

# **OFFICIAL RECORD OF PROCEEDINGS**

**Wednesday, 26 February 1997**

**The Council met at half-past Two o'clock**

## **MEMBERS PRESENT**

THE PRESIDENT

THE HONOURABLE ANDREW WONG WANG-FAT, O.B.E., J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, C.B.E., J.P.

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, O.B.E., J.P.

THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.

THE HONOURABLE SZETO WAH

THE HONOURABLE EDWARD HO SING-TIN, O.B.E., J.P.

THE HONOURABLE RONALD JOSEPH ARCULLI, O.B.E., J.P.

THE HONOURABLE MRS MIRIAM LAU KIN-YEE, O.B.E., J.P.

DR THE HONOURABLE EDWARD LEONG CHE-HUNG, O.B.E., J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHIM PUI-CHUNG

THE HONOURABLE MICHAEL HO MUN-KA

DR THE HONOURABLE HUANG CHEN-YA, M.B.E.

THE HONOURABLE EMILY LAU WAI-HING

THE HONOURABLE LEE WING-TAT

THE HONOURABLE ERIC LI KA-CHEUNG, O.B.E., J.P.

THE HONOURABLE FRED LI WAH-MING

THE HONOURABLE HENRY TANG YING-YEN, J.P.

THE HONOURABLE JAMES TO KUN-SUN

DR THE HONOURABLE SAMUEL WONG PING-WAI, O.B.E., F.Eng., J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE ZACHARY WONG WAI-YIN

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE JAMES TIEN PEI-CHUN, O.B.E., J.P.

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE CHAN KAM-LAM

THE HONOURABLE CHAN WING-CHAN

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE CHENG YIU-TONG

DR THE HONOURABLE ANTHONY CHEUNG BING-LEUNG

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THE HONOURABLE CHEUNG HON-CHUNG

THE HONOURABLE CHOY KAN-PUI, J.P.

THE HONOURABLE DAVID CHU YU-LIN

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE IP KWOK-HIM

THE HONOURABLE LAU CHIN-SHEK

THE HONOURABLE AMBROSE LAU HON-CHUEN, J.P.

THE HONOURABLE LAW CHI-KWONG

THE HONOURABLE LEE KAI-MING

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE BRUCE LIU SING-LEE

THE HONOURABLE LO SUK-CHING

THE HONOURABLE MARGARET NG

THE HONOURABLE NGAN KAM-CHUEN

THE HONOURABLE SIN CHUNG-KAI

THE HONOURABLE TSANG KIN-SHING

DR THE HONOURABLE JOHN TSE WING-LING

THE HONOURABLE MRS ELIZABETH WONG CHIEN CHI-LIEN, C.B.E.,  
I.S.O., J.P.

THE HONOURABLE LAWRENCE YUM SIN-LING

**MEMBERS ABSENT**

DR THE HONOURABLE DAVID LI KWOK-PO, O.B.E., LL.D. (CANTAB),  
J.P.

THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.

THE HONOURABLE LAU WONG-FAT, O.B.E., J.P.

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE HOWARD YOUNG, J.P.

THE HONOURABLE PAUL CHENG MING-FUN

DR THE HONOURABLE LAW CHEUNG-KWOK

THE HONOURABLE MOK YING-FAN

**PUBLIC OFFICERS ATTENDING**

THE HONOURABLE MRS ANSON CHAN, C.B.E., J.P.  
CHIEF SECRETARY

THE HONOURABLE DONALD TSANG YAM-KUEN, O.B.E., J.P.  
FINANCIAL SECRETARY

THE HONOURABLE JEREMY FELL MATHEWS, C.M.G., J.P.  
ATTORNEY GENERAL

MR MICHAEL SUEN MING-YEUNG, C.B.E., J.P.  
SECRETARY FOR HOME AFFAIRS

MR DOMINIC WONG SHING-WAH, O.B.E., J.P.  
SECRETARY FOR HOUSING

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MRS KATHERINE FOK LO SHIU-CHING, O.B.E., J.P.  
SECRETARY FOR HEALTH AND WELFARE

MR JOSEPH WONG WING-PING, J.P.  
SECRETARY FOR EDUCATION AND MANPOWER

MR PETER LAI HING-LING, J.P.  
SECRETARY FOR SECURITY

MISS DENISE YUE CHUNG-YEE, J.P.  
SECRETARY FOR TRADE AND INDUSTRY

MR PAUL LEUNG SAI-WAH, J.P.  
SECRETARY FOR TRANSPORT

## **CLERKS IN ATTENDANCE**

MR RICKY FUNG CHOI-CHEUNG, SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY  
GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

**PAPERS**

The following papers were laid on the table pursuant to Standing Order 14(2):

*Subject*

## Subsidiary Legislation

*L.N. No.*

Specification of Public Office ..... 67/97

Motor Vehicles (First Registration Tax)

Amendment) Ordinance 1997 (11 of 1997)

Commencement) Notice 1997 ..... 68/97

## Sessional Papers 1996-97

No. 68 — Trustee's Report on the Administration of the Education Scholarships Fund and the Audited Statement of Accounts together with the Director of Audit's Report for the year ended 31 August 1996

No. 69 — Occupational Deafness Compensation Board  
Annual Report 1995/96

No. 70 — The Legislative Council Commission  
Annual Report 1995-1996

**TRIBUTE TO THE LATE MR DENG XIAOPING**

**PRESIDENT** (in Cantonese): Honourable Members, before we proceed to this afternoon's business, we will observe one minute's silence in memory of Mr DENG Xiaoping. May I ask all to stand.

## ORAL ANSWERS TO QUESTIONS

### Comprehensive Social Security Assistance Scheme

1. **MR DAVID CHU** asked: *Mr President, the findings of the surveys conducted by community organizations indicate that many of the 500 000 people living in abject poverty in the territory are unaware of the Comprehensive Social Security Assistance (CSSA) Scheme. Will the Government inform this Council of the measures being taken to facilitate those least able to help themselves to come forward to apply for assistance under the CSSA Scheme?*

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, the Comprehensive Social Security Assistance (CSSA) Scheme seeks to provide assistance to those financially vulnerable members of our community, regardless of their sex, age or background, to enable recipients to meet their basic and special needs.

While we do not accept the methodologies of the surveys referred to in the Question and the conclusion that there are 500 000 people living in abject poverty, we acknowledge that there is a continuing need to publicize the CSSA Scheme and to make it more readily accessible. We have over the years adopted a four-pronged approach to facilitate the needy, especially those least able to help themselves, to come forward to apply for assistance under the CSSA Scheme.

First, we have stepped up publicity to help the general public, in particular applicants and recipients, to acquire a better understanding of the assistance available:

- (a) Since November 1996, the Social Welfare Department (SWD) staff have regularly gone on phone-in programmes about the CSSA Scheme on Radio Hong Kong. The most recent occasion was "The Hong Kong Spirit" on 9 and 10 January 1997 when questions from 26 dial-in callers were answered;
- (b) Starting on 25 February this year, an Announcement of Public Interest (API) will be broadcast regularly on every radio channel. The SWD will also be producing an API to be broadcast on the

- television network;
- (c) Various information pamphlets on the Scheme are widely available both directly to the public at the Social Security Field Unit (SSFU), other service units of the SWD, District Offices of Home Affairs Department, the Local Employment Service of the Labour Department and for distribution through non-governmental organizations (NGOs) and concern groups. Improvements to make these publicity materials more user friendly are in progress;
  - (d) Taped messages on the Scheme (in Cantonese, Putonghua and English) have been placed on our interactive 24-hour telephone hotline to assist enquirers; and
  - (e) A video tape (Cantonese and Putonghua with Chinese subtitles and sign language) on the Scheme is played regularly at SSFUs. We have just completed production of another video tape which provides explanations of various special grants available under the Scheme. These tapes are made available to NGOs.

Second, we are aware that some members of our community might feel inhibited from coming forward because of a possible stigma attached to obtaining public assistance. We have therefore requested our frontline staff in various service units of the SWD to be empathetic, tactful and flexible and to impart a proper perspective on the CSSA to their clients. In this connection, we have introduced various measures, including training for staff and improved staffing levels so that the staff are better equipped and can spend more time with their clients for each application. Our front-line staff also make special efforts to render assistance to disabled applicants. In addition, a pilot Customer Liaison Group on social security services has been set up to gather feedback on our services.

As NGOs have close contacts with the public, we have enlisted their support. Their social workers would, where appropriate, take the opportunity to introduce the Scheme to their clients, in particular to new immigrants, single parents and elderly persons. To this end, our social security staff organize regular briefings to NGOs to explain the CSSA Scheme to their staff as well as their clients.



But we believe more can be done on this front. To promote a better understanding among social workers and other professionals in the field about the social security schemes, we have invited tertiary institutions to consider how social security systems might be included into the general social work curriculum and to consider how workers in the field can be better briefed on the schemes. The aim is to ensure that professional social workers coming into contact with the needy would be in a position to give basic advice to their clients about social security matters.

Third, we seek to make the CSSA more readily accessible by simplifying the procedures and improving service delivery.

Fourth, we seek to ensure that assistance is available expeditiously. A computerization feasibility study is in progress on the upgrading of our existing computer system to expedite the processing of applications.

Over the past four years, the number of CSSA cases has increased by 100% from about 80 000 in December 1992 to 160 000 by December 1996. Over the past two years, the rate of increase in the caseload has been about 2% per month. This substantial increase is partly attributable to our efforts to publicize the Scheme. Currently over 223 000 persons or 3.5% of the population in Hong Kong are receiving the CSSA.

In response to public concern that there might still be substantial numbers of low income individuals and families who are eligible for the CSSA but do not apply for it, we are considering commissioning research with a view to finding out the socio-economic characteristics of these people and their reasons for not applying for the CSSA so that we could better tailor our efforts to bring those genuinely in need into the CSSA safety net.

Thank you, Mr President.

**MR DAVID CHU:** *I would like to commend the Secretary and the Government for the fine work they are doing in this area. This is why I ask the question in the first place.*

*Because of the additional promotion and the resultant higher request for assistance, have future government budgets considered this additional application for CSSA especially in the 1996-97 (sic) Budget?*

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, we make funding applications to the Legislative Council each year for the following year on the basis of the statistics we obtain from previous experience. However, we have to seek additional funds from the Legislative Council each year to cope with the increase in caseload and adjustment to CSSA payments. Such applications for additional funding each year have always been approved by the Legislative Council.

**MR LEE KAI-MING** (in Cantonese): *Mr President, the Secretary for Health and Welfare has mentioned in the second paragraph of her reply to Mr David CHU that she disagrees with the findings of the surveys which indicate that 500 000 people are living in abject poverty in Hong Kong. I would like to ask the Secretary for Health and Welfare the number of people actually living in abject poverty in the territory.*

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, poverty has been the subject of many debates in this Council and we have not adopted any definition for a poverty line. The main purpose of the CSSA is to provide assistance to those who are in financial difficulties. The needs and circumstances vary from one family to another and so the needs of each family must be taken into account when we provide assistance to it. Therefore, we do not make a one-off or uniform payment to every applicant under our scheme. The circumstances of each family may be different in respect of, for example, the number of family members or children, or other needs such as taking care of family members who are disabled, suffering from chronic diseases or elderly. Their housing problems may also vary. For example, rents for public housing are different from those for private housing. Hence we have to apply the CSSA scheme to suit the needs of individual families.

**MR LAW CHI-KWONG** (in Cantonese): *Mr President, I have many supplementary questions and I hope that I will be allowed to raise the second one later and it would be even better if I could raise the third one.*

*Firstly, the Secretary for Health and Welfare has said that she does not accept the methodologies of the surveys mentioned by the Honourable David CHU. As far as I know, the information used in the surveys was provided by the Census and Statistics Department. Does the Secretary for Health and Welfare disagree with the way in which the Census and Statistics Department gathers information?*

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): *Mr President, the data provided by the Census and Statistics are correct for sure, but the methodologies of the surveys and the way in which the data are analysed may vary. Different methodologies adopted for the surveys may result in different conclusions. We are not saying that the statistics compiled by the Government are inaccurate.*

**MISS CHAN YUEN-HAN** (in Cantonese): *Mr President, the Secretary for Health and Welfare has said in her reply to the Honourable David CHU that publicity efforts and manpower of the Government for the scheme are sufficient, and that it will simplify the procedures in order to provide assistance to people who are living in poverty but not receiving the CSSA. She has also said that the Government will commission consultancy research to look into existing social problems. I think that this is a step in the right direction in comparison with what she did last year when I criticized her that she did not intend to care about these 500 000 people. However, I think that as a government official at the front line .....*

**PRESIDENT** (in Cantonese): *Miss Chan, please raise your question.*

**MISS CHAN YUEN-HAN** (in Cantonese): *I am about to raise my question, Mr President. Front-line staff of the Government should know why those people do not apply for the CSSA. If publicity and manpower are sufficient, why are there*

*still so many eligible people who do not apply for the CSSA? I am not interested the consultancy reports. In fact many government departments are involved in community work and therefore in an ideal position to understand the situation. Is it because of the procedures involved or excessive restrictions?*

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, there are of course various reasons for low income individuals and families living in poverty not to apply for the CSSA. We are specially conducting a survey which focuses on two fronts. On the one hand, we look into elderly persons who have applied for public assistance to see whether they know the basic features of public assistance, such as how special grants and payments are made. On the other hand, we also target at those elderly persons who are not in receipt of the CSSA to see why they do not apply for it.

As for the low income individuals, we are also considering commissioning consultancy research on why these people, who seem to be eligible, do not apply for the CSSA. Although we are aware of many reasons, we have to wait for the results of the research to come out in order to obtain more reliable data. Meanwhile, many people have mentioned to me that these people do not apply for the CSSA possibly for fear of losing face, or hoping to look after their families on their own and so on. There are various problems. However, should we find that many eligible people do not apply for CSSA because they do not understand or are unaware of the scheme, we can direct our publicity efforts at this aspect.

**MR FRED LI** (in Cantonese): *Mr President, some elderly persons are aware of the CSSA but many of them who live alone are ineligible for it because they still have in the bank some savings which they have put aside for contingencies. Will the Government review the asset limit in addition to launching publicity campaigns for the CSSA, in order to bring more elderly persons into the safety net and become CSSA recipients, thus providing them with better protection?*

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, we have had a lot of discussions in this Council about the asset limit. Elderly persons who live alone are particularly more concerned about the amount of their assets because they may not have any chance to increase it. We will take into

account this factor to see whether the current upper limit on assets is appropriate.

**MR CHIM PUI-CHUNG** (in Cantonese): *Mr President, the Secretary for Health and Welfare has said in her reply that there are more than 223 000 CSSA recipients, but what is the actual figure? How much do they receive every month on average? How much does the Government spend on this each year up to 1996? I very much hope that the Secretary for Health and Welfare will take this opportunity to let the public know more about these figures.*

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, I do not have such information right now. I will give Mr CHIM a written reply. (Annex I)

**MR LAW CHI-KWONG** (in Cantonese): *Mr President, my second supplementary concerns the claim by the Secretary for Health and Welfare that enhanced publicity for the CSSA is partly responsible for the significant increase in the caseload of the CSSA. I do not understand how the Secretary for Health and Welfare has drawn such a conclusion. The original reply mentions that much has been done since last November and questions from 26 callers were answered in January. Why have these efforts and calls something to do with the significant increase in the caseload of the CSSA? Has the Government asked every applicant whether they apply for the CSSA now because they were not aware of the scheme until recently?*

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, the CSSA Scheme has been implemented in Hong Kong for many years and the general public are aware of it to some extent. But we will conduct some research on whether they know the scheme in detail. The general public should have been aware of the scheme after many years of its implementation. The radio programme I have mentioned earlier refers to the programme we have produced recently. We have had many channels for publicity, such as radio and television programmes, posters, seminars and so on. All of these are on-going work, not efforts mustered just in the last few months.

**DR JOHN TSE** (in Cantonese): *Mr President, I can see that the Government promotes the scheme by various means, such as radio broadcast, telephone calls, video tapes and so on, but many elderly persons are so poor that they may own neither a television set nor a radio, and not even a telephone. Will the Government consider adopting promotional methods used by some commercial bodies, such as approaching elderly persons directly on the street, to invite them to apply for the CSSA?*

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, I believe that we must be extremely careful in considering the promotional techniques. Inviting elderly persons on the street to apply for CSSA may be a big insult to some of them. I do not consider this an appropriate way. We have recently launched the Social Networking for the Elderly to facilitate volunteers to contact and talk to elderly persons. Moreover, we have also provided social services through many NGOs as they have professional social workers and are skilful in communicating with elderly persons. I think these are more appropriate ways.

**MR LEUNG YIU-CHUNG** (in Cantonese): *Mr President, the Secretary for Health and Welfare has said in the last sentence of her reply to the Honourable David CHU that the Government will consider commissioning a consultancy research. When will it be conducted and its recommendations put into practice? Has the Government made any assumptions before it conducts the research on situations in which some low income individuals do not apply for the CSSA?*

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, we plan to conduct two researches. The first one will be focused on elderly persons while the second one will be on low income families. As to whether we have had any assumptions, we hope to obtain more reliable information as the basis for planning our publicity work. The first research is expected to be completed in six months, which will provide us with reliable information. The second one is still at its planning stage. We hope to make decision soon for it to proceed expeditiously. This research will take approximately the same time to complete.

Moreover, many people have also voluntarily conveyed their views to us, but these may be their own opinions only, which may not be the general views of the public. Such views include "non-CSSA recipients hope to look after their families on their own; they do not want to receive CSSA; they have children to support them; they hope to do some small businesses and they want to live on themselves" and so on. But we hope to obtain more information which is more reliable.

**PRESIDENT** (in Cantonese): Mr LEUNG Yiu-chung, are you claiming that your question has not been fully answered? If so, which part of it?

**MR LEUNG YIU-CHUNG** (in Cantonese): *Yes, Mr President. My question is about when the research will start but the six months she has mentioned is only the duration it takes to complete. When will the research start?*

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, the first research has started and its focuses on elderly persons. We hope that preliminary information will be available in early August. As for the second one, we have not decided when to proceed with it, but I hope it will start soon.

**MR LAW CHI-KWONG** (in Cantonese): *Mr President, I would like to raise my third supplementary question. The original reply reads, "..... have invited tertiary institutions to consider how social security systems might be included into the general social work curriculum ....." I would like to ask the Secretary for Health and Welfare whether she is aware of any institution whose social work curriculum does not contain such a course? In giving her reply, the Secretary for Health and Welfare should bear in mind the fact that tertiary institutions that do not have these courses will not be up to international standard.*

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, the CSSA has been revised considerably in recent years and many new features have been added to the scheme. I hope that we can provide tertiary institutions in Hong Kong with more information in order to promote a better understanding

of the scheme among social workers in general. As this scheme is mainly implemented by government departments, social workers working in NGOs are rarely involved.

**PRESIDENT** (in Cantonese): Mr LAW's question is whether there are any institutions which do not include details of the CSSA in their curricula.

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, it is certainly not for me to decide which specific subjects should be taught in a curriculum, but I very much hope to provide the latest information to tertiary institutions in the territory so that they can give more detailed explanations to their students and help them know more about the scheme.

### **Importation of Professionals from China**

2. **MR CHENG YIU-TONG** asked (in Cantonese): *In view of the fact that the pilot scheme for the importation of 1 000 professionals from the People's Republic of China (PRC) has been implemented for some time, will the Government inform this Council:*

- (a) *of the number of applications for importing PRC professionals which have been approved by the Immigration Department to date;*
- (b) *of the number of PRC professionals already admitted into the territory for employment under the above scheme;*
- (c) *of the trades in which such PRC professionals are engaged after their entry into the territory and their respective remunerations and benefits; and*
- (d) *when the Government will conduct a detailed and comprehensive review of the scheme?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, the Pilot Scheme for the entry of 1 000 professionals from China is a limited extension to the existing policy on the entry of overseas professionals who possess skills, knowledge or experience of value to, but not readily available



in Hong Kong.

There were altogether 3 129 applications for the quota of 1 000 persons under the Scheme. Four quarterly ballot exercises (for a quota of 250 persons each time) were held from April 1994 to April 1995. The Immigration Department subsequently invited all the 1 000 applicants whose applications had been drawn in the ballots to submit formal applications under the Scheme. The 2 219 unsuccessful applications in the ballot exercises were put on a computer-generated reserve list, so that as and when there were places left over from applications which were either rejected or withdrawn, the Department would ask the applicants on this list to submit a formal application.

In October 1995, in view of the slow utilization of the quotas, mainly because of the substantial number of withdrawn applications, the Immigration Department asked all the companies on the reserve list to confirm their interest in remaining in the Scheme. As a result, a total of 1 216 applications were placed on the reserve list. As at 31 January 1997, all the applicants of the 2 216 selected quota applications, comprising 1 000 drawn from the four balloting exercises and the 1 216 on the reserve list, have been called up to submit their formal applications. The processing of all the outstanding quota applications under the Scheme has come to an end.

My replies to the specific parts of the question are as follows:

- (a) Out of the total of the 2 216 formal applications for the quotas (the original 1 000 successful applications in the four ballot exercises plus 1 216 on the reserve list) 689 applications have been approved. Applicants approved in the quota are normally given four months to arrange for the submission of visa applications by the candidates. Of the 689 approved quota applications, 529 visa applications have been approved. There are no outstanding visa applications.
- (b) Like visas issued to overseas professionals admitted to enter Hong Kong for employment, all the visas issued under the Scheme are valid for three months. As at 24 February 1997, 507 out of the 529 professionals who have been approved visas have arrived in Hong

Kong for employment. Of the remaining 22 who have yet to enter Hong Kong, 12 are still holding valid visas while the validity of the visas of the other 10 has already expired.

- (c) The majority of the professionals approved for entry under the Scheme are in the trading, construction, manufacturing, electronics and finance sectors. As for positions, most of them are employed as administrator, engineer, marketing executive, development personnel and project specialist. Following the processing arrangements for professionals from other overseas countries who are granted entry for employment in Hong Kong, the Immigration Department examines each application under this Scheme to ensure that the entrant's qualifications are compatible with the post for which he is to be employed, and that the terms of such employment including remunerations and benefits are broadly in line with those of local professionals in comparable positions before deciding whether the application should be approved. The Department, however, does not keep detailed information about the remunerations and benefits of each individual professional whilst he is working in Hong Kong.
- (d) We are now in the process of conducting a detailed and comprehensive review of the Scheme.

**MR CHENG YIU-TONG** (in Cantonese): *Just now the last sentence of part (c) of the main reply of the Administration says that "the Department, however, does not keep detailed information about the remunerations and benefits of each individual professional whilst he is working in Hong Kong". Such information on remunerations and benefits, however, is very important to local professionals. Why does it happen that such important information is not available?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, as I have said in my main reply, the processing arrangements of this scheme is broadly in line with those governing the entry of professionals from other overseas countries. And I would like to take this opportunity to clarify two points. First, the applicant must list in his application the remunerations and benefits offered so that the Immigration Department can examine whether such terms of employment are broadly in line with those of local professionals in comparable positions. Otherwise, the Immigration Department will reject the application. In fact, six visa applications were rejected for this reason.

Second, to ensure that the person employed will not be subject to the employer's exploitation, the Scheme allows these professionals from China coming to Hong Kong under the scheme to change employment, in much the same way as the overseas professionals admitted to Hong Kong are permitted to do so. In other words, the market mechanism can ensure that their remunerations are compatible with the posts for which they are employed.

**MR EDWARD HO** (in Cantonese): *Mr President, the PRC Professionals Scheme is obviously a failure. From 1994 to date, only 500-odd people have come to Hong Kong under the Scheme. The Secretary for Education and Manpower has mentioned the need to ensure that the entrants' qualifications are compatible with the posts for which they are employed. Will he conduct a review on this matter? As far as I know, the Government often picks on the PRC professionals who are offered employment by saying that they are not graduates of the so-called recognized universities or that they are too old. These terms are totally incompatible with those imposed on overseas professionals. Will the Secretary conduct a review in this respect?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, first I wish to make a clarification. We do not think that the Scheme is a failure. In fact, the main reason for the under-utilized quota under the Scheme is that the applicants withdrew the applications themselves. According to our records, there are 1 400 cases where the applicants have withdrawn the applications themselves.

