攸關” and substituting “關乎”.
5	In the proposed section 98ZP, by deleting “person” (wherever appearing) and substituting “lawyer”.
5	In the proposed section 98ZS(2), in the Chinese text, by deleting “攸關” and substituting “關乎”.

Interpretation and General Clauses Ordinance

Resolution

(Under section 34(4) of the Interpretation and
General Clauses Ordinance (Cap. 1))

Resolved that in relation to the Antiquities and Monuments (Declaration of Monuments and Historical Buildings) (Consolidation) (Amendment) Notice 2022, published in the Gazette as Legal Notice No. 107 of 2022, and laid on the table of the Legislative Council on 25 May 2022, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 13 July 2022.