Second, the scope of our review will naturally include relevant terms of the existing pilot scheme, such as the list of recognized universities. This will be one of the areas under review.

**DR ANTHONY CHEUNG** (in Cantonese): *Mr President, the Secretary for Education and Manpower has mentioned in his reply to Mr Edward HO's question that 1 400 applications have been withdrawn. The main reply mentions that the number of applications received is about 3 100. In other words, almost half of the applications have subsequently been withdrawn. Has the Government ever analyzed these withdrawn cases? What are the reasons*

*for the withdrawal of the applications, as presumed by the Government, and is it related to the Scheme itself?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, as our comprehensive review has already begun, we have made some analysis. Of the 1 400 cases of withdrawn applications, 66% of the applicants did not give any reasons for withdrawal; 13% said they could not find any suitable candidates for the posts, and 12% said they wished to withdraw because of changes in their company policies. We will look into the matter closely, especially the 66% of application cases which were withdrawn without any reasons given.

Mr President, I wish to make a clarification if you would allow me to do so. The last sentence of part (a) of my main reply says, "There are no outstanding visa applications." The information given is not correct. We have about 30 visa applications still being processed.

**MR LEE CHEUK-YAN** (in Cantonese): *Mr President, as mentioned by the Secretary for Education and Manpower in part (c) of the main reply, and in his reply to the Honourable CHENG Yiu-tong's follow-up question, the Immigration Department has a procedure in place to ensure that the entrant's qualifications are compatible with the post for which he is to be employed. In other words, their terms of employment are broadly in line with those of local professionals in comparable positions. But the question is, after these people have come to Hong Kong, has the Education and Manpower Branch or the Security Branch done any follow-up work to see whether the employers really give the PRC professionals the agreed remunerations and terms of employment? If not, how can the Government know that their remunerations and terms of employment are compatible with those specified in the application?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, according to our existing practices, once these professionals have entered Hong Kong, the Immigration Department will not follow up on each individual case. But as I have made myself clear just now, this PRC Professionals Scheme is in line with the policy on overseas professionals coming to work in Hong Kong. The professionals may change employment freely after they have entered Hong Kong. Therefore, we think that the market mechanism

can ensure that they are given reasonable remunerations and benefits.

**MR HENRY TANG** (in Cantonese): *Mr President, I would like to ask the Secretary for Education and Manpower whether the review mentioned in part (d) of the reply would be conducted on a common basis, that is, whether the Government will apply the same criteria to allow professionals to come to Hong Kong for employment, regardless of whether they are professionals from the PRC, Britain or other countries.*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, the review we are conducting is a comprehensive one, which covers the principles concerned, the needs for new criteria and implementation of the Scheme, and the specific terms. Therefore, we do not have a definite basis for review. We are carrying out a comprehensive review.

**MR LEE KAI-MING** (in Cantonese): *Mr President, the Secretary for Education and Manpower has said in part (d) of the main reply that a comprehensive review is being conducted. When will this review be completed? Will the review be submitted to the Manpower Panel of this Council for discussion?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, the Scheme involves a wide spectrum of issues, including the principles, policies, specific enforcement details, terms, the need or otherwise for its continued implementation, and if so, its form of implementation. At the present stage, therefore, I can only make a guess that this review will take at least a few months to reach a certain stage. But I can make a pledge here that once our review has reached certain conclusions, we will discuss it with Members and relevant Panels of the Legislative Council.

**PRESIDENT** (in Cantonese): How many months are required roughly? I think Mr LEE's question is very specific.

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): I am sorry, Mr President. I cannot give a specific answer to this question. All I can say is that it will take a few months.

**MISS CHAN YUEN-HAN** (in Cantonese): *Mr President, part (d) of the main reply says that a comprehensive review will be conducted. Will the Secretary for Education and Manpower tell us whether changes in the local manpower market are included in the review? For example, in 1994, when the policy was formulated, the quota for Chinese citizens coming to settle in Hong Kong was 75 persons a day, and now the quota has been raised to 150 persons a day. Many of these Chinese citizens are professionals. Recently, many Hong Kong people who emigrated abroad have returned, and many of them are professionals too. Besides, graduates of local tertiary institutions have difficulties in finding jobs. Will the Government take into account all of these changes in human resources when it conducts the review?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, I wish to emphasize again that this review is a comprehensive one, and so it will definitely include all relevant factors, such as the demand and supply of manpower, the changes which took place between 1994 and the present, the economic relationship between China and Hong Kong, and the economic or trade relationship of Hong Kong companies in China. And so this is a very comprehensive review indeed. If Members have any comments, I will be happy to discuss with them on proper occasions.

**PRESIDENT** (in Cantonese): There are still four Members on the list and I will draw a line there.

**MR CHOY KAN-PUI** (in Cantonese): *Mr President, has the Government found any problems or defects in the PRC Professionals Scheme since its implementation?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, if asked what problems we should pay attention to in our review, we would of course include problems such as the low utilization rate of the Scheme,

the many withdrawal cases, the many requests for visa extension and so on. Sometimes we get feedback such as the numerous restrictions imposed by the terms of the Scheme, and that Hong Kong has enough professionals of its own and so on. All these will be included in this comprehensive review.

**MR LEUNG YIU-CHUNG** (in Cantonese): *Mr President, the Secretary for Education and Manpower has mentioned in his reply to the Honourable LEE Cheuk-yan's question that these professionals may change employment freely after they have come to Hong Kong. Would the Secretary for Education and Manpower tell us why they can do so? Does the Government notice that they may pose a threat to the free market mechanism if they are allowed to do so, as the scenario of jobs waiting to be filled will be changed into a situation where people have to look for jobs? Will this pull wages down and adversely affect local workers? Would the Secretary tell us whether he is aware of such problems and how he will tackle them?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, firstly, to permit the PRC professionals to change employment freely is in line with the policy governing the entry of overseas professionals to work in the territory. Secondly, as ours is a free market economy, allowing these professionals to change employment freely will ensure these professionals of reasonable remunerations and benefits. Moreover, change of employment is a two-way movement. While these professionals can work in other companies, other employers may also recruit them. Since the change of employment involves supply and demand, we think that through this mechanism, the PRC professionals can have remunerations which are broadly in line with their local counterparts.

**MR CHIM PUI-CHUNG** (in Cantonese): *Mr President, in part (b) of the Secretary for Education and Manpower's reply, it is said that 507 people have been admitted to Hong Kong for employment. Would the Secretary tell us the estimated administrative expenses incurred by the departments concerned over the recent three years, and whether these expenses have led to any queries about the Scheme?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, I am afraid I do not have information on this at hand. I would try to

ask the departments concerned to see whether any estimates can be made on the administrative expenses of the Scheme. If such information is available, I would give a written reply to Mr Chim's question. (Annex II)

**MR HENRY TANG** (in Cantonese): *Mr President, I would very much like the Secretary for Education and Manpower to explain why he refuses to apply the principle of fairness to review this PRC Professionals Scheme, as these people are merely asking for fair treatment.*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, maybe I will answer the question of the Honourable Henry TANG in this way. We need to understand the background of this pilot Scheme on PRC Professionals. In 1994, before this Scheme was introduced, PRC professionals could not come to Hong Kong to work as other overseas professionals did. So this Scheme could be regarded as a breakthrough when it was launched then. Since the pilot scheme was almost completed last month, in other words, since all applications for importing PRC professionals under the Scheme have been given a chance, we feel that this is the right time to conduct a review. With this background in mind, we will surely review whether fairness has been done, which is the basic principle involved. Before the review is completed, it is inappropriate for me to make any speculations on the results.

### **Sale of Public Housing Flats to Sitting Tenants**

3. **MISS CHAN YUEN-HAN** asked (in Cantonese): *The Long Term Housing Strategy Review Consultative Document released recently by the Government depicts the Government's overall housing strategy in the coming decade. In this connection, will the Government inform this Council:*

- (a) *whether, in formulating the scheme to sell public rental flats to public housing tenants, the Government has considered how to assist those public housing tenants without sufficient financial resources to buy public rental flats as well as how to resolve the housing needs of the Waiting List applicants;*



- (b) *how the price and mortgage terms of flats sold under the above scheme are determined; and*
- (c) *of the specific details of housing projects jointly undertaken by the Government and private developers, and whether any study has been carried out to ascertain if such projects will further push up the price of flats?*

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, in the Long Term Housing Strategy Review Consultative Document released last month, I have indicated in the Preface (paragraph 6) and in Chapter 6 (paragraph 6.3) that the Government will continue to provide public rental housing to families in genuine need. This is our commitment, which has been made clear on many occasions in the past. Families on the Waiting List which satisfy the eligibility criteria will be offered public rental housing when their turns come. The Housing Authority will need to ensure that a sufficient stock of public rental flats is available to accommodate existing tenants who cannot afford to buy rental flats, tenants who choose to remain in public rental housing for other reasons, and eligible families on the Waiting List.

As regards part (b) of the question, we have proposed in the consultative document to sell suitable existing public rental flats to public housing tenants at prices which are reasonable, attractive and generally affordable on the one hand, and are fair to the general community on the other. We have proposed to invite the Housing Authority to work out the details for such a new scheme as soon as possible. An important aspect is price, which is proposed to be based on replacement cost, with adjustments made to reflect depreciation, the relative value of location and other relevant factors. Mortgage loan and repayment conditions are another important aspect to be considered carefully. Other details to be worked out include choice of blocks, arrangements for future management, maintenance and repairs, resale conditions, and so on. In the meantime, I do not wish to pre-empt Housing Authority's consideration of this matter. The views and proposals expressed during the present public

consultation exercise will also be considered. It is our intention that the scheme to be devised should be workable and generally acceptable.

As regards part (c) of the question, we have proposed in the consultative document that an increasing proportion of subsidized home ownership flats should be provided by way of mixed development, and that the Housing Society will be designated to carry out a pilot scheme. The proposed scheme aims to make use of private sector expertise and resources to provide a further source of supply of subsidized home ownership flats, so that eligible purchasers may enjoy higher standards of design, finish, facilities and management than under the present Private Sector Participation Scheme. This will also provide more choice for purchasers. The operational details will need to be worked out: the main ones include the terms of land grant, the apportionment of construction costs, the method of selecting flats and price. Views expressed during the present public consultation exercise will also be considered. After all the details have been worked out, we intend to carry out a pilot scheme.

Introduction of the proposed new scheme aims to meet the public housing target set from time to time and, as such, will not affect the supply of private sector flats. The scheme should not have a significant effect on private residential property prices.

**MISS CHAN YUEN-HAN** (in Cantonese): *Mr President, I will describe the reply given by the Secretary for Housing as "a mediocre answer". I would like to raise two follow-up questions. Firstly, the Secretary for Housing has assured us that there is no need to worry as those families which satisfy the eligibility criteria will be put on the Waiting List for public rental housing. In formulating the housing policy a decade ago, the Government pledged to accommodate all families on the Waiting List before 1997. However, up to now, there are still 148 000 people on the Waiting List. In this connection, I would like to ask the Secretary for Housing how many years this group of almost 150 000 people will have to wait before their housing needs can be met.*

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, in 1987 when the Long Term Housing Strategy was formulated, assessment was made on the

housing production targets and the housing demand. However, the actual housing demand in the last decade far exceeded the estimated figure. As a result, although the number of public rental flats built by the Housing Authority has exceeded the estimated number, there is still a certain number of people on the Waiting List.

As regards the housing needs of the 148 000 applicants currently on the Waiting List, I gave a reply on this issue in this Council last year. We will continue to build new housing flats. Within the six-year planning period ending 2001, a total of 141 000 public rental flats will be built. In addition, we will encourage people to buy Home Ownership Scheme flats or apply for loans to buy private flats. Moreover, some public housing tenants will move out of their flats.

With the increase in the number of flats provided under the housing production programme, coupled with the number of flats vacated by public rental housing tenants, we expect that the needs of most applicants on the Waiting List can be met. As such, we have pledged to reduce the waiting time for public rental flats to under five years by 2001. However, due to many unforeseeable factors, I cannot advise Miss CHAN of the exact date when such housing needs can be fully resolved. We have made an estimate of the housing demand and we have a series of measures in place, including the various plans proposed in the Long Term Housing Strategy Review Consultative Document. These plans aim to encourage more home ownership while not compromising the waiting time for public rental flats for those on the Waiting List.

**PRESIDENT** (in Cantonese): There are eight Members who would like to raise supplementaries. I will try to let every one of them have a chance to ask their questions, but I will draw the line there. Moreover, I hope Members will concentrate on the sale of public rental flats, rather than discussing all matters covered in the Consultative Document. Although the housing need of the Waiting List applicants can be regarded as part of the housing problem, I believe it will take us a lot of time if we go on discussing this subject. Maybe the Housing Panel is a better forum for this issue.

**DR YEUNG SUM** (in Cantonese): *Mr President, my question is very simple.*

*The Director of Housing advised the other day that the price of a flat of 500 sq ft was \$600,000. Does the Secretary for Housing consider this a reasonable price?*

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, I cannot say whether this is reasonable or not as this figure was cited by the Director of Housing in response to requests for suggesting a typical price of a public rental flat for the purpose of making comparisons. The Director of Housing came up with the figure of \$600,000 on various assumptions. Of course, he was actually referring to the price of a comparatively large unit in Ma On Shan. This figure, however, is in no way an indication of the yardstick for determining the price of a public rental flat in future. We have mentioned in the Consultative Document that the prices of public rental flats to be sold will be determined on the basis of the replacement cost and consideration will also be given to the relative value of location of the estates concerned, the availability of facilities and other relevant factors. Therefore, the actual prices of some public rental flats may be higher while those of others will be lower. As regards the price of \$600,000, we cannot say at this stage whether it is reasonable or not.

**PRESIDENT** (in Cantonese): Dr YEUNG Sum, are you claiming that your question has not been fully answered?

**DR YEUNG SUM** (in Cantonese): *Yes, Mr President. I would like to know clearly if the figure of \$600,000 is an official decision.*

**SECRETARY FOR HOUSING** (in Cantonese): No, Mr President. The Administration has not yet come up with any concrete plan to deal with the issue. We have suggested various proposals in the Consultative Document and have invited the Housing Authority to look into the details of such proposals. The outcome of its deliberations will be submitted to the Housing Branch for careful consideration before the future method of calculation or the prices of individual flats are determined.

**PRESIDENT** (in Cantonese): To my understanding, the question was whether the figure of \$600,000 was calculated according to the criteria stated by the Secretary for Housing.

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, the figure cited by the Director of Housing was partly determined on the basis of the criteria I have stated just now.

**MR CHAN KAM-LAM** (in Cantonese): *Mr President, in the last paragraph of his main reply, the Secretary for Housing has advised that the scheme concerned should not have any significant effect on private housing prices. However, the capacity of local private developers to meet the housing demand is limited. With the introduction of this kind of mixed development, the supply of private housing flats will be comparatively small and the impact brought about is unpredictable. How can the Government ensure that the scheme will not affect private housing prices? Would the Government provide some information on this?*

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, in principle, the Government will give a rough estimation to the demand for public and private flats within a certain planning period. Upon publication of these two figures, the Government will work towards meeting these housing production targets. Regarding private housing, if we have set a certain housing production target, we will make every endeavour, such as the granting of land, to tie in with the efforts to meet our promulgated target.

The mixed development approach mentioned in the Consultative Document is mainly confined to public housing. Similar to those of the Private Sector Participation and Home Ownership Schemes, these public flats are for sale. As public and private flats belong to different categories, the proposed scheme will not affect the development of private housing.

**MR BRUCE LIU** (in Cantonese): *Mr President, the Housing Authority has yet*

*to put forward a concrete plan on the sale of public rental flats with details about the price, maintenance, resale conditions and so on. Moreover, in the main reply, the Housing Branch only proposed to urge the Housing Authority to work out details for the new scheme as soon as possible. By conducting a consultation exercise on such an "empty scheme" without first giving any specific details for it, is the Government putting the cart before the horse? With no concrete plan except a few sketchy lines in the Consultative Document, I am afraid that such consultation will create chaos and the Government will abort the scheme on the pretext that there is no consensus in the community. I would like to ask if the Government will launch another round of consultation or release another consultative document for public consultation when the Housing Authority has worked out details for the new scheme?*

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, we have invited the Housing Authority to specifically look into the proposed scheme to sell public rental flats in detail and to make recommendations to the Government. As to whether the Housing Authority will consult other people for more advice, of course I cannot answer on its behalf. However, as far as I know, the committee under the Housing Authority has discussed the various proposals and the way forward set out in the Consultative Document and will submit specific recommendations to the Housing Branch by the end of May. I believe that all parties concerned will address this issue in a positive manner. The Housing Authority will definitely be able to make constructive and practicable recommendations. The Government will of course consider these recommendations together with the views submitted to the Housing Branch by the public before announcing the details of the future scheme such as its implementation, its exact launching date and the number of flats to be sold.

**MR LEE WING-TAT** (in Cantonese): Mr President, to my understanding, the Director of Housing gave his comment on his own initiative at a luncheon rather than at the request of other people. By doing so, he might want to sound the public out.

*Mr President, in his main reply, the Secretary for Housing has stated, "An important aspect is price which is proposed to be based on replacement cost,*

*with adjustments made to reflect depreciation, the relative value of location." I would like to ask the Secretary for Housing whether he meant that the replacement cost was the primary factor for determining the price under the proposed scheme whereas the relative value of location and depreciation of the flat concerned are only secondary factors for making adjustments. Does he agree that his reply carries such meaning? If so, we think that the price of \$600,000 for a flat in Ma On Shan is too high. The reason is that the Secretary for Housing has stated on another occasion that the replacement cost for such a flat is about \$290,000. The cost with reference to its relative location will be \$310,000, which is even higher than the cost with reference to the primary factor.*

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, I can say for sure that the replacement cost will be the primary consideration for determining the price of a flat, as clearly stated in the Consultative Document, and the Housing Authority is well aware of this point. As for other factors, of course some will push the price up whereas others will bring the price down, so I cannot treat all these factors in the same way. However, having regard to various factors, I believe that the age of the building concerned, in particular, will have a definite bearing on the price.

**MR ALBERT HO** (in Cantonese): Mr President, in the second paragraph of his main reply, the Secretary for Housing has mentioned that the replacement cost will be the basis for determining the prices and that the four principles adopted in setting prices are that the prices should be reasonable, attractive, generally affordable and fair to the general community. Regarding the principle of setting prices that are fair to the general community, I would like to ask the Secretary for Housing, according to his understanding, whether consideration will be given to the market situation as well, and how a balance can be struck between this principle and the principle of the replacement cost. As for affordability, will the Government set prices at a high level but offer discounts to prospective buyers so that they will need to pay the land premium when they sell their flats, as in the case of home ownership flats at present?

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, as regards the

replacement cost, we have made ourselves very clear and everyone should understand it. As stated in the second paragraph of my main reply, various aspects will be taken into consideration in setting prices. Although we will set prices that are reasonable to public rental housing tenants, we will ensure that the prices are fair to the general community as these flats are after all, public resources. Flats, whether public rental ones or Home Ownership Scheme flats, are in fact public resources. In considering how to deal with public resources such as public rental flats, we should take into account the overall interests of the community. When we set prices, we should make the tenants feel that the flats are good value for money on the one hand, and should not make the general public feel that they are at a disadvantage on the other. In other words, we should look at the issue from the perspective of taxpayers and take into account the interests of the public at large.

**PRESIDENT** (in Cantonese): The second part of Mr HO's question is whether discounts will be given after the prices are fixed to make them affordable.

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, as suggested in the second part of the question, it is of course feasible to sell flats to tenants at a discount and to require them to pay the land premium when they resell their flats in future. As a matter of fact, similar concepts and detailed arrangements have already been applied to the selling of Home Ownership Scheme flats and Private Sector Participation Scheme flats.

I believe that in making recommendations on the scheme to sell public rental flats, the Housing Authority will first of all review the existing arrangement, follow as far as possible the same criteria currently adopted and to make modifications to them only where necessary in order to tie in with the new scheme and to meet the new housing demand arising from it.

**MR LAW CHI-KWONG** (in Cantonese): *Mr President, part (c) of the Honourable Miss CHAN Yuen-han's question is about whether housing projects jointly undertaken by the Government and private developers will further push*



*up the price of flats. She asks whether the price of the flats under those projects will be further pushed up. In answering this part of the question, the Secretary for Housing, however, has said that the projects should have no effect on private housing prices. I think he should advise whether such projects will affect the prices of subsidized home ownership flats. As those projects will involve the participation of the private developers, will the price of these subsidized home ownership flats be higher?*

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, what the Member has said may represent another way of interpreting Miss CHAN Yuen-han's question. But I would not like to spend time on clarifying what Miss CHAN was actually asking about.

As for the effects on private property prices, I have already touched on that. Regarding public housing, what we will actually do is to have a certain proportion of flats out of the housing production target to be provided by way of a new mode of development. There will definitely be restrictions on the prices of these flats, which cannot be set at a level beyond the reach of the eligible buyers. We have to be very careful in this respect.

As for how private flats, that is, those flats within the same housing blocks to be provided by way of mixed development, are expected to be sold, it is of course another matter.

On the question of the quality of these housing blocks, our aim is that all flats within the same block are of the same quality in principle as the private sector developers will be required to provide and manage common facilities. As such, we hope that the quality of these blocks will not be compromised and the prices will not be considerably raised as a result of such mode of development.

**MR LEUNG YIU-CHUNG** (in Cantonese): Mr President, in part (b) of his main reply, the Secretary for Housing has stated that public rental flats should be sold at prices which are reasonable, attractive and generally affordable. In other words, these are tactics to attract public housing tenants to buy their own flats. I would like to ask the Secretary for Housing what he thinks are the

*reasons for the failure of the former scheme to sell public rental flats to sitting tenants. The Government is now contemplating another scheme to sell public rental flats at attractive prices. However, what will the Government do if some tenants are determined not to buy public rental flats, which was one of the reasons for the failure of the former scheme? Will it adopt the same measure as in the past and require those tenants to move to other places?*

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, regarding the details of the scheme, as I have said just now, we may pre-empt the Housing Authority's discussion if we discuss the details now. We will decide on the way to take the scheme forward only after the Housing Authority has conducted a comprehensive study of the scheme and submitted concrete proposals to the Housing Branch.

As to why the scheme launched in 1991 failed, the first reason was that the price of flats was set too high and the second reason was that there was no concrete plan on the future maintenance of the housing blocks.

Regarding these two aspects, we have made it very clear in the Consultative Document that prices will be determined on the basis of the replacement cost of the flats concerned as well as other factors, and the broad principle is to ensure that prices are affordable. We understand that the pricing of flats is a very important factor and we hope to assist tenants to buy their own flats. Moreover, we have to look into the method of repayment carefully as it is also one of the factors which tenants will consider in deciding whether to buy their flats or not. Therefore, better arrangements on loans, mortgages and repayment conditions should be made in future.

**PRESIDENT** (in Cantonese): Mr LEUNG Yiu-chung, are you claiming that your question has not been fully answered?

**MR LEUNG YIU-CHUNG** (in Cantonese): Yes, Mr President. I asked the Secretary for Housing whether the refusal of some tenants to buy their flats was one of reasons for the failure of the former scheme; and what the Government

*would do if the same thing happened this time.*

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, as I have just said, details of the scheme are to be worked out after the Housing Authority has looked into it. What Mr LEUNG mentioned is of course an issue which can be considered again, but the arrangement in this respect has to be worked out later as it concerns the details of the scheme.

**MR LEUNG YIU-CHUNG** (in Cantonese): *Mr President, what I wanted to ask was whether the refusal of some tenants to buy their flats was a reason for the failure of the former scheme.*

**PRESIDENT** (in Cantonese): The Secretary for Housing has already replied your question. You cannot ask for a "yes" or "no" reply to every question you ask according to your own supposition. Maybe, the details should be left to the Housing Authority for further consideration.

**MR LEUNG YIU-CHUNG** (in Cantonese): *Mr President, in his reply just now, the Secretary for Housing referred to things in the future rather than what actually happened in the past.*

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, as I have said earlier, the former scheme failed because the price of flats was set too high and no appropriate arrangements were made on the future maintenance of the blocks concerned. These are the two main reasons for the failure of the scheme and it has nothing to do with compelling tenants to move out of their flats as suggested by Mr LEUNG just now.

**MISS CHAN YUEN-HAN** (in Cantonese): *Mr President, in the whole of his main reply, the Secretary for Housing did not address part (a) of my question, that is, how to assist those public housing tenants without sufficient financial resources to buy public rental flats. In my opinion, the present standard of living of public housing tenants is not satisfactory and the Government's current*

*stance is to force these tenants to buy their own flats. If the price is \$600,000, as stated by the Director of Housing, or even \$800,000, the tenants will be startled. If the Government is to launch the scheme, what measures are in place to assist the tenants to buy their own flats?*

**SECRETARY FOR HOUSING** (in Cantonese): Mr President, Miss CHAN's question has already been addressed in the first paragraph of my main reply. What I mean is that if for some reasons, some public housing tenants cannot afford to buy rental flats, we will of course continue to look after them, that is, to let them live in public rental flats. This, however, does not mean that these public housing tenants definitely cannot afford to buy their flats. This depends very much on the prices.

Concerning mortgage loan and repayment arrangements, a lot of flexibility can in fact be exercised in this respect. I have been told that arrangement can be made so that the amount of repayment is at a low level at the beginning and then it will be increased gradually. I am not going to predict the future arrangement, but there are indeed many possible ways. If the arrangement is sound, more tenants will be able to buy their own flats.

However, if at the end of the day, some tenants still think that they cannot afford to buy the rental flats and choose to live in public rental flats, we will let them continue to do so.

#### **Question 4 withdrawn**

#### **Urban Taxi Licence Premium**

5. **MR WONG WAI-YIN** asked (in Cantonese): *Mr President, it is learnt that the premium for an urban taxi licence has soared from \$2 million early last year to \$3 million now, recording a sharp increase of nearly \$1 million. In view of the soaring taxi premium, will the Government inform this Council:*

- (a) *of the number of recommended measures which have been implemented to dampen speculation on taxi licences as well as the effectiveness of such measures since the publication of the report on "Taxi Policy Review" by the Transport Department in 1994;*

- (b) *whether the Transport Department has studied the reasons for the 50% increase in taxi licence premium over the last year; and*
- (c) *of the measures to be adopted by the Transport Department to curb the soaring taxi licence premium?*

**SECRETARY FOR TRANSPORT** (in Cantonese): Mr President, in order to improve services and to tackle the problem of speculation in taxi licences, the Transport Advisory Committee (TAC) recommended in its 1994 Taxi Policy Review the following five measures:

- (a) There should be no pre-set quota on the number of taxi licences to be issued in a given period of time.
- (b) Taxi licences should be issued as and when necessary, having regard to the demand for taxi services, the financial viability of the trade and the capacity of our road system.
- (c) In a public tender exercise for taxi licences, an applicant should be permitted to bid for only one licence.
- (d) New taxi licences should not be transferable within 12 months after the date of issue.
- (e) Procedures for the transfer of taxi licences should be tightened by requiring both the transferor and transferee to register the transfer in person.

Since the publication of the 1994 Taxi Policy Review Report, all these measures have been implemented:

- (a) In July 1994, the Road Traffic Ordinance was amended to empower the Commissioner for Transport to prohibit the transfer of the ownership of a newly licensed taxi for an initial period.

- (b) In July 1994, the Road Traffic (Regulation and Licensing of Vehicles) Regulations were amended to require all transfers of taxi licences to be registered in person at the Licensing Offices of the Transport Department. All transfer of taxi licences are now required to be registered by the transferor and the transferee in person.
- (c) In September 1994, the Transport Department invited tenders for 300 urban and 100 New Territories taxi licences, which were taken up between November 1994 and April 1995. In that exercise:
  - (i) each tenderer was permitted to bid for no more than one urban taxi licence and no more than one New Territories taxi licence; and
  - (ii) the new licences were not transferable within the first 12 months of registration.

The new measures were designed to make it more difficult and costly for people to speculate in taxi licences. The issue of new licences was effective in improving the availability of taxi services, and the new restrictions prevented new licences from being sold for quick profits. They also had a slight dampening effect on the value of the new licences.

Taxi licences have for many years been bought and sold as licences for operating the vehicles as well as investment assets. In the past year, both the local residential property and the stock market have gone up; so have the market trading prices of taxi licences. The probable reasons for the increase in licence premiums are:

- (a) general confidence in the future of the local economy;
- (b) a relatively low interest rate; and
- (c) a more relaxed lending policy adopted by some local financial institutions in respect of taxi licences.

We will continue to monitor closely changes in the taxi licence premiums, the availability of taxi services, and the financial position of the taxi trade. In

addition, the TAC will reconvene its Working Group on Taxi Policy Review to review the effectiveness of measures adopted since 1994 and, where appropriate, recommend new measures to tighten existing legislation.

**MR WONG WAI-YIN** (in Cantonese): *Mr President, there is at present an index to determine whether speculation in the territory's property prices is getting serious. I would like to ask the Secretary for Transport how the Transport Department determines whether speculation in taxi licences is getting serious. Will consideration be given to setting an index on taxi licence premium, similar to the one on property prices; if not, what the reasons are?*

**SECRETARY FOR TRANSPORT** (in Cantonese): Mr President, as I have just mentioned in my main reply, taxi licences, being a kind of investment tool, can be freely bought and sold. This is accepted by both the community at large and the Government. We certainly agree that substantial fluctuations in prices of any investment tool and commodities may not necessarily be a good phenomenon. That is why I have said earlier that this subject should be left to the Working Group under the TAC to examine. However, to say a few words in passing, taxi licences are different from property in that they are not only an investment tool but also licences for operating vehicles. It can be noticed that substantial increase in this operational licence premium does not have material impact on taxi services. Let me quote an example here. The increase in taxi licence premium is not pegged to taxi rent as the rent has remained stable for the past few years. We do not see that the current taxi services are severely affected.

**MRS MIRIAM LAU** (in Cantonese): *Mr President, the last Taxi Policy Review took more than two years. The prolonged time spent on conducting such a review does not help solve some urgent problems. What is the schedule of this review? How about the scope of the review? Will another comprehensive review on taxi policy be conducted, or will the review be focused on the soaring taxi licence premium?*

**SECRETARY FOR TRANSPORT** (in Cantonese): Mr President, the previous review covered a more comprehensive scope. Apart from the licensing system, it also reviewed the quality of taxi services and the charging system. This time, we intend to merely review issues related to taxi licence premium and the licensing system. As such, I hope it will take the Working Group less time to complete the review.

**DR YEUNG SUM** (in Cantonese): *Mr President, as I do not have a car, I occasionally take a taxi. By talking to taxi drivers, I observe that taxi licence premium has been soaring, which indicates that the Government measures have in fact completely flopped. Taxi drivers find that taxi owners will increase the rent subsequent to the increase in taxi licence premium. At present, business is inadequate and taxi drivers are having a really bad time. Has the Government showed sympathy to this group of the labour force, the majority of whom are not entitled to the benefits provided by the Government, and actively adopted measures to curb the soaring taxi licence premium?*

**SECRETARY FOR TRANSPORT** (in Cantonese): *Mr President, as I have just said, increase in taxi licence premium and taxi rent are not directly related. Let me quote some figures for your reference. In early 1996, taxi licence premium was about \$2.2 million and taxi rent for that time ranged from \$270 to \$280 per shift. As you have all noticed, while licence premium has increased significantly since the beginning of last year, taxi rent has just increased to range from \$290 to \$300. This reflects that the rise in taxi rent is not directly related to the increase in taxi licence premium.*

**DR YEUNG SUM** (in Cantonese): *Mr President, we have in fact just learnt from the Government's reply that taxi rent did rise subsequent to a higher taxi licence premium. Even though the increase rate is not rocketing, it has not been lower than the licence premium. Since the rent has in fact increased, how can you say that the two are not related?*

**PRESIDENT** (in Cantonese): *Dr YEUNG Sum, please state your question.*

**DR YEUNG SUM** (in Cantonese): *How come the Government gives the explanation that the two are not related? In fact, according to the figures given by the Secretary for Transport just now, taxi licence premium has increased and so has the taxi rent. As such, how can we say that the two are not related?*



**PRESIDENT** (in Cantonese): Dr YEUNG Sum, this is not a time for discussion or debate. Secretary for Transport, please answer whether the increases in taxi rent and licence premium are completely unrelated.

**SECRETARY FOR TRANSPORT** (in Cantonese): Mr President, it cannot be denied that taxi rent has increased a little. However, the rate is in line with that of the Consumer Price Index (A).

**MR ALBERT HO** (in Cantonese): *Mr President, one of the adverse effect of soaring licence premium is that operators can never afford to drive their own taxi. Has the Government ever considered that an effective option in dampening the soaring licence premium is to establish another licensing system under which taxi drivers have the priority to purchase taxi licences at discounted prices? Of course, there should be some restrictive conditions. For example, operators cannot sell their licences within a longer time. Has the Government actively considered this option?*

**SECRETARY FOR TRANSPORT** (in Cantonese): Mr President, in the previous review, members of the TAC examined such options as setting the term of taxi licence at seven years, or imposing a non-transferable requirement. However, it was concluded at that time that while this option could be exercised with certain flexibility, there might be many shortcomings in other aspects, such as whether sufficient amount of mortgage loan would be provided by banks to those licensees, or how much job security they would have. As a definite conclusion on the pros and cons of the option could not be reached at that time, it was then concluded that the option would not be pursued for the time being. We are, however, willing to bring up that option to the Working Group again for consideration.

**PRESIDENT** (in Cantonese): There are three more Members on the list and I will draw the line there.

**MR SIN CHUNG-KAI** (in Cantonese): *Mr President, Dr the Honourable YEUNG Sum has just now mentioned that he takes a taxi because he does not have a car, but those who drive their own cars also take a taxi as well. With the present taxi licence premium at such a high level, does the Government think that there is speculation, and that it is necessary to hamper such activities? As taxi licence premium is so high, will the Government consider issuing more licences to meet the market demand?*

**SECRETARY FOR TRANSPORT** (in Cantonese): *Mr President, I would like to state that the Commissioner for Transport is entitled to issue new taxi licences through open tender at any time to meet the market demand. As regards whether the Government should issue more licences to hamper speculation, further deliberation is needed. As I have just mentioned, taxi licence is in fact a normal investment tool. The Government should not arbitrarily increase the number of licences just for the sake of curbing licence premium. The issuing of taxi licences should strike a balance among various factors, such as the demand for taxi services, operation environment of the trade and road capacity. If we ignore these factors and increase the number of taxi licences substantially, eventually there will be an oversupply of taxi service and traffic congestion will be worsened.*

**MR TSANG KIN-SHING** (in Cantonese): *Mr President, the Secretary for Transport has just said that an oversupply of taxi service will worsen traffic congestion. In fact the number of taxi drivers and operating drivers in Hong Kong is limited and seldom increases. The problem only lies in the continuous speculation. The Secretary for Housing has mentioned earlier that he will curb property speculation by negotiating with banks to impose mortgage restrictions. I would like to ask whether the Secretary for Transport has discussed this problem with banks. Will speculation on taxi licences, the premium of which has increased from \$2.2 million to \$3.7 million, grow like a "fire ball"? As only 300 taxi licences have been issued since 1994, when will the Administration issue*

*more licences? If the Secretary for Transport cannot tell when new licences will be issued, taxi licence premium may soar to \$4 million tomorrow. I am sure the price will soar to \$4 million. If the situation persists, it will definitely be of no good to drivers driving their own car in the long run, and the passengers will have to pay a higher price. Apart from the 300 licences issued in April 1994, when were the licences last issued and when will licences be issued again? Since the Airport at Chek Lap Kok is opening soon, the road network of the territory has been expanded, and in the Northwestern district of the New Territories .....*

**PRESIDENT** (in Cantonese): Please raise your question in precise words.

**MR TSANG KIN-SHING** (in Cantonese): *Since more people have moved to the satellite towns, there is in fact a demand for taxi services. I would like to ask the Secretary for Transport when the Government will issue taxi licences through open tender. If he cannot give an answer today, taxi licence premium will soar to \$4 million tomorrow.*

**PRESIDENT** (in Cantonese): The Secretary for Transport should buy a taxi licence immediately. *(Laughter)* Let's listen to how the Secretary for Transport answers the question of this Member.

**SECRETARY FOR TRANSPORT** (in Cantonese): Mr President, the Government has no intention to stimulate speculative activities. I would like to provide some information for Members' reference. Firstly, the Commissioner for Transport has the absolute power to decide when to announce the issuing of taxi licences. As this information is very sensitive, no matter when I announce the issuing date, there will be fluctuation in the market premium. Therefore, I hope that Members will understand that this information cannot be announced here. As regards when taxi licences were last issued, the Honourable TSANG Kin-shing has just said that the Government issued licences in 1994, and the one before that was in 1991. Though the Government has not issued licences for some time, it does not mean that licences will not be issued again, nor they will not be issued again within a short time. I have mentioned earlier that our

decision depends on the demand of the market.

As to whether we have negotiated with banks on financial arrangement, the answer is in the negative. The reason is that I believe this is a commercial decision. Banks will certainly consider the level acceptable to them in making financial arrangement.

Regarding taxi drivers, a few Members have just asked in what ways will taxi drivers be affected, and I have already said that they will not be affected. I would like to add that taxi drivers can certainly rent a taxi. I do not believe that there is at present any taxi drivers who cannot rent a taxi if he wants to, and as I have just said, the rent is not too high. Besides, I cannot agree that taxi drivers must have their own taxi licences. This is similar to the situation that it is not necessary for members of the "working class" like us to own the assets of the company we work in.

**PRESIDENT** (in Cantonese): Are you claiming that the Secretary has not answered your question, Mr TSANG Kin-shing?

**MR TSANG KIN-SHING** (in Cantonese): *Mr President, he has not answered my question, because .....*

**PRESIDENT** (in Cantonese): You can only raise one question, but you said it comprises three parts. I hear clearly that your question is: taxi licence premium will reach a higher level if the date of the next issue is not announced.

**MR TSANG KIN-SHING** (in Cantonese): *The Secretary for Housing has said earlier that he will hamper property speculation through negotiation with banks on mortgage restrictions. Why does the Secretary for Transport not do the same when facing with the situation of soaring taxi licence premium? This is obviously a question of adjustment. Secondly, I have just mentioned that .....*

**PRESIDENT** (in Cantonese): Mr TSANG Kin-shing, you were delivering a speech.

**MR TSANG KIN-SHING** (in Cantonese): *I was not delivering a speech. I just wanted to finish my words.*

**PRESIDENT** (in Cantonese): Please state your question clearly.

**MR TSANG KIN-SHING** (in Cantonese): *I would like to ask the Secretary for Transport, since the road network in the territory has now been expanded, when the Administration will issue taxi licences.*

**SECRETARY FOR TRANSPORT** (in Cantonese): Mr President, if the Commissioner for Transport considers it necessary and the circumstances allow, taxi licences will be issued.

**MR LEE WING-TAT** (in Cantonese): *Mr President, the report released in 1994 took two years to finish, and therefore I do not quite understand why the Working Group has to be reconvened this time. It is stated in the Report that the most effective way of curbing speculation in taxi licences is to issue licences at irregular intervals with no pre-set quota. However, the Secretary for Transport has also admitted that only 300 taxi licences have been issued since 1990. This is simply a problem of demand and supply. As only 300 taxi licences have been issued over the past seven years, I am also attracted to take part in speculation since I will certainly make a profit. How come the Secretary for Transport considers it unnecessary to handle this problem? If the Administration leaves this problem unattended, will it be going against the principle spirit of the 1994 Report?*

**SECRETARY FOR TRANSPORT** (in Cantonese): Mr President, the 300 taxi

licences I have just mentioned refer to urban taxi licences only. 100 New Territories taxi licences have also been issued. I have said that the Commissioner for Transport has the power to issue taxi licences. To withhold issuing licences for the time being does not mean that we are not aware of the problem. I can assure Members that the Commissioner for Transport will constantly review the situation and he will issue new licences whenever such need arises.

**MR WONG WAI-YIN** (in Cantonese): *Mr President, is the Secretary for Transport aware that some consortia have, for the sake of pushing up the licence premium, hoarded taxis and do not rent them to drivers? Will the Secretary for Transport inform us how the Administration will stamp out this practice?*

**SECRETARY FOR TRANSPORT** (in Cantonese): Mr President, the situation of holding licence without registering for "taxi operation" is not serious. According to the information available, only 1% of urban taxi licences have not been registered for "taxi operation". The percentage for New Territories taxi licences is a bit higher, around 7% to 8%. However, the above trend has been in existence for many years. I do not exclude the possibility that some people purchase taxi licences mainly because they want to make a profit through the increase in the asset value. However, we think that the situation is not serious at present. In fact, there are sufficient taxis to provide service in the market now.

**PRESIDENT** (in Cantonese): In the supplementary question of Mr TSANG Kin-shing, he mentioned a price of \$3.7 million. Is this referring to the price of the licence plus the price of a taxi, or is it referring to the price of the licence only?

**SECRETARY FOR TRANSPORT** (in Cantonese): Mr President, as far as I know, the licence premium early this year was around \$3.3 million to \$3.5 million, and not as high as \$3.7 million. In some situations, the premium is just a quoted price which may not be taken up in the market. With regard to your question, Mr President, as far as we know, licence premium usually include the price of a taxi.

**WRITTEN ANSWERS TO QUESTIONS****Secondary School Language Laboratories**

6. **DR LAW CHEUNG-KWOK** asked (in Chinese): *Will the Government inform this Council of:*

- (a) *the total number of secondary schools with self-contained "language laboratories" to facilitate language learning of students;*
- (b) *its policy on subsidizing and encouraging secondary schools to set up "language laboratories"; and*
- (c) *the estimated amounts of capital expenses and annual operating expenses required for the full subsidization of all secondary schools to set up "language laboratories"?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Chinese): Mr President,

- (a) At present, language laboratory is not a standard item to be provided by Government for secondary schools. The Education Department estimates that some 15 aided or private schools have set up such laboratories. The system configuration of the language laboratory varies between schools.
- (b) The Government is committed to upgrading students' language proficiency. Since 1982, all secondary schools are provided with the Wirefree Induction Loop System as a standard item for the enhancement of students' listening and speaking skills. The System operates by looping a wireless induction loop antenna around an area. The area can be as small as an ordinary classroom or as large as a school hall. Students wearing wireless headphones in the looped area can pick up sound emitted from a microphone, record player, radio, cassette recorder or sound projector via an amplifier which is connected to the loop antenna.

As recommended in the Education Commission Report No. 6, the Standing Committee on Language Education and Research (SCOLAR) will need to study in a comprehensive manner the effectiveness of various forms of supporting facilities for language learning through an interactive mode, such as language laboratories and multi-media technology. On the basis of SCOLAR's advice in due course, we will review our policy on the provision of supporting facilities to schools to enhance language learning.

- (c) As a very rough estimate, the capital and annual operating costs for fully subsidizing language laboratories for all public sector secondary schools will amount to approximately \$340 million and \$104 million respectively. This does not include staff training or expenses for building works, which may vary considerably from school to school.

#### **Electronic Interference by Mobile Phones**

7. **MR NGAN KAM-CHUEN** asked (in Chinese): *In connection with a research which shows that the signals emitted by mobile phones may interfere with the operation of other electronic devices, will the Government inform this Council:*

- (a) *how the Government regulates the specifications in respect of the installation of carphones;*
- (b) *whether, in order to prevent mobile phones from interfering with the operation of the braking, driving and other electronically controlled systems of vehicles, the Government will strengthen its regulation over the installation of carphones and the use of mobile phones while driving; if so, what the specific details are; if not, why not; and*
- (c) *whether the Government will follow the example of the United Kingdom by prohibiting the use of mobile phones within the confines of hospitals; if not, why not?*

**SECRETARY FOR ECONOMIC SERVICES** (in Chinese): Mr President,



- (a) The technical specifications for car phones approved for use in Hong Kong are issued by the Office of the Telecommunications Authority. They are in line with international specifications adopted widely in other parts of the world.
- (b) There is no evidence in Hong Kong that signals emitted by car phones or mobile phones would affect a vehicle's operation. We will monitor the situation and maintain contact with both local and overseas agencies and research institutions to consider whether any control is needed in the future.

According to traffic accident records during the past five years, the number of accidents involving drivers using such phones is insignificant.

<i>Severity of accident</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>
Fatal	0	0	0	1	0
Serious	0	1	1	0	3
Slight	3	1	2	0	3
Total	3	2	3	1	6

(Total number of accidents per year: 15 000)

- (c) For the public hospitals, the Hospital Authority developed guidelines in 1994 to prohibit the use of mobile phones and other radio frequency transmitting devices in hospitals. When the guidelines were first introduced, a publicity exercise was launched and an appeal made to members of the public to co-operate with the hospital management in switching off their mobile phones within the confines of hospital wards, clinical departments, operating theatres and intensive care units in order to avoid causing interference with electronic medical equipment in use. To inform patients and

visitors of the restriction, posters and signs have been put up at the entrance of these areas requesting mobile phone users to switch off their phones before entering. Major private hospitals have also put up notices to request visitors and patients not to use mobile phones to avoid interference with hospital electronic equipment.

### **Non-recognized Nurses in Private Hospitals**

8. **MR MICHAEL HO** asked (in Chinese): *In her reply to a written question at the Legislative Council sitting on 8 January this year, the Secretary for Health and Welfare stated that there were about 80 persons without recognized nursing qualifications currently employed in patient care in private hospitals. In this connection, does the Government know:*

- (a) *of the positions held in private hospitals by such persons who are without recognized nursing qualifications, as well as the nature and scope of their work;*
- (b) *whether there are any channels available in these hospitals to enable patients to know distinctly that such persons are neither registered nurses nor enrolled nurses, so that patients can decide whether they will accept the services provided by such persons as well as to ensure that the rights of patients are safeguarded and that the question of professional liabilities can be pursued; and*
- (c) *how the Government monitors the nursing services provided by such persons who are without recognized nursing qualification, so as to ensure the safety of patients?*

**SECRETARY FOR HEALTH AND WELFARE** (in Chinese): Mr President,

- (a) Persons without recognized nursing qualifications currently employed in patient care in private hospitals hold positions that are designated as clinical assistants, health care assistants or similar titles, depending on the individual institutions. These persons

undertake duties such as ward errands, attendance to patient cleanliness, assistance in patient feeding, assistance with patient transfer, bed making, tidying up nursing stations and treatment areas.

- (b) Individual hospitals adopt various measures to identify different grades of staff. Examples include use of staff uniform with different design, and badges bearing the staff's name and title.
- (c) Personnel in (a) above are employed to work under the direction and supervision of registered personnel who are responsible for monitoring their performance. The Director of Health is authorized under the Hospitals, Nursing Homes and Maternity Homes Registration Ordinance (Cap. 165) to register a hospital subject to conditions relating to staffing, accommodation and equipment. The Director of Health may take action against those hospitals which contravene the provisions of the Ordinance.

### **Control on Flats Hoarding**

9. **MR LEE WING-TAT** asked (in Chinese): *Will the Government inform this Council:*

- (a) *of the names of all the buildings in respect of which consent letters for the forward sale of uncompleted flats were issued by the Lands Department last year, together with the dates on which these consent letters were issued, the expected completion dates of such buildings and the number of residential flats to be provided; and*
- (b) *whether, in order to prevent developers from hoarding, the Government will require the Lands Department to stipulate in the Conditions of Sale in land grants that the developers must offer all residential flats for sale within a certain period after the completion of buildings, so as to increase the housing supply?*

**SECRETARY FOR HOUSING** (in Chinese): Mr President, in 1996, 31 pre-sale consents involving 13 115 private residential units were granted. Details are given at Annex.

Developers are required by the terms of Building Covenants to complete the housing projects to the satisfaction of the Director of Lands within a specified period, normally three to five years, depending on the scale and complexity of each project. Penalties, calculated as a percentage of the current land value of the concerned site, are imposed in the event of delay.

We do not consider it appropriate to require developers to sell flats within a specified period of time after completion as the timing of sale is primarily a commercial decision which takes into account changing market conditions. In a free market economy, developers should have the freedom to determine when to sell their flats.

To increase housing supply, we will continue to provide a sufficient supply of land, together with supporting infrastructure, for housing development.

Annex

Lands Department  
Legal Advisory and Conveyancing Office  
Pre-sale Consent (Residential Units) issued during the year of 1996

<i>Lot no.</i>	<i>Development</i>	<i>Date of Consent</i>	<i>Est. date of completion</i>	<i>No. of Unit</i>
DD 104 Lot 4754 s.A	Royal Palms Phase IIA	4 January 1996	31 December 1995	224
DD 104 Lot 4754 RP	Royal Palms Phase IIB	4 January 1996	30 April 1996	200
Kowloon Inland Lot No. 11003	Harmony Garden	29 February 1996	29 February 1996	112
Sha Tin Town Lot No. 392	The Tolo Place	21 March 1996	29 December 1996	616
Sha Tin Town Lot No. 411	Royal Ascot (Blocks 8-11) Phase II	29 March 1996	31 March 1997	1 280
Kwai Chung Town	Hang King Garden	27 March 1996	30 June 1996	216

Lot No. 460

DD 121 Lot 2042	Windsor Villa	12 April 1996	31 August 1996	72
DD 352 Lot 385 RP and Ext.	Coastline Villa	9 April 1996	30 June 1996	230
Cheung Chau Lot No. 1829	Peakville	19 April 1996	31 August 1996	24
DD 124 Lot 4290	Meadowlands Phase II	24 April 1996	31 August 1996	24
Tseung Kwan O Town Lot No. 36	Metro City	31 May 1996	31 May 1997	2 048
Kowloon Inland Lot No. 11036	Cypress Garden	11 June 1996	27 July 1996	57

<i>Lot no.</i>	<i>Development</i>	<i>Date of Consent</i>	<i>Est. date of completion</i>	<i>No. of Unit</i>
Tai Po Town Lot No. 113	Dynasty View, Classical Gardens, Phase III	27 June 1996	30 September 1996	265
Kowloon Inland Lot No. 11002	King's Park Villa	24 June 1996	31 March 1997	360
Tai Po Town Lot No. 138	Fuller Gardens	5 July 1996	30 June 1997	136
New Kowloon Inland Lot No. 6157	San Po Kong Plaza	19 July 1996	31 December 1996	460
DD 221 Lot 1854	Burlingame Garden	31 July 1996	30 November 1996	15
Tuen Mun Town Lot No. 365	Villa Tiara	9 August 1996	31 May 1997	556
Tsuen Wan Town Lot No. 361	Discovery Park, Phase I, Blocks 1-4	27 August 1996	30 April 1997	1 120

Yuen Long Town Lot No. 456	(unknown)	28 August 1996	31 March 1997	350
Inland Lot No. 8849	Island Place	29 August 1996	31 December 1996	784
Sha Tin Town Lot No. 397	Rich Court	14 October 1996	15 April 1997	30
Sha Tin Town Lot No. 410	Granville Garden	28 October 1996	31 October 1997	666
Rural Building Lot No. 1114	Royalton	30 October 1996	31 May 1997	30
Ping Chau Lot No. 661	Monterey Villas	20 November 1996	31 March 1997	136
Rural Building Lot No. 1120	Villa Rosa	29 November 1996	31 March 1997	16
<i>Lot no.</i>	<i>Development</i>	<i>Date of Consent</i>	<i>Est. date of completion</i>	<i>No. of Unit</i>
Cheung Chau Lot No. 1779	Scenic Garden	29 November 1996	14 April 1997	192
Kwai Chung Town Lot No. 453	Greenwood Regency	12 December 1996	31 May 1997	18
Tseung Kwan O Town Lot No. 17	East Point City	12 December 1996	30 November 1997	2 184
Kowloon Inland Lot No. 11064	Carmen's Garden	13 December 1996	31 August 1997	190
Sha Tin Town Lot No. 393	The Waterside	17 December 1996	30 June 1997	504
Total number of units:				13 115

### Commemorative Stamps for Year of the Ox

10. **MR CHOY KAN-PUI** asked (in Chinese): *Will the Government inform this Council:*

- (a) *of the reasons why the commemorative stamps for the Year of the Ox could not be issued before the Lunar New Year;*
- (b) *whether the delay in putting the commemorative stamps on sale will result in additional expenses for the Government;*
- (c) *whether the organization engaged in printing the commemorative stamps have to compensate the Government for the delay; if not, why not; and*
- (d) *whether consideration will be given to improving the present queuing arrangements for the purchase of commemorative stamps when putting such stamps on sale?*

**SECRETARY FOR ECONOMIC SERVICES** (in Chinese): Mr President, the rescheduling of the issue date of the commemorative stamps for the Year of the Ox from 17 January to 27 February 1997 was due to the late delivery of the stamps caused by breakdowns of the machines used for printing the stamps.

The postponement of the date of issue has resulted in the Post Office incurring additional expenditure of approximately \$360,000 to cover media advertising, reprinting of associated souvenir covers and presentation packs, and printing of corrigendum sheets for First Day Covers and stamp booklets already printed. Steps are being taken by the Government to seek liquidated damages from the stamp printing company concerned.

The Post Office has introduced since January 1997 a local standing order service under which customers may place an advance annual order for mint stamps, definitive stamp sheetlets, souvenir sheets, serviced First Day Covers for new stamps and serviced souvenir covers for definitive stamp sheetlets. The 57 000 customers who have been registered under this service do not need to queue up at post offices on the first day of issue.

The Post Office has also introduced a number of measures to improve queuing arrangements for purchase of commemorative stamps. To shorten the waiting time for customers, the opening hour of 19 district post offices has been

advanced to 8.00 am on the first day of issue. Philatelic products have also been pre-packaged in sets to shorten counter transaction time. In addition, the Post Office employs security personnel to improve crowd control on the first day of issue.

### **Year 2000 Computer Crisis in Government Departments**

11. **DR DAVID LI** asked: *It is reported that the findings of a detailed study conducted by the Information Technology Services Department indicates that about 20% of the computer systems in the government departments will malfunction when the year flips from 1999 to 2000. Will the Government inform this Council whether, as the major user of information technology, it has formulate any plans to address the above problems; if so, what the details are?*

**SECRETARY FOR THE TREASURY:** Mr President, we have adopted a two-pronged approach to the Year 2000 problem. The first is concerned with the operating systems and system software used in developing computer applications provided by outside suppliers, and the second with the computer applications developed by our in-house professional staff.

As regards the first, the Information Technology Services Department (ITSD) has already asked our software suppliers to provide us their Year 2000 compliance plans, including their target date of releasing products of the new Year 2000 compliant versions (that is, those using four-digit year approach). When such products are available, we will use them to upgrade our systems accordingly. Since last November, we have required suppliers to provide Year 2000 compliant products in all new purchasing contracts.

As regards the second, it is worth noting that the ITSD started work relating to the Year 2000 problem as far back as 1990. Computer applications developed since then are all Year 2000 compliant. However, some of the applications developed earlier may have the Year 2000 problem. A preliminary assessment conducted by the ITSD in May 1996 revealed that about 20% of the some 250 computer applications maintained by it may fall into the category.

The ITSD is now conducting a pilot exercise to examine the use of automated tools to assist in ascertaining whether the computer applications are



Year 2000 compliant. Upon the completion of this exercise in March 1997, we will, with the aid of the automated tools assess the extent of Year 2000 non-compliance for each and every computer application and prioritize, where necessary, time-critical applications for early implementation of the required conversion and validation work. To ensure that all the necessary modification work is completed in good time, the ITSD has set up a high-level steering group chaired by the Director of Information Technology Services to co-ordinate and oversee the entire implementation process.

Apart from those applications developed and maintained by IT professionals, there are many small-scale IT applications developed by end user departments using software packages. Some of these applications may also be affected by the Year 2000 problem. To help departments understand the problem and to solicit early participation of IT users in addressing this problem, the ITSD organized a series of seminars on this subject for different departments in 1996. In addition, the ITSD is finalizing guidelines to advise end user departments on how to ensure Year 2000 compliance.

Apart from the ITSD, six other government departments develop and maintain their own computer applications and have their own IT staff. About half of these 310 applications would be affected by the Year 2000 problem. The six departments, with the advice of the ITSD, are also taking active steps to address the problem and ensure timely modification and validation.

### **Redeveloped Housing for Interim Housing**

12. **MR LEUNG YIU-CHUNG** asked (in Chinese): *Regarding the use of redeveloped public housing for interim housing, will the Government inform this Council:*

- (a) *of the amount spent by the Housing Department in converting each of the redeveloped public housing blocks to interim housing units;*
- (b) *of the difference between the converting cost of interim housing and the cost of constructing a brand new public housing block of similar sizes during the same period of time;*
- (c) *of the estimated years of occupancy of these interim housing units before they are demolished;*

- (d) *of the method of determining the rents of these interim housing units, and whether such method is different from that of other public housing units;*
- (e) *whether there is any difference between the management practice for interim housing units and that for other public housing estates; and*
- (f) *whether periodic inspection on safety standards of these interim housing units will be carried out by the Housing Department?*

**SECRETARY FOR HOUSING** (in Chinese): Mr President, the Housing Authority has so far refurbished two public rental housing blocks evacuated under the Comprehensive Redevelopment Programme for use as vertical interim housing. Both blocks are located in Kwai Chung. The first block was refurbished in 1994 at a cost of \$31 million (or \$40,800 per flat), and the second block, refurbished in 1996, cost \$31 million (or \$37,000 per flat). By comparison, the construction cost of a standard Harmony 1 rental block is approximately \$320 million (or \$290,000 per flat) at December 1996 prices. The two interim housing blocks can be occupied for this purpose for at least five years.

The main consideration in determining the rents of these units is the same as for other public rental housing flats, and is based on tenants' affordability. Inflation, rates, operating costs and the relative value of the estates concerned are taken into account, and rents are set at a level such that the median rent-to-income ratios for the estates concerned do not exceed 15%, in respect of the minimum space allocation standard of 5.5 sq m internal floor area per person, and 18.5% in respect of the higher space allocation standard of seven square metres or more per person. Rent levels in the two vertical interim housing blocks represents about 7% of tenants' median incomes.

Management services provided are similar to those in other public rental housing blocks.

Maintenance staff of the Housing Department conduct regular inspections and repair work in interim housing blocks to ensure that they meet relevant safety

standards, in the same way as in other public rental housing blocks.

### **Localization Plan for Senior Civil Servants**

13. **MR CHIM PUI-CHUNG** asked (in Chinese): *Will the Government inform this Council:*

- (a) *whether the progress of the localization plan for senior civil servants has reached the expected target;*
- (b) *of the reasons why the post of Attorney General has not yet been taken up by a local officer; and*
- (c) *when the localization of the Legal Department is expected to be fully accomplished?*

**SECRETARY FOR THE CIVIL SERVICE** (in Chinese): Mr President,

- (a) Localization of the civil service is a long-established government policy dated back to 1950. Our policy objective is to staff the civil service with qualified and suitable local candidates as far as possible. One key aspect of the policy is to give preference to qualified and suitable local candidates in recruitment. Overseas candidates are considered for appointment only when there is no qualified and suitable local candidate available. Since 1985, overseas candidates are appointed only on agreement terms. Overall, the localization policy is successful. At present, 99.1% of the civil service are local officers. All Policy Secretaries and over 70% of Heads of Department are local officers. The percentage of local officers at the directorate and senior management/professional levels has been increasing over the years. The localization statistics in the last 10 years and the position as at 1 April 1996 compared with 18 years ago are annexed.
- (b) The Legal Department is historically a department with a high

percentage of overseas officers due to difficulties in recruiting local officers until recent years. As a result, three of the five Law Officer posts were localized less than three years ago and this has affected the pace to localize the post of Attorney General.

- (c) The Legal Department is at present 73% localized with 100% at the Crown Counsel rank, as compared with 39% and 74% respectively in December 1988, when the Double Ladder Scheme was introduced to speed up localization. The pace of localization in the department is satisfactory. There is no set target for full localization of the department and the present steady pace will continue.

Annex

#### Localization Statistics

	Directorate officers		Senior management/ professional officers		Overall	
	<i>Local officers (%)</i>	<i>Overseas officers (%)</i>	<i>Local officers (%)</i>	<i>Overseas officers (%)</i>	<i>Local officers (%)</i>	<i>Overseas officers (%)</i>
1.4.78	34.2	65.8	61.3	38.7	97.4	2.6
1.4.87	52.3	47.7	69.8	30.2	98.5	1.5
1.4.88	55.6	44.4	70.4	29.6	98.6	1.4
1.4.89	56.2	43.8	71.7	28.3	98.6	1.4
1.4.90	59.7	40.3	74.2	25.8	98.7	1.3
1.4.91	62.1	37.9	75.7	24.3	98.7	1.3
1.4.92	60.1	39.9	75.8	24.2	98.8	1.2
1.4.93	61.7	38.3	77.2	22.8	98.8	1.2
1.4.94	63.6	36.4	79.0	21.0	98.9	1.1

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1.4.95	66.6	33.4	81.1	18.9	99.0	1.0
1.4.96	70.2	29.8	84.5	15.5	99.1	0.9

### Senior Citizen Card Scheme

14. **MR LAW CHI-KWONG** asked (in Chinese): *I have received a number of complaints concerning the long time taken in processing applications for Senior Citizen Cards. In this connection, will the Government inform this Council of:*

- (a) *the respective average number of applications received and cases processed each month during the past year;*
- (b) *the current number of Social Welfare Department staff who are responsible for processing applications for Senior Citizen Cards, and the average number of applications which they have to handle each month; and*
- (c) *the vetting procedure for the issue of a Senior Citizen Card as well as the average time an applicant has to wait before being issued with the card after filling an application, and whether the Government has considered increasing the number of staff handling the applications or streamlining the application procedure in order to expedite the process?*

**SECRETARY FOR HEALTH AND WELFARE** (in Chinese): Mr President,

- (a) During the past year, the average number of applications received each month was 4 588, including new applications and applications for replacement cards. The average number of cards issued each month was 3 981.
- (b) The current number of Social Welfare Department (SWD) staff who are responsible for processing applications for Senior Citizen Cards is 5. As mentioned in part (a) of the answer, the average number of applications received, including new applications and applications

for replacement cards, is 4 588. Due to a marked increase in the number of applications received in the second half of 1996, the Senior Citizen Card Office has to deal with an average of 3 881 accumulated applications each month.

- (c) Once the SWD receives an application, the staff will separate the new applications from the applications for replacement cards. They will then check if all the necessary documents are submitted. If all the necessary documents are submitted, the staff will input the relevant data into the computer and subsequently issue a card. The staff will contact the applicants if the applicants have failed to provide all the necessary documents. It takes slightly over a month for a card to be issued after the applicant files an application.

As there is a marked increase in the number of applications in the second half of 1996, the number of accumulated cases has increased. The SWD has employed temporary staff to assist in clearing the backlog. At the same time, the SWD will evaluate the processing procedures with a view to shortening the time required.

### Noise Abatement Facilities in New Schools

15. **MR WONG WAI-YIN** asked (in Chinese): *Will the Government inform this Council:*

- (a) *of the total number of primary and secondary schools built by the Government in the past three years, together with the number of these schools which were required to install noise abatement facilities due to noise problems;*
- (b) *of the addresses of the above schools which were required to install noise abatement facilities and the respective types of facilities which were installed; and*
- (c) *whether the noise problems faced by the above schools were related to improper planning in the selection of school sites; if not, what the reasons for the noise problems were; if so, what improvements will be made on the future selection of school sites?*

**SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS** (in Chinese): Mr President,

- (a) Of the 52 schools completed in the past three years, 19 of them required noise abatement facilities such as sound barriers and noise insulation to mitigate traffic noise impacts.
- (b) The addresses of the school projects requiring noise abatement and the noise mitigation facilities installed are detailed in the attached table.
- (c) In selecting suitable school sites, factors such as noise, site size, topographical features, accessibility and convenience to students in the catchment area are taken into account. The detailed provision standards and locational guidelines are set out in the Hong Kong Planning Standards and Guidelines and are adhered to as far as practicable. Sites which are affected by significant noise sources such as busy trunk roads are normally ruled out. Nonetheless, given the scarcity of land, some sites reserved for school use could not meet all the locational requirements. An Environmental Review is therefore conducted on each school site to assess the potential environmental impact and to identify practicable preventive and mitigation measures. For school sites affected by potential road traffic noise, measures such as setback from the road, protective building layout and sound barrier at the site boundary are implemented where practicable to minimize the noise impact. If after implementing these measures the residual noise impact still exceeds the planning standard of 65 dB(A), noise insulation will be provided as an additional measure to ensure a quiet internal learning environment.

School Projects Requiring Noise Abatement Facilities

<i>Year of completion</i>	<i>Address</i>	<i>Sound Barrier</i>	<i>Noise Insulation (Special Windows and Air Conditioning)</i>
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		<i>Partial      Full</i>	
1994	Secondary School at Wharf Road, North Point		√
	Practical School at Au Tau, Yuen Long	√	
1995	Primary School in Area 100, Ma On Shan	√	
	Secondary School in Siu Sai Wan, Hong Kong		√
	Two Secondary Schools in Lei Tung Estate, Ap Lei Chau	√	
	Skill Opportunity School in North Point	√	
	Skill Opportunity School in Shui Pin Tseun, Yuen Long	√	
	Special School for Severely Mentally Handicapped Children in Tseung Kwan O	√	
<i>Year of completion</i>	<i>Address</i>	<i>Sound Barrier</i>	<i>Noise Insulation (Special Windows and Air Conditioning)</i>
		<i>Partial      Full</i>	
1996	Primary School in Kam Tin, Yuen Long (St Joseph)	√	
	Two Primary Schools in Lam Tin Estate, Kwun Tong	√	
	Primary School in Area 90, Ma On Shan	√	
	Two Primary Schools in Tsz Lok Estate, Tsz Wan Shan		√
	Secondary School in Area 49B, Fanling, North	√	



Secondary School in Area 6, Tai Po	√	√
Secondary School in Area 92, Sha Tin	√	
Secondary School in Area 9, Tuen Mun		√

### Public Housing Rent Levels for Next Decade

16. **MR LEUNG YIU-CHUNG** asked (in Chinese): *The Housing Authority proposes that rents for new and existing public housing estates in the next decade will be fixed at a level tenants can afford. Rents for housing flats are fixed so that the median rent-income ratio should be 15% for a minimum allocation standard of 5.5 sq m of internal floor area per person; and 18.5% for seven square metres per person. In this connection:*

- (a) *does the Government know of the criteria adopted in determining the above percentages; and*
- (b) *will the authorities illustrate, in accordance with the criteria mentioned in the answer to (a) above and with different allocation standards of internal floor area for units in old and new public housing estates, how the rents in each case will increase progressively towards the proposed percentages, together with the amounts of rent increases of public housing in the next 10 years?*

**SECRETARY FOR HOUSING** (in Chinese): Mr President, rents for public housing are determined on the basis of tenants' ability to pay. Other factors, including the relative value of the estates concerned rates and operating costs, are also taken into account. In any event, the median rent to income ratio for the concerned estates should not exceed 15% or 18.5% cent for the relevant space allocation standards. These percentages have regard both to local patterns of expenditure on housing and to international trends.

In the Long Term Housing Strategy Review Consultative Document released recently, we have proposed that public housing rents should be increased gradually to achieve these ratios by 2006, and that the Housing

Authority should be asked to draw up specific measures to achieve this aim. It is not possible at present to give details of proposed rent increases at this stage, but clearly it will be necessary for average rents to increase in real terms in order to achieve the median rent-to-income ratio targets.

### **Code of Conduct Issued by Securities and Futures Commission**

17. **MR CHIM PUI-CHUNG** asked (in Chinese): *In connection with the Code of Conduct (the Code) issued by the Securities and Futures Commission (SFC) in February 1994 to the persons registered with the SFC and the Code of Conduct Regulations (the Regulations) promulgated by the Stock Exchange of Hong Kong (SEHK) in November 1993, does the Government know whether:*

- (a) the above Code and Regulations have any retrospective effect; and whether a person who had breached the relevant provisions prior to the promulgation of the Code and Regulations will be subjected to disciplinary action; if so, what the reasons are; and*
- (b) the SFC and the SEHK will be required to abide by the spirit of introducing the regulations when taking disciplinary action, so as to avoid violating the Bill of Rights?*

**SECRETARY FOR FINANCIAL SERVICES** (in Chinese): Mr President,

- (a) The Code of Conduct for persons registered with the Securities and Futures Commission issued by the Securities and Futures Commission (SFC) applies to persons registered with the Securities and Futures Commission under the Securities Ordinance and Commodities Trading Ordinance (registered persons), such as dealers, investment advisers and commodities trading advisers.

The Code of Conduct Regulations promulgated by the Stock Exchange of Hong Kong (SEHK) expands on the Professional Conduct Rules contained in Chapter 6 of the SEHK's Rules and Regulations relating to conduct and business practices. The matters covered in the Code represent minimum standards of a

member as widely defined to include sales representatives, authorized clerks and other dealing employees on the Stock Exchange (SEHK members).

Both sets of the Codes codify what are commonly referred to as best practice requirements expected of registered persons and SEHK members. These best practice requirements existed in the days of the Securities Commission established in 1974 for ensuring that the Securities Ordinance was properly administered. They were the precursors of the Fit and Proper Criteria introduced in 1990 by SFC. As such, failure to comply with the requirements stipulated in the Codes, whether before or after the publication of the Codes, would reflect on the concerned person's ability to satisfy the fit and proper test in order to remain registered and on that person's conduct and business practices. Compliance with the Codes would indicate satisfaction of the relevant requirements under the Fit and Proper Criteria and therefore the question of retrospectivity does not arise.

- (b) The Codes of Conduct do not have the force of law and are not to be interpreted in a way that would override the provisions of any law. In the exercise of their powers, the SFC and SEHK are expected to give full effect to the spirit and letter of the laws and regulations which they administer and have due regard to other relevant laws affecting the performance of their functions including the Bill of Rights Ordinance.

## GOVERNMENT MOTIONS

### PUBLIC BUS SERVICES ORDINANCE

#### ***THE SECRETARY FOR TRANSPORT to move the following motion:***

"That the franchise conferring the right on Citybus Limited to operate a public bus service on the routes specified in the Schedule of Routes (North Lantau and Chek Lap Kok Airport) (Citybus Limited) Order 1996 (L.N. 439 of 1996) and in any subsequent order made by the Governor in Council shall not, for the entire period of the franchise, be subject to sections 27, 28, 29

and 31 in Part V of the Public Bus Services Ordinance."

**SECRETARY FOR TRANSPORT:** Mr President, I move the resolution standing in my name on the Order Paper.

Sections 26 to 32 of the Public Bus Services Ordinance provide for a profit control scheme and also stipulate certain provisions relating to the calculation of operating costs and the provision of information in relation to the bus operation of a franchised bus company as the Financial Secretary may require. The profit control scheme limits the profit that a bus company may earn in an accounting year by reference to a percentage per annum on its average net fixed assets as specified in its franchise.

Our current policy for processing fare increase applications is to take various factors into account, particularly operating costs, performance and public acceptability rather than to provide for a profit level based on a percentage rate of return on average net fixed assets. Given this practice, our approach has been to exclude all references to a profit control scheme when negotiating new bus franchises.

Accordingly, it is the Administration's intention that the following franchises recently granted by the Governor in Council should not be subject to the profit control scheme, namely:

- (a) the new franchises for Citybus Limited and Long Win Holdings Limited to operate public bus services in north Lantau and the new airport, which will commence on 1 June 1997; and
- (b) New Lantau Bus Company (1973) Limited's new franchise which will commence on 1 April 1997.

We therefore need to disapply sections 27, 28, 29 and 31 of the Public Bus Services Ordinance, which govern the operation of the profit control scheme whilst retaining:

- (a) section 26 which defines the terms used in the following sections;

- (b) section 26A which specifies that financial penalties levied against a bus company shall not be taken into account in ascertaining the operating cost or service related expenditure of the company;
- (c) section 30 which enables the Government to specify depreciation rates in respect of fixed assets used or kept by a bus company for the purpose of or in connection with its franchise; and
- (d) section 32 which requires a bus company to produce accounts and other information in relation to the public bus service operation as the Financial Secretary may require.

With these remarks, I move the first of the three resolutions standing in my name on the Order Paper which will give effect to these arrangements, in respect of the franchise of Citybus Limited. Thank you, Mr President.

*Question on the motion proposed, put and agreed to.*

## **PUBLIC BUS SERVICES ORDINANCE**

***THE SECRETARY FOR TRANSPORT to move the following motion:***

"That the franchise conferring the right on Long Win Holdings Limited to operate a public bus service on the routes specified in the Schedule of Routes (Long Win Holdings Limited) Order 1996 (L.N. 440 of 1996) and in any subsequent order made by the Governor in Council shall not, for the entire period of the franchise, be subject to sections 27, 28, 29 and 31 in Part V of the Public Bus Services Ordinance. "

*Question on the motion proposed, put and agreed to.*

## **PUBLIC BUS SERVICES ORDINANCE**

***THE SECRETARY FOR TRANSPORT to move the following motion:***

"That the franchise conferring the right on New Lantao Bus Company (1973) Limited to operate a public bus service on the routes specified in the Schedule of Routes (New Lantao Bus Company) Order 1996 (L.N. 259 of 1996) and in any subsequent order made by the Governor in Council shall not, for the entire period of the franchise, be subject to sections 27, 28, 29 and 31 in Part V of the Public Bus Services Ordinance."

*Question on the motion proposed, put and agreed to.*

## **FACTORIES AND INDUSTRIAL UNDERTAKINGS ORDINANCE**

**PRESIDENT:** In the absence of the Secretary for Education and Manpower, would the Attorney General move the motion?

***THE ATTORNEY GENERAL to move the following motion:***

"That the Factories and Industrial Undertakings (Asbestos) Regulation, made by the Commissioner for Labour on 21 January 1997, be approved."

**ATTORNEY GENERAL:** By your leave, Mr President, I move the motion standing in the name of the Secretary for Education and Manpower on the Order Paper.

I will presume the contents of the resolution are so well-known to Members of this Council they will not need further elucidation from me as to its purpose and that they will not vote to oppose it.

Thank you.

**PRESIDENT** (in Cantonese): I believe that the Secretary for Education and

Manpower intends to speak.

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, first of all I have to apologize to the President and Members of the Legislative Council for my failure to attend the meeting immediately because I was held up by some business.

I now move the motion on the Order Paper .....

**PRESIDENT** (in Cantonese): Mr Secretary, you need not move the motion. The Attorney General has already moved it on your behalf.

**SECRETARY FOR EDUCATION AND MANPOWER** (in Cantonese): Mr President, first of all, I would like to thank Members here for their support to my motion. As this Regulation is very important to the enhancement of the protection on the occupational safety and health of the workers in contact with asbestos, I hope that Members will endorse this Regulation.

*Question on the motion proposed, put and agreed to.*

## **GOVERNMENT BILLS**

### **First Reading of Bill**

#### **COPYRIGHT BILL**

*Bill read the First time and ordered to be set down for Second Reading pursuant to Standing Order 41(3).*

### **Second Reading of Bill**

#### **COPYRIGHT BILL**

**THE SECRETARY FOR TRADE AND INDUSTRY** to move the Second Reading of: "A Bill to restate the law of copyright, with amendments; to make provision as to the rights of performers and others in performances; to make

*provision with respect to devices designed to circumvent copy-protection of works, with respect to rights management information, and with respect to the fraudulent reception of transmissions; and for connected purposes."*

**SECRETARY FOR TRADE AND INDUSTRY:** Mr President, I move that the Copyright Bill be read the Second time.

The purpose of the Bill is to establish a modern and independent copyright regime in Hong Kong which suits our needs, is in line with the latest international standards, and will continue through and beyond 1997.

Copyright is an important form of intellectual property. Copyright products include books, films, sound recordings and computer programs. Copyright is a private property right. For example, authors have copyright in relation to the works which they have created. One such right is the right to stop others from copying or exploiting the works in various ways without permission from the author. Copyright law protects the economic — and to some extent also the moral or non-economic — rights of authors, giving them the exclusive right to exploit their works and to control their unauthorized use. Given the exclusive rights that copyright provides, the law is also concerned with legitimate interests and expectations of users and purveyors of copyright material.

Hong Kong's existing copyright law is mainly based on the copyright law in the United Kingdom. Article 140 of the Basic Law requires the Hong Kong Special Administrative Region to have its own Law to protect the achievements, and the lawful rights and interests, of authors in their literary and artistic creation. So we need to establish an independent copyright regime in Hong Kong before 1 July 1997.

In doing so, we have to ensure that the copyright regime meets the standards stipulated under the international intellectual property treaties and conventions which will continue to be applied to Hong Kong after 30 June 1997, namely, the Berne Convention, the Universal Copyright Convention and the Phonograms Convention. In addition, as a separate member of the World Trade Organization (WTO) now and after transition, Hong Kong needs to comply with the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights. In devising our own copyright regime, we also have to ensure that the copyright law we put in place can cater for technological



advances and suit local circumstances.

The Law Reform Commission, after extensive public consultation, published a Report on the Law Relating to the Reform of Copyright in January 1994. The comprehensive Copyright Bill laid before Honourable Members has been drafted on the basis of the recommendations of this Report, and after taking into account the consensus reached in the Sino-British Joint Liaison Group on the localization of the copyright law, as well as the comments received during the public consultation on the draft Bill. I would like to take this opportunity to thank the many respondents for the quality of their submissions. We have, as far as possible, incorporated their comments into the Bill.

Given the breadth and depth of the Bill, I do not propose to give a detailed account on each and every aspect covered. I will only outline briefly the major features of the Bill.

Firstly, we propose that Hong Kong should adopt an open qualification system, whereby any original copyright works created by any person (including a legal person) or published by any person anywhere in the world would qualify for protection in Hong Kong. The open system not only provides for consistency of treatment with other forms of intellectual property such as patents and trademarks, it is also consistent with our open trade policy.

Secondly, we propose to adopt the Law Reform Commission's recommendation of decriminalizing parallel importation but maintaining civil remedies. Honourable Members are aware that the regulation of parallel importation is an issue that has attracted much controversy and opposing views within the community. Indeed, this issue was the subject of a motion debate in this Council held last month. On that occasion, the Council resolved to ask the Administration to give careful weight to all public views expressed.

Mr President, we have done so. We have carefully considered the views expressed by right owners and exclusive licensees who generally favour maintaining both criminal sanctions and civil remedies. We have also considered the views expressed by the retail trade and consumer welfare groups who wish to see the removal of all criminal and civil actions against parallel imports. We have concluded that in the absence of any international standard or consensus on how parallel imports should be regulated, the best approach for

Hong Kong is to decriminalize parallel importation but to maintain civil remedies. We believe that this would strike the right balance between protecting the interests of right owners and exclusive licensees on the one hand, and those of consumers and retailers on the other.

We are aware of the concerns expressed that importation rights in respect of copyright works could possibly be extended to apply to trademark goods or goods incorporating registered designs which are also incidentally capable of copyright protection. We shall continue to consider how to limit the chances of any possible broad application of copyright to prevent parallel importation of other types of goods. If further proposals come forward which meet the special needs of Hong Kong and can go further towards harmonizing opposing views, we shall continue to consider them carefully.

Thirdly, we propose to protect the interests of right owners in the digital environment. Following a conference organized by the World Intellectual Property Organization in Geneva last December, a general consensus has been reached on this matter. We have accordingly included in the Copyright Bill provisions to reflect this consensus, which embodies the guiding principle that the rights of copyright owners must be suitably balanced against the reasonable expectations of all users of the Internet and Hong Kong's Internet service providers. Expert advice during the public consultation has been very valuable in this difficult area, and I wish to express my gratitude to those who shared their expertise with us.

Fourthly, at present, licensees of Satellite Master Antenna Television (SMATV) systems may retransmit non-encrypted satellite broadcasts without infringing copyright, by reason of exemptions in the present law and their licences. We propose to remove those exemptions, and enable satellite broadcasters to withhold copyright permission to retransmit non-encrypted signals, or to impose copyright royalties or conditions for such retransmission. This is consistent with our commitment and international obligation to protect intellectual property rights, and would enable Hong Kong to become more attractive as a regional media hub.

Fifthly, to prevent abuse of copyright which might hinder the freedom of expression, access to information, educational activities, cultural development, public administration and other uses of copyright material for public interest, there are provisions in the Copyright Bill for permitted acts. These include general permitted acts for fair dealing for research and private study; for criticism, review and news reporting; and for the incidental inclusion of copyright material

in artistic works, sound recordings, films, broadcasts and cable programmes. There are also permitted acts for specific purposes which are in the public interest. For example, copying and reproduction of copyright works and material are permitted, under specified circumstances, for purposes relating to education, library and archives, public administration, and so on.

Sixthly, we propose to institute a voluntary registration system for collective copyright administration societies. There are advantages in the collective administration of copyright, and this is also the international trend. Existing collective copyright administration societies have been operating successfully in Hong Kong. Under the voluntary system proposed, collective copyright administration societies coming forward to register will be required to file the necessary information essential for prospective copyright users, such as scales of royalty charges. We believe that such a voluntary registration system will be effective in Hong Kong as existing collective copyright administration societies have indicated support to the proposed system. Those who fail to register will be under no penalty, but will find themselves at a distinct disadvantage in the market due to lack of official recognition. We also propose to expand the jurisdiction of the Copyright Tribunal to include powers to determine disputes arising from licensing by the collective copyright administration societies under licensing schemes or in individual cases.

Lastly, in order to enforce intellectual property rights more effectively in Hong Kong and particularly to combat copyright piracy, we propose to double the maximum penalties on first conviction for the possession of pirated copyright products for the purpose of trade or business and plates for making pirated copyright products. We propose to introduce modified procedural provisions to facilitate proof of copyright subsistence and ownership. We also propose to introduce provisions to enable Customs to exercise power of forfeiture over seized suspected pirated copyright works, to enhance its enforcement capability, and to facilitate better co-operation with copyright owners and enforcement authorities of other countries.

The protection of copyright and other forms of intellectual property rights is vitally important for Hong Kong. Without an effective intellectual property

regime, we would not be able to foster creativity, attract foreign investment, engender technology transfer, and facilitate further growth of international trade. This is why the Hong Kong Government will leave no stone unturned in going after those that engage in piracy activities. This is why we need a copyright protection regime of international standard in Hong Kong.

By introducing the Copyright Bill into this Council today, I hope that Honourable Members will give the earliest possible consideration to the Bill. While the timetable is extremely tight because we must put in place our own copyright regime before 1 July 1997 if we do not want to see a legal vacuum in an extremely important area of intellectual property protection in Hong Kong, I am confident that with the support and co-operation from Honourable Members, we would be able to achieve our task.

Thank you, Mr President.

*Question on the motion on the Second Reading of the Bill proposed.*

*Debate on the motion adjourned and Bill referred to the House Committee pursuant to Standing Order 42(3A).*

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

### **ADMINISTRATION OF JUSTICE (MISCELLANEOUS PROVISIONS) BILL 1997**

### **Resumption of debate on Second Reading which was moved on 22 January 1997**

*Question on the Second Reading of the Bill put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

**CONSUMER GOODS SAFETY (AMENDMENT) (NO. 2) BILL 1996****Resumption of debate on Second Reading which was moved on 24 April 1996**

**MR FRED LI** (in Cantonese): Mr President, I will speak in the capacity of the Chairman of the Bills Committee formed to study both the Consumer Goods Safety (Amendment) (No. 2) Bill 1996 and the Toys and Children's Products Safety (Amendment) (No. 2) Bill 1996 to report to Honourable Members the deliberations of the Bills Committee on the two Bills at the same time.

I would like to begin by expressing my gratitude to the Hong Kong Baby and Children Products Industrial and Commercial Association for its valuable comments on the Bills. The purpose of the Bills is to empower the Secretary for Trade and Industry to specify, by means of regulation, bilingual labelling requirement of all markings or labels relating to warning or cautionary phrases in respect of the safe keeping, use, consumption or disposal of all the goods covered by both the Consumer Goods Safety Ordinance and the Toys and Children's Products Safety Ordinance. Furthermore, the Secretary for Trade and Industry will be empowered to amend the Schedule to the Toys and Children's Products Safety Ordinance so that equivalent safety specifications other than the British Standard Institute specifications for children's products may be adopted.

The Bills Committee has examined the policy objectives of the Bills and is in support of the principle that warning labels with regard to the safe keeping, use, consumption or disposal of the goods covered by the Ordinances concerned should be bilingual. It also agrees with the policy of allowing the adoption of equivalent alternative safety specifications other than the British Standard Institute specifications for children's products as this would widen consumers' choice without compromising the safety requirements.

During the course of deliberation, the Bills Committee has identified a number of concerns, one of which relates to the adequacy of accredited laboratory testing services. Members of the Bills Committee share the concern of the Hong Kong Baby and Children Products Industrial and Commercial Association about the lack of sufficient accredited laboratory facilities in Hong Kong for conducting tests on children's products. The Bills Committee

considers that it is the responsibility of the Administration to ensure that relevant services are adequate to facilitate compliance with the legislation. The Administration has assured that local laboratories are being encouraged and given assistance in obtaining accreditation and that overseas accredited laboratories are available for the testing of almost all the children's products. Furthermore, it is expected that the adoption of multiple safety standards for children's products will increase the number of laboratories that can provide accredited testing services. Having noted that it will take 18 to 24 months after the enactment of the Bills to adopt alternative standards for all the children's products in phases, the Bills Committee urges the Administration to monitor the situation closely and address any problem which may arise from inadequacy of accredited testing services.

Other issues which receive the Bills Committee's attention include the criteria for determining whether alternative specifications are equivalent to the relevant British Standard Institute specifications and the level of expertise required for translating the safety labels. The Administration assures that in assessing alternative specifications, government chemists will make professional judgement with regard to the overall characteristics of the alternative specifications including the scope, safety requirements, individual specifications and test methods. Members find the Administration's explanation acceptable. The Bills Committee also reckons that the translation of safety labels should not involve too much technical expertise and professional translation services can be readily obtained for such purposes.

Mr President, on behalf of the Bills Committee, I ask for this Council's support on the two Bills.

**MRS SELINA CHOW** (in Cantonese): Mr President, on behalf of the Wholesale and Retail Constituency, I am speaking on both the Consumer Goods Safety (Amendment) (No. 2) Bill 1996 and the subsequent Toys and Children's Products Safety (Amendment) (No. 2) Bill 1996, as the two Bills are closely related.

I give my support to these two Bills on behalf of the Wholesale and Retail Constituency. Many years ago, I received complaints from manufacturers of children's products in my constituency. They resented the Government's enforcement of the Toys and Children's Products Safety Ordinance. On the one hand, they did not understand the provisions well and there was a serious shortage of institutions which provided laboratory testing services in Hong Kong.

On the other hand, the Customs and Excise Department was very harsh on them. They were faced with a whale of problems. After communication, many problems involving their operation were resolved. However, as regards the question on the approved standard, there was no alternative other than amending the law. At that time, we strongly urged the Government to open up the Hong Kong market to qualified products from other countries, in addition to those meeting the British standards. In so doing, not only would voters in my constituency be given a larger source of goods, the consumers would also be benefited as they could have a wider choice. In addition, given Hong Kong's position in the World Trade Organization, there should not be any discrimination nor privileges given to any particular overseas country. As today's amendment can have such an effect, my constituency and I will give our hearty support.

Mr President, even though the importance of safety is recognized by all and in principle the industry is absolutely willing to abide by the Government's policy in ensuring safety, I have to point out that as the Honourable Fred LI has said earlier on, in the course of deliberation, the industry was very concerned about the inadequacy of the laboratory testing services in Hong Kong. They were worried that they might break the law in situations beyond their control. Members have expressed their appreciation and understanding of the industry's worries. They have also cast doubts about the Government's prediction that with the adoption of the amended legislation, a bigger market will be developed, which will in turn attract more accredited laboratories to provide testing services. Nevertheless, as they have arrived at different conclusions basing on different predictions, the Bills Committee accepts the Government's view for the time being. I will watch the real situation closely whether things will turn out as optimistically as predicted by the Government or as pessimistically as suggested by the industry. In the case of the latter, I hope that the Government will deal with the industry's difficulties flexibly.

As for the bilingual labelling required by the Bills, I understand and recognize that there is such a need but I hope that the Government will also understand that the industry may not be clear about what exactly they are required to do under the legislation. Therefore, although the Government has given them a buffer period, other than just allowing them time, the departments concerned should also take the initiative to promote and explain the policy to the industry to help them meet the requirements as soon as possible. I have started

to contact those in the various sectors of the industry and arrange meetings for them to exchange their experience. I hope that the Government will also participate actively.

**SECRETARY FOR TRADE AND INDUSTRY** (in Cantonese): Mr President, I will speak on both the Consumer Goods Safety (Amendment) (No. 2) Bill 1996 and the Toys and Children's Products Safety (Amendment) (No. 2) Bill 1996.

I would like to begin by expressing my gratitude to all members of the Bills Committee on these two bills, especially the Chairman, the Honourable Fred LI, for the great care they have taken in scrutinizing the two bills. I am also grateful to the trade and industrial organizations, as well as interested parties on consumers' rights, for their valuable comments provided during the course of the scrutiny of the two bills.

The purpose of the Consumer Goods Safety (Amendment) (No. 2) Bill 1996 is to empower the Secretary for Trade and Industry to establish, by means of regulation, the bilingual safety labelling requirement under which all consumer goods covered by the Consumer Goods Safety Ordinance are required to bear safety markings or labels provided in both English and Chinese. The Toys and Children's Products Safety (Amendment) (No. 2) Bill 1996 seeks to allow for the adoption of alternative safety specifications other than those laid down by the British Standard Institute for specified children's products under the Toys and Children's Products Safety Ordinance. I am glad to learn that the Bills Committee will support the Government proposal. We firmly believe that the introduction of the proposed bilingual safety labelling requirement will not impose additional burden on manufacturers, importers and suppliers. With the adoption of the requirement, consumers will enjoy greater protection. We also believe that the proposed adoption of multiple safety standards for children's products will promote competition in the Hong Kong market and hence offer more choices to consumers.

In the course of scrutinizing the bills, the Bills Committee expressed concern on the availability of sufficient accredited laboratory facilities in Hong Kong for providing testing services for the 13 types of children's products specified in the Toys and Children's Products Safety Ordinance. Mr Fred LI and the Honourable Mrs Selina CHOW have just expressed their views on this.



I would like to take this opportunity to explain to this Council that it is up to individual local laboratories whether they decide to apply for accreditation in accordance with the Hong Kong Laboratory Accreditation Scheme and that the Industry Department has been encouraging and assisting local laboratories to obtain accreditation. At present, overseas accredited laboratories are available for the testing of all 13 types of children's products and the testing services for nine types can be provided by local accredited laboratories. It is expected that with the adoption of multiple safety standards for children's products, the number of laboratories that can provide accredited testing services will be increased. We will notify operators in the trade which laboratories can provide accredited testing services in accordance with alternative safety standards to be adopted in the future. I can assure Members that the Government will keep a close eye on the situation and work with the trade in addressing problems related to accredited testing services.

Upon enactment of the bills, we will introduce the necessary regulations to this Council for negative approval. To allow the trade and industrial sectors sufficient time to make the necessary adjustments to comply with the proposed bilingual safety labelling requirement for consumer goods, toys and children's products, we propose a 12-month grace period be given before the requirement is brought into effect.

I am grateful to Mrs Selina CHOW for her very valuable advice of urging the authorities concerned to step up promotional efforts in this respect. I am more than willing to examine ways in conjunction with relevant organizations to give wider publicity to the new regulations in the hope that suppliers, manufacturers and importers can comply with the bilingual safety labelling requirement under the new regulations within the 12-month grace period.

Mr President, with these remarks, I urge all Members to support these two bills.

*Question on the Second Reading of the Bill put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

**TOYS AND CHILDREN'S PRODUCTS SAFETY (AMENDMENT) (NO. 2) BILL 1996**

**Resumption of debate on Second Reading which was moved on 24 April 1996**

*Question on the Second Reading of the Bill put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

**Committee Stage of Bills**

Council went into Committee.

**ADMINISTRATION OF JUSTICE (MISCELLANEOUS PROVISIONS) BILL 1997**

Clauses 1 to 9 were agreed to.

Schedule was agreed to.

**CONSUMER GOODS SAFETY (AMENDMENT) (NO. 2) BILL 1996**

Clauses 1 to 7 were agreed to.

**TOYS AND CHILDREN'S PRODUCTS SAFETY (AMENDMENT) (NO. 2) BILL 1996**

Clauses 1 to 12 were agreed to.

Council then resumed.

### **Third Reading of Bills**

THE ATTORNEY GENERAL reported that the

#### **ADMINISTRATION OF JUSTICE (MISCELLANEOUS PROVISIONS) BILL 1997**

had passed through Committee without amendment. He moved the Third Reading of the Bill.

*Question on the Third Reading of the Bill proposed, put and agreed to.*

Bill read the Third time and passed.

THE SECRETARY FOR TRADE AND INDUSTRY reported that the

#### **CONSUMER GOODS SAFETY (AMENDMENT) (NO. 2) BILL 1996 and**

#### **TOYS AND CHILDREN'S PRODUCTS SAFETY (AMENDMENT) (NO. 2) BILL 1996**

had passed through Committee without amendment. She moved the Third Reading of the Bills.

*Question on the Third Reading of the Bills proposed, put and agreed to.*

Bills read the Third time and passed.

### **MEMBER'S MOTIONS**

#### **MATTERS RELATING TO THE HONG KONG ELDERLY LIVING IN GUANGDONG**

***MR CHAN WING-CHAN to move the following motion:***

"That, while welcoming the Government's decision to provide standard Comprehensive Social Security Assistance (CSSA) and supplement to the elderly CSSA recipients who live in Guangdong province, this Council urges the Government to set up a working group to conduct a comprehensive study of matters relating to the Hong Kong elderly living in Guangdong, including the provision of medical service for them, their housing needs in the mainland and the problem of residence on their return to Hong Kong."

**MR CHAN WING-CHAN** (in Cantonese): Mr President, I move the motion standing in my name on the Order Paper.

As early as 1987, the Hong Kong Federation of Trade Unions (FTU) has already started to strive for a relaxation of the restriction on the elderly CSSA recipients so that they may continue to receive the CSSA after they move to Guangdong province. The FTU was happy to see that in March last year, the Government finally announced that it would start implementing this policy on 1 April this year. Unfortunately, rather than coming up with a series of measures to tie in with the programme to help the old people resettle in China, the Government introduces "harsh" restrictions just for the sake of saving money.

In fact, it is all very natural that many old people consider mainland China to be their home and root, and wish to return and spend their retiring life there. Besides, as the costs of living are lower in China, the money can last longer there. To the elderly CSSA recipients, in particular, the meagre allowance between \$1,000 and \$2,000 a month is hardly enough to last the "long spell of the month". Many surveys have shown that the living standard of the elderly CSSA recipients is extremely low in Hong Kong - some cannot even get properly fed and clothed. Therefore, some old people opt to resettle in their hometown in the hope of taking advantage of the lower living costs in China where their meagre CSSA payments can last longer and they can have a better life. However, the Government gets green-eyed at this and haggle over every ounce with the elderly people. Although the elderly CSSA recipients are allowed to receive the CSSA in Guangdong, they are only entitled to a monthly standard rate of \$1,935 and an

annual long-term supplement of \$1,435 (\$119.5 a month on average) while the third component of the CSSA, the special grant, will be voided. Withholding the payment of the special grant is in effect a cut in the welfare of the elderly CSSA recipients.

As to the reason for withholding the special grant, the Government explains that "the special grant is only given to meet the special needs peculiar to Hong Kong". But the so-called "special grant" is given to cover rents and medical charges. These expenses are not just needs "peculiar to" living in Hong Kong; they are "peculiar to" living in China as well. Are we saying that these old people living in mainland China have no needs for accommodation and medical services there?

The Director of Social Welfare, Mr Andrew LEUNG, assumes that when the elderly people move and settle in Guangdong, they will either live with their relatives or live in nursing homes for the elderly and therefore the rental allowance is no longer required. This is purely an excuse for cutting down on the welfare for the elderly. In fact, even when they stay with their relatives, they would have to contribute to the household expenditure and give money to the children for snacks every now and then to fend off the feeling that they are living off others. If they live in a nursing home, there are certainly boarding fees to pay. Some old people who are healthier and able to take care of themselves may choose to rent a place of their own to avoid bothering their relatives. It is unreasonable on the part of the Social Welfare Department to withhold the special grant from these old people. The Director stresses that relaxing the absence rule for the elderly CSSA recipients does not mean that the Government encourages them to move to mainland China. If they really want to live on their own, they had better fend for themselves, including paying the rent out of their meagre monthly CSSA payment of \$1,900.

After the Social Welfare Department announced the "Portable CSSA For Elderly Persons Retiring to Guangdong" (PSSA) scheme, response from the eligible persons has been lukewarm. They are not enthusiastic for the scheme because it makes little commitment as regards the medical assistance provided to the elderly moving to China. Many of them have much reservation over the scheme.

A survey conducted by scholars in 1993 in which the elderly were asked

whether they were willing to settle in the mainland China found that only 5% of the interviewees gave affirmative answers. Even after the Government has promised to continue paying the Old Age Allowance and implement the PSSA recently, only less than 10% of the elderly are willing to retire to China.

The reason is the same as the problem of the last issue. The old people's prime concern is whether medical treatment is readily available to them, taking into account that most of them would suffer from various diseases as they grow old. Housing is another problem.

It is also worrying that in case the old people fail to adapt to the life in China and decide to move back to Hong Kong, they will have no place to live. For the elderly CSSA recipients who used to live in public housing, once they move to Guangdong, their units will be taken back by the Housing Department. The department only promises to withhold them for three months. If these elderly people decide to come back to Hong Kong at a later date, they will be allotted another unit. The Government promises that the necessary procedures will be completed within two months. But where would they live in these two months? Of course, they may move temporarily into the "interim housing", which means a living standard worse than before. The Government has also promised to allow the old people to make prior arrangements in China so that they can move in public housing as soon as they return to Hong Kong. But what is the "mechanism" for this? The Government has made no specific arrangements. Given the shortage of public housing, it is doubtful whether the Government can make proper arrangements in just two months. Furthermore, assurance given by the Housing Department is by no means a guarantee that the old people returning to Hong Kong will be properly accommodated within two months. What can they do then? Should they just give themselves to their own fate?

On the other hand, with the advance of age, old people tend to have more health problems and it is extremely important that medical services are readily available to them. In Hong Kong, anyone who falls ill can receive free medical treatment at government out-patient clinics. But the medical system is different in China. Basically, Chinese citizens have medical insurance taken out by their government, working units or the people themselves. When Hong Kong and

Macau residents seek medical treatment in China, they have to pay higher fees. The Director of Social Welfare has also admitted that there are all kinds of medical fees in Guangdong and they vary from place to place. Hong Kong and Macau residents are generally charged at higher fees. It can be anticipated that the old people will be faced with various difficulties when they seek medical treatment in mainland China.

On the other hand, there is also a problem with the direction to be taken by the Government in implementing the scheme. The Red Cross has been appointed the mediator to assist the old people to come back to Hong Kong for medical treatment. However, this work cannot be carried out by the Red Cross alone, particularly in dealing with the problems involving the medical system in China. It also requires the assistance of the relevant departments there.

Mr President, at this point, I have to stress that in addition to urging the Government to continue giving the special grant to the elderly who have settled in their hometown, I also ask the Government to draw up a comprehensive programme to tie in with the PSSA scheme which includes accommodating the medical and housing needs of the old people who have moved to China. Actually, it only takes a little more effort of the Government and the old people's worries can be alleviated. The Government should not just say that it would not encourage them to do so and then let things take care of themselves.

On behalf of the FTU and the Democratic Alliance for the Betterment of Hong Kong, I put forward this proposal on the PSSA scheme. It is hoped that the Government will consider the following points before the Director of Social Welfare officially releases details of the scheme in March. Firstly, the medical problems of the elderly who have settled in mainland China should be solved. Since the medical system in China is different from that of Hong Kong, I suggest that the Government consider taking out medical insurance for these elderly people so that when they have fallen ill, they can get medical attention there immediately. Secondly, the Government can consider co-operating with the welfare bodies and civil units in China, and take the initiative to help the old people enrol in the nursing homes in China. It should also give active assistance to interested organizations to set up and operate hostels for the elderly who have settled in mainland China to meet their housing needs. Thirdly, in case these elderly people fail to adapt to the life in mainland China and move

back to Hong Kong, the Government has to ensure that they will have a proper place to live in as soon as they come back. Fourthly, the Government should step up the co-ordination work with the relevant departments of the Guangdong Government.

On the whole, under the present arrangements to relax the absence rule, the Government has turned a blind eye to the practical needs of the elderly. The scheme will be implemented on 1 April but the Government did not discuss the relevant matters with the authorities of Guangdong until late February. Complementary arrangements relating to such matters as medical services and housing are still not yet known but the Government has already allowed the old people to move to mainland China. This only gives us the feeling that the Government is driving them in exile. With such ill-planned arrangements, how can the old people feel at ease to participate in the scheme? I urge the Government to take a second thought. Instead of cutting down on their welfare, it should give comprehensive assistance and care to the old people who move to mainland China.

Mr President, with these remarks, I move the motion.

*Question on the motion proposed.*

**DR YEUNG SUM** (in Cantonese): Mr President, the Government's proposed relaxation of the absence rule for the elderly Comprehensive Social Security Assistance (CSSA) recipients moving to Guangdong can be regarded as an alternative open to them. It is a well-intended move. But we are of the opinion that a lot of difficulties will be encountered when these arrangements are put in place and the Government has to devise the scheme in a very careful way. Otherwise, a lot of problems will arise.

First of all, I would like to express my discontent with the Government. The Social Welfare Department completed a review report on CSSA in March 1996. In the report, it proposed that the absence rule imposed on the elderly CSSA recipients should be relaxed to allow them to make a lengthy residence in mainland China. The relevant details were not released until recent days.



Although the policy will be implemented in April this year, it is not until this month that officials of the Social Welfare Department start to discuss the arrangements with the department of civil affairs of the Guangdong Government. In addition to my discontent with the Government's inefficiency, I am worried that the scheme, which is formulated in such a haste, may be full of loopholes.

In my opinion, the principle of this policy is that participants of this scheme will not suffer from deterioration of services just because they live in Guangdong. They should receive the same or similar services in Guangdong as they do in Hong Kong. Otherwise, the Government will find it hard to avoid criticism that it is sending the elderly into exile in mainland China.

The Government will commission the Red Cross to conduct annual spot checks on 5% of the elderly who have settled in China to see if they have received the payments. This is a rather passive approach. Another approach which aims to solicit the views of these elderly by mail is even more difficult to implement. We can hardly imagine that the elderly would answer all the questions and return the survey forms to the departments or institutions concerned. Moreover, the aims of the visits and questionnaires arranged by the Government is to get a picture of whether the elderly are still alive and what their financial position is. These are by no means personal visits. In fact, the elderly who have settled in China still have other needs, including socializing activities, psychological counsels, adjustment to environmental changes and so on. All these should be taken care of. Under the present arrangements, once the elderly have returned to mainland China, they will no longer be entitled to these services. To put it in a caustic remark, the Government is sending away the elderly to Guangdong by giving them a sum of money. It does not concern about other needs of them at all. In my opinion, to make sure that the elderly can lead a decent life in their twilight years, we have to provide them with not only a sum of money but also other services they may need. I hope the Government can do its best to negotiate with the relevant departments of mainland China to provide more services, such as regular visits, for the elderly CSSA recipients living in Guangdong.

The Government has also claimed that only standard CSSA and supplement will be provided to these elderly on the ground that it is difficult to calculate the amount of CSSA payment on the basis of the life style in China. If we base on this argument, however, the current level of the CSSA is disputable because it is calculated on the basis of the life style in Hong Kong. If the

Government is to toe the line of this principle, it has to re-assess the standard CSSA payment as well. In fact, the elderly who have settled in China still have to face housing needs, the burden to pay utility bills and social activities and so on. It is unreasonable for the Government to deny these needs just because they are difficult to assess. Furthermore, it will inevitably cause doubts among the public that the Government is trying to cut expenditure by confining these elderly to standard CSSA payments and long-term supplement only. I still cherish a hope that the Government will lay down the calculation criteria and make payments in respect of these expenses for the elderly who have settled in China.

Another problem which attracts our attention is that a rigorous monitoring mechanism should be established in this scheme to facilitate the elderly CSSA recipients to move and settle in China. We have no intention to exaggerate the crime rate in China. Even in Hong Kong, there are often frauds committed by swindlers who impersonate social workers or government officials to deceive the elderly. Will institutions in China, such as the Red Cross, draw up sufficient measures and step up publicity to prevent fraudulent practice? I hope the Government can strengthen co-operation and co-ordination with institutions and departments in mainland China in this regard.

We hope that the elderly who choose to settle in China will have a happy retirement rather than an exile. We hope these elderly people can get the same services in China as they do in Hong Kong. We do not want to see them become worse off after their settlement in China. The Government has to devise measures to enhance services and pay more visits to them. Besides, we hope the Government can provide them with a certain level of rent allowance and other subsidies as what it is doing for the elderly in Hong Kong. Failing to do so, the Government would be criticized by the public that it aims at cutting expenditure by sending the elderly back to China. Finally we hope that the Government can establish a rigorous monitoring mechanism to prevent unfair treatment imposed on these elderly people in China.

THE PRESIDENT'S DEPUTY, DR LEONG CHE-HUNG, took the Chair.

**MRS SELINA CHOW** (in Cantonese): Mr Deputy, the Liberal Party welcomes the Government's proposal to continue to pay out standard Comprehensive Social

Security Assistance (CSSA) payment and supplement to the elderly who choose to live in Guangdong province. The Liberal Party has been urging the Government to implement such a scheme because we believe that, with lower costs of living in Guangdong, the elderly CSSA recipients can enjoy a higher standard of living with the CSSA payments they receive. They will enjoy a happier life, especially when they have relatives in their hometown who can take care of them.

Of course, the first and foremost factor is that these elderly people return to their hometown on voluntary basis. When we first proposed to the Government that it should continue to make CSSA payments to the elderly recipients who have returned to their hometown, we faced a groundless allegation of forcing the elderly to return to their hometown. Many a time, it is difficult to explain our reasons. At that time, the Liberal Party was being criticized behind its back. Today the truth speaks for itself. I would take this opportunity to stress that we are not allowing the Government to shirk its responsibility of caring for the elderly CSSA recipients. Instead, we would like to see that the resources devoted for them can be used more effectively.

However, the Liberal Party thinks that Government should not adopt a "live and let live" manner after putting the system in place. Although superficially the elderly people's return to their hometowns is an issue relating to their location of residence and daily life only, other problems may arise out of this issue. The Government must plan well before hand; otherwise, the whole scheme will start with a good intention but end up with undesirable consequences. Worse still, the scheme could eventually become nominal.

The Liberal Party does not have strong view on whether the Government should set up a working group to deal with the issue. The point is to get it done. However, we think that this issue does not lie with the Hong Kong side alone. Instead, co-operation between Hong Kong and China is necessary as we need a common wish of improving the living standard of these elderly people and tacit understanding in our work. Should problems arise in future, they can be solved on this basis.

The immediate problems facing us will naturally be medical services, housing and transport services for these elderly.

The recent concern of the public about the medical services to be provided

for the elderly who have retired to Guangdong, for instance, well demonstrates the importance of good planning in advance. Should the medical institutes in mainland China treat these elderly people as foreigners and charge them full fees or even try to make money out of them, these old people would find that their losses outweigh their gains under the scheme. This will defeat the purpose of the scheme, which is to provide them with a happy retirement life and a higher living standard.

The Government may have to discuss with the authorities of Guangdong province about the provision of medical and rehabilitation services for these elderly people. The topics may include the level of charges, waiting time required, medical insurance, emergency medical care as well as emergency medical escort service, which have been mentioned in this year's Policy Address. Of course, our expectation should be reasonable. We should not expect that the Guangdong Government or the local authorities concerned would provide free medical services to the elderly from Hong Kong. However, as these elderly people are CSSA recipients, they should not be charged in the same way as tourists.

Concerning their housing needs, will the Government consider setting up homes for the aged in mainland China? Or will it consider buying places in homes for the aged or sanatoriums there? Whatever plan the Government makes, it has to provide housing assistance to them. It is just a matter of how the money will be spent.

Regarding the money to be spent, I think we are not averse to spending money on taking care of the elderly CSSA recipients. But this is the taxpayers' money, public money. So the Government has to make sure that the CSSA payments really go to the pockets of the elderly. It should also strike a right balance with regard to the administrative costs incurred. We have to avoid unnecessary expenditure items to be deducted from the CSSA payments. Such deduction items, whether necessary or otherwise, will reduce the amount that the elderly should get.

In fact, we all understand that proper planning in advance is essential for any successful endeavour. We are not sending the elderly out of Hong Kong. Instead, we are offering the elderly CSSA recipients an alternative in their life style. They can choose to live a more comfortable life with the CSSA payments

if they like; they can stay in Hong Kong if they prefer the life style here. In such a way, they are given a genuine choice. We hope that they are able to choose between two good choices rather than the lesser of two evils!

It is argued, and even worried by some people, that this scheme would attract more elderly people without working ability to come to Hong Kong from China. Even emigrants from Hong Kong might be attracted to return. They would go back to China after having the entitlement to CSSA payments. If that were the case, the Government would have to look after more elderly people than it should. The Government must not lower its guard against this problem. However, the problem should be dealt with by immigration control through administrative measure to keep these people out. We should not trim the foot to fit the shoe. The implementation of the system should not be affected by administrative difficulties.

Mr Deputy, with these remarks, I support the motion.

**MR LAU CHIN-SHEK** (in Cantonese): Mr Deputy, we all understand that many elderly people bearing the concept that everything reverts to its origin would like to go back to their hometowns for retirement. But we also know that many of the elderly Comprehensive Social Security Assistance (CSSA) recipients who intend to go back to their hometown have no one to depend on and lead a hard life in Hong Kong. The idea of returning to their hometowns will spring up only when they find it difficult to maintain the minimum living standard in Hong Kong with the CSSA payment, which is less than \$2,000 a month. It is pitiful for the elderly to leave Hong Kong, the place where they have been living for so many years. I will, however, feel lighthearted when I see them live happily in their hometowns where they have a lot of relatives and neighbours.

The elderly have been toiling hard for the success of Hong Kong. In their poverty-stricken twilight years, the Government provides them with the CSSA payment which enables them to lead a bare existence, as well as other assistance such as rent allowance, medical service and special grant. Other social services

such as social workers services and concessions for the elderly have become their necessities. Although the CSSA payment has been criticized for being too low, there are other allowances and services as support.

I believe the new measures to be implemented by the Government for the elderly CSSA recipients living in Guangdong will be approved. However, it is important to ensure that their quality of life is also protected. The Government should not give the elderly people an impression that it is taking money away from their pockets because, under the new measures, the allowances and services which have been provided previously will be reduced by more than 50%. The Government will only pay the standard CSSA and the supplement. Will such an arrangement give us an impression that the Government is trying to get back money from the elderly in a disguised way?

I am of the opinion that the Government should extend the whole package of services to elderly living in Guangdong. It should not think that its responsibility is over after distributing a sum of money through the Red Cross. Other than pecuniary support, the elderly living in Guangdong also need care such as visits by social workers, their emotional support, their concern about their physical health and understanding whether they can adapt to the environment of their hometowns. Apart from these, medical allowance and services should also be extended from Hong Kong to Guangdong.

According to my understanding, the Government is now willing to provide standard CSSA and supplement only. It has also requested the Red Cross to liaise with the elderly living in different areas and to provide limited visits. I think what the Government is trying to do is extremely irresponsible. Under such arrangements, how can we ensure that the money is channelled into the pockets of the elderly? And how can we help them solve problems they encounter in their daily life?

I heard an extremely horrible joke. In India, an elderly who had died long time ago had his palm cut down for the purpose of deceiving the government's assistance with the fingerprints of the dead. If matters relating to the Hong Kong elderly CSSA recipients living in Guangdong are muddled along by the Government, it is highly probable that such a terrible joke will occur!

The Government is duty bound to provide the elderly people with outreach services by social workers in the rural area. I hope the Government will expeditiously co-operate with voluntary organizations and religious agencies, including those in China, to train up professionals in that field in China with the

purpose of providing proper care for the Hong Kong elderly living in Guangdong.

Although the new policy will come into effect in April, the elderly CSSA recipients who have intended to go back to their hometowns still harbour a lot of misgivings. I hope the Government can speed up the formulation of policies and measures for various outstanding problems so that the elderly can retire and enjoy their twilight years.

Mr Deputy, these are my remarks. Thank you.

**MR CHOY KAN-PUI** (in Cantonese): Mr Deputy, a few days ago, the Government announced that elderly Comprehensive Social Security Assistance (CSSA) recipients aged 60 or above who have been receiving CSSA in Hong Kong for three consecutive years will still be entitled to CSSA even if they choose to make lengthy residence in Guangdong province. This is a decision welcomed by the public. Problems about the elderly have already become a grave concern in Hong Kong. The population aged 60 or above is almost 900 000. Among these elderly people, about 100 000 are CSSA recipients. A person living in Hong Kong, which is a high-living-cost city, with a monthly CSSA payment of only \$2,000 can be describe as being in straitened circumstances. But if they choose to live in some cities or towns in China, they will doubtless be much better off. However, a lot of technical problems will be involved if we are to ensure that these CSSA payments are received by these elderly people. The Government has now commissioned the Hong Kong Red Cross to help implement this scheme in China on behalf of the Social Welfare Department of Hong Kong. The scheme will be under the monitoring of the Red Cross, which will submit regular reports to the Government in order to avoid abuses. This scheme is worth our support; it is a good start. However, besides solving the financial problem of the elderly, we have to pay attention to their actual personal needs, including medical protection and assistance to help them adapt to new environment quickly.

*(1) The Provision of Medical Protection*

The elderly are vulnerable to illnesses, especially chronic diseases, which

have afflicted them most. When they retire to mainland China, they will need medical treatment and medical care there. At present, however, medical charges imposed on foreigners in China is extremely high, much higher than the charges of public hospitals in Hong Kong. How can they afford to pay them? Their return to China has helped reduce implicitly the medical expenditure to be borne by the Hong Kong Government. So I suggest that the Government should arrange medical insurance for them in China with the money thus saved so that their burden of medical costs can be reduced. However, the arrangement of insurance is more complicated when compared with the issue of medical allowance. Nevertheless the merit is that reimbursement is made on the basis of actual expenditure only and resources will not be abused. In addition, I also suggest that the Government should take the initiative to discuss with the department of civil affairs of the mainland China about the setting up of medical care homes and homes for the aged in an effort to make the best use of low-cost resources in China and to provide more inexpensive but high quality care and attention services for the elderly people.

(2) *Assistance for Adaptation to the New Environment*

The adaptability to new environment of these elderly people, who have been living in Hong Kong for a long time, will be weak. Even though the places they return to are their hometowns, they will feel that they are facing a completely new environment. I hope voluntary organizations and agencies in Hong Kong can render assistance to them, by giving them information on how to settle down, psychological counselling and family counselling services so that they can integrate into the new environment as soon as possible. On the other hand, I suggest that the Government should give them an adaptation period of one or two years. When the elderly find that they cannot adapt to the new environment, they can return to Hong Kong and resume their original eligibility for public housing or places in homes for the elderly. All these measures are to ensure that an option to return Hong Kong is still open to them, so that they can rest assured to accept this new scheme without having to worry about their future.

Mr Deputy, the Government estimates that about 6 000 to 7 000 elderly people will take part in this scheme, but its ambit is confined to Guangdong



province only. The Hong Kong Progressive Alliance is of the opinion that the scheme should be extended to other provinces when it is found to be successful. This will enable the elderly whose places of origin are located in provinces other than Guangdong to be benefited from this scheme and, as a result, more elderly people can enjoy a happy retirement life in their hometowns.

Mr Deputy, these are my remarks.

**MR LEUNG YIU-CHUNG** ( in Cantonese ): Mr Deputy, at present, the cost of living in Hong Kong is extremely high. The elderly living on the Comprehensive Social Security Assistance (CSSA) Scheme can only afford to buy meagre food of low quality. In recent years, a number of research reports have indicated that the CSSA payments from the Government cannot meet the actual needs of the elderly. Regrettably, the Government turns a blind eye to this phenomenon and continues to pay the hard up elderly people a little more than \$20 a day as the standard food allowance. Not surprisingly, the elderly are very disappointed and have no alternative except resorting to living in their hometowns.

In recent years, an increasing number of elderly people move and settle in their hometowns in mainland China. In order to abide by the 180-day absence rule, they have to travel long distances to and from Guangdong. Recently, the Government has changed its policy and allows the elderly CSSA recipients to live in Guangdong province for good. The Government will continue to pay them the standard CSSA and supplement. I believe the Government knows that the CSSA is not adequate for the living of the elderly people in Hong Kong. Therefore, it is doing them good by giving approval to the elderly CSSA recipients to settle and spend their twilight years in mainland China. In this way, the Government can relieve itself of some burden.

In addition, if the elderly CSSA recipients move and settle in China, the Hong Kong Government will be able to save on medical expenses and rents for them. Will a responsible government encourage the elderly to return to China just for the sake of saving some expenses? I do not believe the Government is thinking like that and of course I hope it is not harbouring this kind of mentality. If the Government is not intended to make savings, why does the Government not consider practical ways to provide medical allowances to the elderly so that the chronically-ill among them do not have to take the trouble to return to Hong

Kong for treatment? I think it would be very inhuman of the Government if it did not review its policy on medical expenses, thereby making it necessary for the elderly to suffer from illnesses for prolonged periods or to have to travel back to Hong Kong for treatment.

Since the Government is willing to provide the CSSA payments to the elderly who live in Guangdong province, it has undoubtedly accepted the public opinion and should be applauded for its deed. But as the common saying goes, 'One should be thorough in one's work'. Why does the Government not consider providing the elderly with assistance in medical expenses? I have the impression that the Government is trying to set up hurdles in paying the medical expenses for the elderly; it has no intention to completely solve the problem of retirement for the elderly.

The Government thinks that it is very difficult to administer the reimbursement of medical expenses. But I think it is a matter of technicality and principle. If, however, the Government really wants to solve the problem, I think it can be done. So, I hope the Government will not shirk its responsibilities on the pretext of technicality. The Government can solve the problem of medical expenses through consultation and co-operation with medical units or intermediaries in China.

In fact, the Government admits that it relaxes the absence rules for the elderly CSSA recipients because it shares the idea of the elderly in Hong Kong, who regard mainland China as their home. After their retirement, many elderly people want to spend their twilight years in China. This mentality, I think, is becoming popular. The Government knows that Hong Kong is becoming part of China. As such, receiving the CSSA on Chinese soil is different from receiving the same elsewhere. Hence, what the elderly can enjoy in Hong Kong should also be what they have after returning to live in Guangdong province. If the Government were to deprive the elderly living in Guangdong of medical allowances on technical grounds, it would have to list the reasons. Has it ever tried but failed to do so? I would like to know details; otherwise I would only think the Government is trying to use 'technicality' to explain everything rather than wholeheartedly helping the elderly solve the problem.

I hope that the Government can consider one of the reasons why the elderly decide to settle in mainland China. They want to peacefully pass their

twilight years without having to face the pressures of livelihood. If the Government can solve the problem of medical care for them, they will surely be able to live in happiness and be free from constant worries. Finally, I hope the Government can tackle the entire problem with determination rather than deal with only part of it.

Mr Deputy, I hope the Government can make up its mind and solve the whole problem of medical care for the elderly instead of procrastinating the matter. Thank you, Mr Deputy.

**MISS CHAN YUEN-HAN** (in Cantonese): Mr Deputy, a line in a famous Chinese poem says, "Having left home in youth, one yearns to return at an old age." I think it is a common wish among old people to be able to unite with their families. For quite a long time in the past, we found a lot of poor elderly people hoping to settle in their hometowns. So, the Hong Kong Federation of Trade Unions has been making requests to the Government to waive the absence rule for the elderly recipients of the Comprehensive Social Security Assistance (CSSA) payments so that they can live together with their families in their hometowns, without having at the same time to face the dilemma created by the absence rule. We have been struggling for this with the Government, which has formulated the scheme recently. We welcome its move.

However, if we examine in detail the idea of the Government on the scheme, we can find that it falls short of our original request. We must understand after the hard fights staged by a number of parties in the past 10 years or so, the Government has now provided basic services for the elderly who need assistance, although these services are not perfect. They are only basic ones. For example, when they have fallen ill, they can go to a public hospital for free medical services; when they have difficulties in housing, they may obtain rent allowance. When they are not feeling well, they may ask social workers from the Social Welfare Department to help them prepare meals, do the laundry and so on. Therefore, those old people who have difficulties are provided with basic services. To the pressure groups that have been continually fighting for the welfare of the elderly, such services are not adequate. Now, the Government has relaxed the absence rule for the elderly CSSA recipients. How does the Government treat these elderly people? It only does some minor work on facilitating CSSA payment. The entire scheme is based on the concept of "I am giving you money and that's all." Indeed, the Government knows that it is

necessary to pay the elderly and to prevent them from being cheated. Are these arrangements sufficient? The elderly who were outside the Legislative Council Building when I came in just now do not think so. They have a strong feeling that they are being driven out of Hong Kong. Why do they feel like this? I think the Honourable CHAN Wing-chan has given a detailed discussion on this point. The elderly hope to be able to enjoy, after returning to their home village, all the benefits that the community has fought for them.

Moreover, when we fight for some basic services, a common voice in Hong Kong bears out the fact that the elderly once made a lot of contributions to the prosperity of Hong Kong. If Hong Kong is a pearl, these elderly people are the creators of this pearl. When they leave Hong Kong for the place where they were born, they very much hope to be well taken care of. But the design of the Government scheme aims only at paying money to them, without caring for their actual needs. When we read the recent research results, we were shocked to find that only 10% of the elderly were willing to participate in the scheme. Since the announcement of the arrangements, the elderly have not shown much enthusiasm. Their reaction was different from that shown by the elderly in frequent contact with us. Why is it like that? It is because they have a lot to worry about.

Firstly, the Government says that \$1,900 is a large sum and most workers in China cannot earn so much. But the Government should understand that all the expenses on clothing, food, accommodation and medical care will have to be paid out of this money. Although Guangdong is a province, it is a big area, and practices vary from place to place. There is no perfect medical care systems in the region. Systems in the larger towns are different from those in the rural area. Some people only know that the elderly are fellow Chinese from Hong Kong or Macau and have \$1,900 to spend. I really sympathize with these elderly people, who tell me that the amount is not sufficient to cover even medical expenses. This is actually the case. The Government has not thought about the medical care problem the elderly people would face when they return to their hometowns. What facilities can the Government provide them with?

Accommodation is another problem. Last week, I asked the government officials about it. They assumed that the elderly would either live with their family members or in homes for the aged. However, though socialist China has a lot of facilities in place, not every place is equipped with such facilities. What can they do if there are no homes for the aged? What can they do if the elderly

people cannot get along well with their family members, and they have to move out to live elsewhere? The Government has not thought about these points whatsoever. It only thinks as long as they can receive CSSA payments after settling in their hometowns in mainland China, there will not be any problem. This is another big area of concern for us.

Furthermore, when the Government designs the scheme, has it thought about the point that relaxing the absence rule on the elderly does not mean they will never return to Hong Kong? At present, the Government advises that after joining the scheme and not returning to Hong Kong in three months, the elderly will have their public housing taken back. This shows that the Government has not paid any attention to the mentality of the elderly. Very often, when the elderly decide to settle in their hometowns, it does not mean they will never come back to Hong Kong. After all, Hong Kong is the place where they have worked for several decades, where they have a lot of friends and social connections. So, we must help them solve the problem of accommodation when they come back. We cannot simply say that if they do not come back after three months, they are deemed to have left Hong Kong for good. The Government does not seem to have considered this point carefully enough.

There are other problems with this scheme. For example, as the Honourable CHAN Wing-chan and other Members have mentioned, while they are in Hong Kong, the elderly are given allowances for socializing activities, the Chinese New Year and so on. They are, however, deprived of all of these allowances when they return to their hometown in mainland China. Do they not have such activities after settling in their hometowns? I think the Government must give the matter some detailed consideration.

I have focused my discussion on medical care and accommodation. I hope that after listening to our opinions, the Government will consider all of them and then improve the scheme before embarking on a full-scale implementation. If, in the absence of a complete scheme, the Government told the elderly, "You can go ahead and return to your hometown; we will send someone to monitor the scheme and the CSSA payments will be made out to you.", it would not provide them with basic protection at all. This is miles apart from the intentions of the people and pressure groups who have been fighting for

the implementation of the scheme. Mr Deputy, I hope that after this motion debate in this Council, the Government will implement the scheme according to our opinions.

With these remarks, I support the original motion.

**MR ERIC LI** ( in Cantonese ): Mr Deputy, I did not intend to speak, but after listening to the opinions of a number of colleagues, I feel like speaking on the subject.

I was a former Chairman of the Social Welfare Advisory Committee. Now, I am the new Director of the Hong Kong Council of Social Service. Matters relating to the relaxation of the absence rule for Comprehensive Social Security Assistance (CSSA) recipients were resolved and made public in November 1995. Concerning these matters, I led a group to China to exchange views with the Chinese Ministry of Home affairs. Since I was not prepared to speak, I hope everyone would understand I am not speaking in either of the capacities I mentioned. Rather, I am speaking in a personal capacity and I want to give an account of the background information leading to the relevant policy.

First and foremost, the most difficult decision is about when to implement the policy, how long we should consider the matter, what circumstances need to be taken into consideration, and how detailed and complete the scheme should be. Members' ideas seem to be for a rather detailed and complete consideration and things need to be expedited. But these are conflicting requirements. How can we know when we need to implement the scheme? Everybody may recall when I first announced the scheme, I said there would be a lot of practical difficulties when the scheme was implemented. We needed to give some thought about the matter and it was unlikely we could solve all difficulties. Up to this moment, I still believe there are some problems that cannot be resolved simply through some debate. I will go back to this later.

In fact, there are at present a number of social welfare groups discussing specific arrangements for co-operation with the relevant departments in mainland China. Some are making quick progress, some are slower. These groups contacted some elderly people and found a real need there. They will be responding to these real needs for service to the elderly very soon. These groups are highly interested in organizing such services. So, if the interested

groups do not know what the basic services and their standards are, they will not be able to start work at all. If discussions drag on, there will be delays. I am sure specific problems can be solved gradually.

Members have raised some issues, including the housing and medical care for the elderly who have retired to China but are now returning to Hong Kong. We have had detailed discussions about these issues and made submissions to the Government. I believe the Secretary for Health and Welfare will respond later. The question is whether proposals from the Government can reach the high standards Members expected. I think schemes implemented will always improve with time. The motion proposed by the Member is paved with every good intention and I will give my support in principle. However, I want to let everyone know most problems cannot be solved by talking alone. As the Honourable CHOY Kan-pui has pointed out very clearly, one submission made by the Social Welfare Advisory Committee to the Government is that the scheme should not be restricted to the elderly returning to Guangdong province. However, knowing that problems with the administration of the scheme are bound to arise, we first co-operate with a region with which Hong Kong is more familiar. Co-operation can be on the institution level or Government level. We try to implement the scheme in a region first to gain experience, and gradually cater to the various needs of the elderly. We hope to extend the scheme to other regions when the scheme is more complete.

The second issue concerns the approach. When we implement the scheme, do we mean to encourage participation or are we letting the elderly have one more alternative? When we first made our decision, we had a very clear objective. We hoped to solve the problem for those elderly who had returned to their hometowns because they had family members to take care of them and those who had settled in their hometowns but had to take the trouble to commute between Hong Kong and China. We did not want to encourage those elderly living in Hong Kong to retire and settle in mainland China in great numbers. This is because the elderly cannot have all their problems solved after leaving simply by being given money, medical care or social welfare services. They have psychological needs too. They have to maintain their connection with their families and social groups. Money or expenditures alone cannot solve these problems. For instance, even if they were given medical allowances, they might not be able to obtain services in mainland China similar to those in Hong Kong, or they might not be able to see the doctors they have been consulting. In addition, living environment and conditions are different from those in Hong

Kong. Therefore, the Government cannot be said to have done its job by simply giving the elderly CSSA payments.

I think the final decision rests with the elderly. They must decide for themselves. We cannot impose our wills on them. I mean the Government should not drive them out of Hong Kong with a view to sending them into exile after giving them money. My heart would break if that was what the Government wanted to do. When we made the decision, we were hoping to help the elderly who already had real needs. Today, I want to call on everyone not to give the elderly the message that the Legislative Council can solve all their problems by showing concern and debating about the matter and forcing the Government to spend more money. Nothing can be further from the truth. When the elderly have returned to mainland China, they will find themselves in an environment completely different from that of Hong Kong in terms of facilities, psychological needs and care from family members, even though they have the money. The Legislative Council and the Government should let the elderly understand the consequences of their decisions. This is very important. We should not give them the message that there is every advantage and no drawbacks if they choose to settle in China and the Government will take care of them. This is far from being true.

We need to be careful with the standards we set for the elderly in question. In mainland China, be they big cities or rural areas, living standards are different. How much should we pay for these elderly? To put it simply, measured against living and spending levels in China, the CSSA we are paying in Hong Kong is already above the usual income level. This has the effect of encouraging the elderly to move to mainland China and this is a potential worry. If we make CSSA payments by Hong Kong standards we are in effect encouraging them to move and settle in mainland China.

Furthermore, is it possible to monitor and implement the scheme? China is a sovereign state. No matter how we co-operate with it, ultimately we have to rely on the Chinese authorities for the implementation of the scheme. Of course, we hope the Chinese authorities will co-operate, and this is the message we get. But if a non-governmental organization is appointed to implement, it will have



more freedom than we want to see.

I cannot talk for too long due to time constraints but I hope what I say is useful to everyone as reference.

THE PRESIDENT resumed the Chair.

**MR LAW CHI-KWONG** (in Cantonese): Mr President, a lot of people support this policy but the reasons for their support are different. Some think that many elderly people want to return to live in their native place when they are old; some think that the elderly may lead a life of better quality if they live in mainland China on Comprehensive Social Security Assistance (CSSA) because the cost of living in Hong Kong is high but that in China is low; some think that while part of the elderly have no relatives in Hong Kong, they can live with their kin or reunite with their families in their hometowns; some others think that since the homes for the aged always fall short in Hong Kong, they may as well go to Guangdong to find homes for the aged; some even think that by sending the elderly to China, the overall expense for elderly services in Hong Kong can be reduced and the taxpayers' money can be saved. At the end of the day, regardless of one's stance as leftist, rightist or neutralist, they all support unanimously the elderly CSSA recipients to live in Guangdong.

The main reason for my support of the policy is that it offers the elderly a choice, or one more choice, no matter whether they are returning to China for the sake of spending the rest of their life in their native place, improving their quality of life, living with their kin or reuniting with their families. Therefore, my major concern is whether going back to live in Guangdong really offers one more choice for the elderly.

One of the problems we have to consider is whether this is a decision made by the elderly themselves. We have to avoid situations in which the elderly are sent back to China because their families do not want to attend to them. For example, if an elderly person is not capable of taking care of himself and is of a poor physical condition, whereas his family in Hong Kong is reluctant to support him and he has to live on the CSSA, I would doubt whether his settlement in Guangdong is out of his own decision.

One of the important conditions that constitute a true decision is whether the elderly are clear about the problems arising from settling in Guangdong, that is, whether they understand the implications behind the move as the Honourable Eric LI said just now. Among these problems, the most important one would be that of medical service. The elderly CSSA recipients living in Hong Kong are entitled to free medical service, whereas those settling in Guangdong, though they may also come back to Hong Kong to consult doctors, have body check-ups or pay subsequent visits to doctors, have no guarantee of emergency service and hospitalization which they may need urgently in case of contingency. As the Hong Kong Government has no plans to take out effective medical insurance for the elderly who settle in Guangdong, I therefore appeal to all the elderly who are considering such move to think thrice before they act. When the Government deals with the relevant applications, it should also convey a clear message to the elderly and urge them to think carefully about the possible problems that may arise from the choice before they decide. On the other hand, I also appeal to the Government that it should seriously consider taking out effective medical insurance for the elderly to cover their hospitalization in case of acute diseases.

In a word, the elderly should ponder prudently if they are going to settle in Guangdong before having a medical insurance. If they are in a relatively poor state of health, I would advise them not to go. I support the policy in principle but I have a lot of worries at heart. I hope that the Government would make improvements to the plan and that the elderly would think twice.

Mr President, with these remarks, I support the motion.

**MR BRUCE LIU** (in Cantonese): Mr President, we should formulate a policy which can really provide the elderly with a new life instead of formulating one which exports them.

The Government will pursue a new policy in April this year to relax the absence rule for the elderly Comprehensive Social Security Assistance (CSSA) recipients. They will then be allowed to live in Guangdong and maintain their entitlement to the CSSA. The Hong Kong Association for Democracy and People's Livelihood (ADPL) supports this policy in principle because a lot of

elderly singletons have relatives in mainland China and if they settle in their native place, especially Guangdong, they will have the care of their families, live with their descendants and spend their twilight years in happiness, rather than living alone in Hong Kong with nobody to take care of them. Moreover, the costs of living in China are lower than those in Hong Kong. With the present CSSA rate, they have to live frugally and miserably if they reside in Hong Kong, whereas their living standard can be much higher and they can live with more dignity if they go back to their hometown.

Although the Portable CSSA Scheme is worth supporting strategically, the details of the Scheme worked out by the Government need further review and improvement. According to the detailed rules and regulations of the Scheme, the Social Welfare Department will only grant the basic rate (which is currently \$1,935 per month) and long-term supplement to the elderly CSSA recipients who settle in Guangdong. It will not pay for their rents and grant special allowances such as the allowances for transportation, social activities, Chinese New Year, special dietary needs, special care, and so on. The ADPL think that no matter where the elderly live, be it Hong Kong or China, they still have the need for housing, transportation and social activities. Therefore, the Social Welfare Department should treat them without discrimination by granting these elderly rent allowance and fixed-rate annual allowances for social activities and Chinese New Year. To make up for the insufficiency of the basic rate and to attend to the individual needs of the elderly, special allowances such as that for diet, care and transportation can also be granted should needs arise. I think that the elderly who move to China should not be deprived of their right to enjoy the basic welfare.

Furthermore, the Government has not arranged medical services for the elderly moving back to China. At present, the CSSA recipients can be exempted from medical charges if they go to the clinics under the Department of Health or the hospitals under the Hospital Authority in Hong Kong. However, if the elderly CSSA recipients move to China where they have neither residence registration nor protection of Chinese medical insurance, when they are sick and have to see a doctor, they would be treated as compatriots from Hong Kong and Macau and have to pay higher medical charges which are too heavy a burden for them. The Government only relies on the Red Cross to send the elderly back to Hong Kong for medical treatment, but this is not practical at all. This cannot

meet their medical needs because the long way to Hong Kong would easily aggravate the patient's condition and the executive fee is very high. If the elderly choose to come back to Hong Kong by themselves for medical treatment, and the Social Welfare Department will not grant them any transportation allowance, how can they afford to pay for the transportation between Hong Kong and Guangdong? Therefore, to enable the elderly living in Guangdong to pay their medical expenses, the ADPL Livelihood proposes that the Social Welfare Department should regularly grant them a lump-sum of medical allowance or take out medical insurance for them in China.

The Government has not yet discussed with the Civil Affairs Department of Guangdong about how to co-ordinate the Portable CSSA Scheme with the service for the elderly in China so that the elderly settling in their native place can spend their twilight years in happiness. While the Government does not provide services directly to the elderly, such as attending to their psychological problems, needs for social activity and adaptation to the environment, it only entrusts the Red Cross with the administrative and supervisory work of the Scheme, such as checking at random every year 5% of the elderly CSSA recipients in China to see if they are still alive and receiving the money. The ADPL urges the Social Welfare Department to discuss as soon as possible with the Chinese authorities about the arrangement of elderly services, such as home visit, psychological counselling, adaptation to the environment and institutional service, for the elderly returning to live in their home town.

In a word, the Social Welfare Department's relaxation of the absence rule for the elderly CSSA recipients is a direction worth supporting, but concrete arrangements of the Scheme are still imperfect. The ADPL suggests that the Social Welfare Department improve the Scheme and review it shortly after its implementation, with a view to extending the living area of elderly CSSA recipients from Guangdong to other provinces in China in the near future.

With these remarks, I support the Honourable CHAN Wing-chan's motion.

**MR CHEUNG HON-CHUNG** (in Cantonese): Mr President, in the past years, the Democratic Alliance for the Betterment of Hong Kong (DAB) has been receiving complaints from a large number of retired elderly, saying that once they

leave Hong Kong for more than 180 days they are no longer entitled to the Comprehensive Social Security Assistance (CSSA). At the Lo Wu border checkpoint, we always see many aged people in their seventies or eighties, shivering in frailty, queuing up at the Immigration Hall, trying to come back to Hong Kong before the 180-day deadline, in order not to lose their only income. During all these years, the DAB has been shuttling between Hong Kong and Guangdong, hoping that the two governments would accept our proposal to relax the absence rule for the elderly CSSA recipients, so that they can choose to settle in mainland China for their retirement life while their living is safeguarded as they continue to receive the CSSA.

The DAB has gone to mainland China many times to reflect its views. The Guangdong government eventually says that it is willing to offer assistance, hence the elderly can enjoy their retirement life in their hometowns. On various occasions and through many channels, which include the Policy Address debate and the Budget debate, the DAB has been urging the Government to change its policy and lift the 180-day absence rule for the elderly CSSA recipients. The Government has announced lately that the 180-day restriction will be lifted from 1 April of this year onwards and new rules will be implemented. In this newly-conceived policy of the Government, the relaxation only applies to the elderly CSSA recipients living in Guangdong province. According to the estimation of the DAB, among the 80 000 to 90 000 elderly CSSA recipients in Hong Kong, only 7%, that is 5 000 to 6 000 people, will be benefited. Moreover, the DAB does not understand why the new policy excludes the Old Age Allowance, which is in fact a sign of respect for the elderly. The elderly CSSA recipients settling in mainland China would need this allowance even more in order to improve the quality of their life.

It is obvious that the Hong Kong Government does not trust the co-ordination works of the Chinese Government and tends to entrust the monitoring of CSSA allocation and the regular visits of the elderly to the international voluntary organizations which have offices in China, while the role of the Chinese Government is only restricted to that of informational assistance. Is this stance of the Hong Kong Government appropriate? The new policy requires the assistance of the Chinese Government and the co-ordination between the two Governments. The crux of the problems lies in residence registration, medical services for the elderly, avoidance of the allowance being squandered and arrangement of the legacy of the elderly passed away in China. The co-ordination of the Chinese Government is needed before these problems can be

solved. Therefore, the DAB thinks that the new policy announced by the Hong Kong Government is only a one-sided executive policy of Hong Kong. Mutual communication and co-ordination between Hong Kong and Guangdong have never been achieved and the elderly CSSA recipients settling in China cannot be really benefited. How can they spend the rest of their life in their hometown happily in this way? What the elderly care about most are residence registration, medical services and accommodation arrangement. If they do not have residence registration, they may have problems with both medical services and accommodation arrangement. The DAB is very disappointed in the Hong Kong Government's indifferent attitude and is doubtful whether the new policy can be implemented as scheduled.

Mr President, other than the nostalgia for ones home when one gets old, there is a more important reason for the elderly CSSA recipients to choose to return to their hometown for retirement. The CSSA payment they receive is insufficient to cope with the high costs of living in Hong Kong. The thousand-odd-dollar CSSA payment would be more "useful" in China than in Hong Kong. Is it not cruel and apathetic to require the elderly in their seventies or eighties to count the days every half a year to ensure that they return to Hong Kong in time? The new policy announced by the Hong Kong Government also requires the elderly to accept such harsh conditions as giving up the public housing unit they live in, joining the Waiting List again when they come back to Hong Kong and giving up the benefit of medical charge exemption. These harsh conditions are extremely unreasonable for the elderly and it is like asking them to bear the responsibility for all the consequences arising from settling in mainland China. If the elderly find it difficult to adapt to the life in China or they encounter certain problems and have to come back to live in Hong Kong, they will lose their original welfare and will face punitive arrangements. How can we be so hardhearted?

Mr President, a good government should regard the care and respect for the senior citizens to be its own duty. It is really difficult for the elderly settling in mainland China for their retirement life to afford huge expenses for medical and other services due to their deteriorating physical condition. If the Hong Kong Government sends these elderly back to China without providing them with the necessary medical services, it is shifting the burden of the retired elderly of Hong Kong onto the Chinese Government, which is something extremely unfair to do. Therefore, the DAB urges the Hong Kong Government to

formulate a retirement policy for the elderly of Hong Kong settling in mainland China by taking the following points into consideration:

- (1) It should discuss as soon as possible with the relevant authorities of mainland China about ways of co-ordination and co-operation so as to build up a supportive net in China for the elderly coming from Hong Kong.
- (2) It should take into account the possible extra expenses, high medical and hospitalization expenses and other extra allowances such as that for social activities of the elderly settling in China.

At the same time, the DAB thinks that consideration can be given to establishing medical insurance for these elderly people or encouraging them to take out medical insurance in China, while the premium will be covered in the CSSA payment. The Government should discuss with the medical and home affairs authorities of China about the feasibility of a private mandatory medical insurance system and take up the responsibility.

- (3) In order to fix an appropriate insurance coverage, i.e. the part to be subsidized by the Government, it should cooperate and study with the relevant departments of mainland China.
- (4) It can consider co-operating with the welfare or home affairs departments in China and take the initiative to buy places in the homes for the aged in China for the elderly from Hong Kong. It can also think about actively helping interested organizations to set up institutions in China to solve the accommodation problem of the elderly.
- (5) It should also consider extending the relaxation of the 180-day absence rule to the Old Age Allowance scheme and to other provinces and cities in China. Moreover, it should undertake to draw up effective measures in accordance with the new arrangements.

Mr President, the relaxation of the absence rule for the elderly CSSA recipients is the goal that the DAB and the Federation of Trade Unions have been fighting for. Although we can see the preliminary result today, we still feel that the actual arrangements need to be reviewed. While the absence rule is lifted, it is also necessary for the Guangdong and Hong Kong governments to strengthen their co-operations, especially in the aspect of bearing the medical expenses. The two governments should contact closely and work hand-in-hand so that the elderly recipients can receive their monthly CSSA payment in China earlier. In the long run, if the policy today is to develop further to a stage that the elderly from Hong Kong are assisted to settle in mainland China after retirement, the co-ordination of the welfare systems, housing and medical services between the two places will be involved. The governments of Guangdong and Hong Kong should consider on this basis to provide the elderly in Hong Kong with one more retirement choice and thereby improving the well-being of the people of both places.

With these remarks, I support Mr CHAN Wing-chan's motion.

**DR LEONG CHE-HUNG** ( in Cantonese ): Mr President, returning to one's root is an idea that holds true among the traditional-minded Chinese. It is common among retirees, or the elderly who have no others in Hong Kong to take care of them, to settle in their native places. Hence, it is a welcome measure indeed when the Government announces the relaxation of the absence rule for the elderly CSSA recipients, allowing them to receive the CSSA payments in Guangdong province. However, implementation aside, we should consider the other needs, besides money, of these elderly. We must not view the whole scheme with the "beancounter mentality", that with a few dollars of CSSA, we can dump our responsibility of caring for our elderly to the other side of the border. Should it be so, our community fails these elderly who have contributed to the prosperity of the city in their youth. Today's debate, proposed by the Honourable CHAN Wing-chan, is timely and significant.

Mr President, among the various needs of the elderly, their health and medical care requires our special consideration. There are three reasons. Firstly, comparatively speaking, the elderly are prone to illnesses, many of which are chronic. Secondly, elderly CSSA recipients enjoy free medical service in



Hong Kong, but it is not the case when they settle in Guangdong province. Besides, the Hong Kong Government bears out 97% of the expenses on public health, while in most parts of China, less than 10% of the expenditure is paid out of public coffers. In other words, the patients have to bear the remaining part. Just as the Honourable Miss CHAN Yuen-han said, is the thousand-odd-dollar CSSA payment enough to foot their medical bills? This is a big problem indeed.

Thirdly, up to date, there is no medical saving policy under which the citizens contribute when they are young and may make use of money for medical treatment in Hong Kong or in mainland China at their old age. In other words, elderly CSSA recipients, if they reside in Hong Kong, face no problem in medical care — though, with limited resources, a long wait at the queue may be inevitable — but if they reside in Guangdong, they have to figure out how to take care of their health with a pitiful thousand-odd dollars. This is a big problem indeed.

Of course, I am sure the Government will say that they can return to Hong Kong to seek treatment. Indeed, the Government admitted the fact on its paper submitted to the Health and Welfare Panel of this Council. Should they wish to receive free public medical care here, they can apply through the medical social workers. Now I am very dissatisfied with this arrangement. Those elderly CSSA recipients residing in the territory are automatically entitled to free medical treatment while those returnees have to reapply. This is a redundant procedure.

Besides, the Government further points out that should elderly CSSA recipients in Guangdong wish to return to the Hong Kong for medical treatment, they can seek the help of the Red Cross. This is surely a good arrangement for those who are chronically ill or seriously ill. However, how many know of this service? What about those old people who suffer from minor illnesses? Do they have to seek treatment in Hong Kong too? Is this cost effective? I do believe this needs consideration.

Just now an Honourable colleague suggested that the Government can underwrite the elderly CSSA recipients' medical costs in Guangdong medical institutions as, if they return here for treatment, the costs too fall on the Hong Kong taxpayers. Now this arrangement brings forth a number of problems, one of which is that it is subject to abuse. If it is known that the Hong Kong

Government will foot the bills of the CSSA recipients, will the medical institutions not hike up their charges? Besides, what if the medical cost exceeds the set ceiling? In other words, this suggestion causes administrative difficulties.

It has also been suggested that we can provide medical insurance policy for these elderly. Then all the problems are solved. They do not have to worry about the medical costs in mainland China. However, if these elderly can enjoy medical insurance, what about those in Hong Kong who do not want the service of public hospitals and ask for medical insurance instead? Do we have to oblige them? If not, then we are practising double standard.

Furthermore, if these elderly really have to take out insurance in mainland China, who is going to pay? Will the premium be deducted from their CSSA payment or are there other means? If the Government ends up paying for them, are they still entitled to free medical service when they return to Hong Kong? This demands our consideration.

Mr President, I am sorry that I will not be able to provide a detailed plan within a short period for the reference of Honourable colleagues and the Government. However, there are a few points which have to be clarified at this stage.

Firstly, the Government and the various departments have to consider in detail all possible problems. Secondly, the Government has the obligation to explain to the elderly the problems they may encounter if they opt to settle in mainland China. Thirdly, just as the Honourable Eric LI has said just now, all the elderly have to carefully weigh all the advantages and disadvantages of residing here or in mainland China, and only then should they make up their mind.

Mr President, in the long run, I do hope the Government would promptly introduce a comprehensive, mandatory, and contributory medical insurance scheme in which all Hong Kong people have to contribute when they are young, and they can make use of the money to meet the medical needs either in Hong Kong or in mainland China when they are old.

Lastly, Mr President, it is absolutely the responsibility of the Government to clarify these problems. Should it fail to do so, others cannot help thinking

that the Government is doing the wrong thing with the right intention. To put it simply, the Government must know the medical expenditure on the elderly per person. If there are several thousands, or ten thousands of the retired elderly opt to settle in mainland China and thus saving the Government such expenses, the sum must be quite staggering.

Mr President, I hope the Government will put this into consideration. I speak to support the original motion. Thank you.

**MR FRED LI** (in Cantonese): Mr President, the Government's decision to relax the absence rule for elderly Comprehensive Social Security Assistance (CSSA) recipients to allow them to settle in Guangdong province can be said to provide those CSSA recipients with an additional option. In our opinion, however, the plan still has much room for improvement. My speech will focus especially on housing arrangement. If such elderly could enjoy proper housing in mainland China for them to spend their twilight years, this would not be much of a problem. However, I can foresee that after some time, many will come back to Hong Kong for one reason or another. To this group of elderly, returning to Hong Kong will not be a simple thing.

The present policy of the Government is that if the elderly choose to settle in Guangdong, they will have to give up their public housing in Hong Kong. If they decide to come back to Hong Kong, the Government promises to arrange interim housing for them, pending resettlement in public housing in two months' time. However, it should be noted that, firstly, it is highly unlikely that the interim housing will be located in the same place where they used to live before they left Hong Kong. Secondly, judging from the allocation of public housing at present, it is also quite improbable that they will be resettled in the original places where they lived. If the elderly are not satisfied with their offers, they will have to remain in the interim housing. Hence, no matter how, once they move to mainland China, it will be very difficult for them to live at the same place when they come back to Hong Kong. Living in a familiar environment is very important for the elderly. Hence, once they decide to settle in mainland China, they had better not return because the situation is bound to be worse. However, the reality as I can predict is that having lived in mainland China for some time, many of the elderly will have to come back to Hong Kong in the end for various reasons. For example, they cannot get along well with their family members in the mainland, or the family members there can no longer take up the responsibility of taking care of them. It is necessary for the Government to

provide such elderly with a simple and efficient housing arrangement which will meet their needs.

Moreover, the elderly may, for health reasons, have to come back to Hong Kong for hospital treatment. What can they do if after treatment, they find that their physical condition is much worse than before and thus prefer to stay here? For those elderly people who have always been living in Hong Kong, they will naturally make early applications for places in care and attention homes or even nursing homes. This, however, could not be the case for the elderly who have settled in mainland China. At present, many care and attention homes in Hong Kong are reluctant to take in old people who are seriously or critically ill. There have been cases in which former inmates were turned away by the care and attention homes because their health deteriorated after hospitalization. If care and attention homes in mainland China also refuse to take back these old people who are in poor health, what can they do?

To deal with the above situation, there have to be specific staff both in mainland China and in Hong Kong to follow-up the cases. Annual random check by the Red Cross alone is not enough. In order to deal with cases of the elderly settling in Guangdong, we need to have a close network in mainland China which links up their families in Hong Kong, their caretakers in mainland China and the homes, and there should also be staff in the mainland to follow-up the cases closely. At present, the Government expects the Red Cross in China to be capable of taking full charge of the matter and can follow up the cases. I doubt if the Government is being over-optimistic in this.

I support the scheme in principle, though details have yet to be worked out by the Director during his visit to mainland China. Despite the fact that the trip has been postponed, I do hope that the Director can make his trip as soon as possible and liaise with the government departments in Guangdong as scheduled, so as to make proper arrangements for the elderly members of our society.

With these remarks, I support the Honourable CHAN Wing-chan's motion.

**SECRETARY FOR HEALTH AND WELFARE** (in Cantonese): Mr President, I am glad to listen to speeches delivered by Members in this Council because all

of them have been very supportive of our new scheme in principle, though at the same time, I also noticed that they had raised some queries regarding many details of the scheme. Today's motion debate moved by the Honourable CHAN Wing-chan allows the Government to listen to opinions expressed by Members on the policy and related problems. On the other hand, it also offers an opportunity for us to reaffirm the Government's position and policy in the Legislative Council to both Members of this Council and the general public that the Government has decided to relax the absence rule for elderly Comprehensive Social Security Assistance (CSSA) recipients.

### *Objective of the CSSA Scheme*

The objective of the CSSA Scheme is to provide assistance in the form of cash payment to individuals and families suffering from financial hardship and to bring their income to such a level where their basic and special needs can be met. This non-contributory Scheme is entirely funded from the Government's General Revenue and is tailor-made for Hong Kong.

Applicants are subject to a means test and must meet the residence requirement. In addition, we also impose an upper limit on the number of days which the recipient can spend outside Hong Kong in a year. At present, ordinary CSSA recipients are not allowed to spend more than 60 days in a year outside Hong Kong. Beginning from 1 July 1997, we have relaxed the absence rule to 180 days for those who are over 60 or with a disability. Beyond this limit, their eligibility for continuing to receive CSSA payments will be affected.

### *Relaxation of the Existing Absence Rule for the Elderly*

With the development of the relationship between mainland China and Hong Kong, a large number of elderly people are believed to be frequent travellers between the two places. A small number of them may even wish to reunite with their family members in mainland China to live out their retirement. In the past few years, some Members of this Council have expressed their views on this subject and urged the Government to relax the absence rule under the CSSA Scheme applicable to elderly CSSA recipients to facilitate their return to China after retirement. In view of this, the Government proposed in the Report on Review of Comprehensive Social Security Assistance published in March 1996 that elderly CSSA recipients be allowed to choose to live in China while continuing to receive CSSA payments. Under the proposal, permanent residents

of Hong Kong who have resided in the territory for at least seven years and have been receiving CSSA payments continuously for not less than three years before moving to mainland China, can apply to continue to receive CSSA payments after the implementation of the scheme.

### *The Role of the Hong Kong Red Cross*

To ensure the success of the new scheme, we must put in place certain arrangements in mainland China so as to verify from time to time the on-going eligibility of the recipients. We therefore need to set up a monitoring system in mainland China. After the tender and assessment procedures which lasted a few months, we have decided to invite the Hong Kong Red Cross to assist us in launching the new scheme in mainland China. Apart from assisting in the monitoring work, the Hong Kong Red Cross will also offer help to the recipients, including handling their inquiries about the scheme, and assisting the elderly in seeking medical service.

### *Provision of Medical Service*

In his motion, the Honourable CHAN Wing-chan expressed particular concern about the provision of medical service for the elderly who choose to settle in mainland China. Many Members have also made a lot of suggestions on this subject just now.

Guangdong province covers a vast area and the standards and charges of medical service vary in different parts of the province. The elderly who choose to settle in mainland China will be charged differently from local people for medical service if they do not have a local resident status. The Government is fully aware of this. Therefore, one of our considerations in inviting the Hong Kong Red Cross to assist us in launching this scheme is that if these elderly people wish to receive medical treatment in mainland China, the Red Cross will do its best to offer help and provide them with information about medical service there. If these elderly need to return to Hong Kong for treatment, the Red Cross will assist in making proper arrangements for them. They will continue to enjoy free medical treatment in public hospitals or clinics in Hong Kong as those elderly CSSA recipients who choose to live in Hong Kong.

### *Housing Needs*

The Honourable CHAN Wing-chan and other Members of this Council have expressed concern about the housing needs of the elderly who settle in mainland China. Among Members who have just delivered their speeches, some have demanded that the Government provide housing allowance for the elderly who choose to settle in mainland China. However, I would like to point out that such a demand is inconsistent with some guiding principles of the new scheme. To be fair, most of those elderly who are considering settling in their hometowns have travelled between Hong Kong and mainland China before. What I mean is, they are going back to their hometowns instead of emigrating to a foreign country. These elderly people must be quite familiar with the situation in mainland China. Apart from the fact that they lived in mainland China when they were young, we have also learned from cases which we have handled that many elderly people travel between Hong Kong and mainland China quite frequently every year and they are familiar with the situation in China, such as whether their relatives can look after them, the living environment and various other problems. If they do not know the situation, they will not choose to settle there. I believe that they must be very familiar with the environment before deciding to settle in their hometowns. I believe that, before deciding to settle in their hometowns, the elderly must have carefully considered various factors, such as their own conditions and the situation in mainland China, and they will not make hasty decisions. We often have a misconception that the elderly people do not know how to plan for themselves. But our experience tells us that many of the elderly people we have met are very familiar with the situation in mainland China and they also know how to make detailed plans for themselves.

### *Tenancies in Public Housing Flats after their Return to Hong Kong*

Another issue is about the elderly people's tenancies in public housing flats if they have decided to return to Hong Kong. Many Members of this Council have asked whether the elderly who used to live in public housing flats can regain their tenancies in such flats if they choose to return to Hong Kong. The Housing Department has made a promise that the elderly can move back to their public housing units to reunite with their family members after returning to Hong Kong, provided that they have lived with them in such units before moving to mainland China. As for those elderly who used to live in public housing flats alone before leaving Hong Kong, the Housing Department will rehouse them in such units as soon as possible after they have returned to Hong Kong. The elderly people can put their minds at ease in this regard.

Besides, if the elderly are worried about their ability to adjust to the living environment in mainland China, they can retain their public housing units for the

first three months after joining the new scheme, during which the Social Welfare Department will continue to pay the rents for them. Therefore, the elderly should have sufficient time to get a better understanding of the situations in the two places before making a decision.

*Arrangements outside Guangdong Province*

The Honourable CHOY Kan-pui and other Members of this Council have pointed out that many elderly people in Hong Kong come from other parts of China, so it is unfair to limit the scheme to Guangdong Province. However, I believe that most Members are aware of the fact that China covers a huge area and Guangdong Province alone is as big as France. If the scheme is implemented throughout China, we will face a large number of practical difficulties. We therefore have chosen Guangdong province, which is best-known among the people of Hong Kong, as the first place to launch the scheme.

*Other Problems*

The Honourable LAW Chi-kwong has expressed concern that the scheme might be abused by some people to force their aged parents to move to their hometowns in order to shirk their filial duties. I do not think this would occur. Of course, this is something which the Government does not want to see. My colleagues in the Social Welfare Department, when handling such applications, will do their best to ensure that applicants apply of their own accord to continue to receive their CSSA payments in mainland China.

*Guiding Principles and Policy*

Various views expressed by Members of this Council are indeed worth noting. However, I would like to take this opportunity to reaffirm that the objective of the new scheme is not to encourage the elderly to leave Hong Kong; it aims to relax the residence requirement so that the wishes of the elderly to retire to their hometowns can be fulfilled.

When Hong Kong people choose to leave Hong Kong to live in other places, they should know the living environment and customs of those places and carefully consider their own situation and needs. It may be beyond the ability of the Government of Hong Kong to handle problems faced by people living



outside Hong Kong. Even if the Government is willing to offer help, we have to first hold discussions with the local governments concerned to seek their co-operation, and it is something which cannot be achieved overnight.

*Director of Social Welfare to Visit Mainland China*

Nevertheless, the Director of Social Welfare will do his best to arrange a visit to Guangdong province for a delegation to be led by himself as soon as possible to contact local officials and look at the provision of geriatric and medical services there with a view to forming a better understanding of the relevant situations in mainland China. After the visit, the Department will give as much information as possible to applicants so as to help them make suitable decisions for themselves.

We have received many inquiries about the new scheme. Many voluntary organizations, non-governmental organizations and social service agencies in Hong Kong have called for the early implementation of the policy so that they can arrange various facilities such as care and attention homes in mainland China, in order to provide social services for the elderly who choose to settle in China.

*Conclusion*

Mr President, this scheme is a new arrangement aiming at offering the elderly another option. As to the future direction of the scheme, we need to gain experience in this respect. The Health and Welfare Branch and the Social Welfare Department will closely monitor the progress of the new scheme and the difficulties encountered during its implementation. We will, based on the experience accumulated, conduct a detailed review of the scheme one year after its implementation so as to make it more successful.

Thank you, Mr President.

**PRESIDENT** (in Cantonese): Mr CHAN Wing-chan, you are now entitled to your final reply and you have three minutes six seconds out of your original 15 minutes.

**MR CHAN WING-CHAN** (in Cantonese): Mr President, first of all, I would like to thank the 12 Honourable Members who have stated their views on my motion and have shown their support. The motion I move today is to discuss the Government's relaxation of the absence rule for the elderly. Honourable colleagues have responded enthusiastically, pointing out the inadequacy of the supplementary measures of the scheme to be implemented by the Government and criticizing it prudently. Just now a group of elderly presented a petition to me outside the Legislative Council, indicating their worries about the scheme.

The Honourable Eric LI has said that the implementation of the scheme requires the co-operation of mainland China so it is relatively more complicated and cannot be achieved within a short time. We have to discuss with mainland China and implement the scheme step by step. I subscribe to Mr Eric LI's view, as well as thank him for supporting the motion.

Besides, the Government should solve the problems of the elderly sincerely and wholeheartedly. It should not dispose of the matter by merely paying the money. I agree with the idea of the Honourable LAW Chi-kwong that the elderly should be given one more choice. However, I do not subscribe to the Honourable Bruce LIU's view that the scheme cannot be carried out thoroughly right now, though I do agree that it has to be reviewed.

I move the motion in the hope that the scheme can be implemented successfully. I have also put forward four proposals, hoping that the Government would accept them and solve the medical and accommodation problems for the elderly who go and settle in mainland China. Moreover, if the elderly cannot adapt to the life in their hometowns, the Government should make proper arrangements so that they can come back to live in Hong Kong.

The Secretary for Health and Welfare has answered just now but I do not approve of her way of doing things. She has said that if the elderly need to return to Hong Kong for medical treatment, they can come back by themselves. However, some elderly people told me that a trip coming back to Hong Kong might take as long as 13 hours. If they were very ill, they would not be able to survive the journey to make it home. As for the practice to take back the public housing units originally occupied by the elderly once they have gone to mainland

China for three months, I find it extremely unreasonable and the Government should give more consideration to this aspect.

We should give more care to this group of elderly people and make better arrangements for them since they are moving to a new place. As we all know, in the past when civil servants were transferred, they were entitled to a six-month *ex gratia* compensation. I wish that the Government could pay more attention to and show more concern for the elderly by providing them with appropriate arrangements so that they can enjoy a happy life in their twilight years.

Thank you, Mr President.

*Question on the motion put and agreed to.*

## **SETTING UP OF A MAINTENANCE BOARD**

***MR LAW CHI-KWONG to move the following motion:***

"That, in view of the difficulties encountered by many divorcees and their children in claiming the maintenance payments, this Council urges the Government to set up a maintenance board as an intermediate body, to take up the responsibilities for the collection, recovery, payment and relevant management work of maintenance payments, and to oblige divorcees to fulfil their obligations to support their children."

**MR LAW CHI-KWONG** (in cantonese): Mr President, I move the motion standing in my name on the order paper.

The name of the maintenance board popped up last year during a meeting of the Legislative Council Panel on Home Affairs. At that time, representatives from social services organizations and women groups were invited to discuss the issue of maintenance payments. I cannot recall who first came up with the name "maintenance board". One of its possible creators was my good self. Some other countries have management boards of a similar nature, though the name commonly used is "Child Support Board". As people of Hong Kong are more familiar with the term "maintenance", I take up the name "maintenance board". I would like to clarify that what I mean by maintenance includes

alimony to ex-wife or ex-husband, and child support for the children under the custody of the ex-spouse.

On a radio programme early last year, one of the audience asked me a question about offsetting maintenance payments with the Comprehensive Social Security Assistance (CSSA). My attention was drawn to the difficulties encountered by single families in collecting maintenance payments. The Democratic Party then started to study the legislative and management arrangements of other countries in handling the payment and collection of maintenance, and I started to hold meetings with social service organizations and women groups to gain better understanding of the issue. The various organizations eventually decided to form the Concern Group for Maintenance Collection and carried out a study on the issue. The report was released last week and gained wide media coverage. A copy was forwarded to all Honourable colleagues of this Council a couple of days ago. To my knowledge, the Government should have received a copy this morning.

It is inappropriate to go through the report in detail in the debate of this Council, so I just highlight the salient points of the report for Members' reference.

1. More than half (55%) of the single parents did not ask for alimony upon their divorce, and the majority (65%) applied for the CSSA.
2. Three quarters of those who had asked for alimony did not get it on time, or in full. Most of them were faced with financial plights as a result. More than 40% of them had to apply for the CSSA in the end.
3. More than three quarters of the divorcees had to face such troubles as verbal abuse, insults, and even physical violence, in collecting maintenance payments.
4. Only one third of those who failed to collect maintenance payments applied for legal aid. Most of them refrained from applying because they thought that the procedure was too complicated, or that even if they had won the case at court, they would not get paid.

5. As a matter of fact, only a quarter of those who claimed maintenance payments through legal aid and the court were successful in getting paid. It is disappointing that among these cases, default resumed after a short while. In one case, the ex-husband said to the claimant, "You can go on with your claims. Do that and the court will order me to pay. I will pay, but only for a short time. Then you will have to go through all this court thing again." We encounter cases like this from time to time.

From the above, we can see some problems of our existing system.

1. Defaulting on maintenance is a common phenomenon, and I believe, especially rampant in the lower-income sector.
2. The claimants, mostly women, have to face a great deal of hardship, torment and mental stress.
3. As the maintenance payers shirk their responsibilities, the burden is shifted onto the social welfare system, which simply means that the taxpayers of Hong Kong will have to take it up.
4. The application procedures for legal aid, judicial proceedings and the CSSA are all very complicated. Many single parents have to deal with the Social Services Department, the Legal Aid Department and the Legal Department at the same time. Their experience so gained could very well make them a Councillor. All too often, there are cases of these people stuck between the Social Services Department and Legal Aid Department. They can neither get the CSSA nor legal aid to help them claim their maintenance payments.
5. The existing legal procedure for claiming maintenance payments is not only complicated and costly, but also incredibly inefficient.

Hence I propose to set up an intermediate body, which may be called the "maintenance board", to be responsible for the collection, recovery, and delivery of maintenance payments. Through its operation as the creditor of maintenance payments, maintenance payers will then owe their money to the Government. Many a man, I believe, has no qualms bullying a woman but few of them dare to browbeat a government body. Besides, it is much easier for a government

department to claim default payments through administrative or legal process than for a single parent to do so single-handedly.

Furthermore, should a recipient of maintenance be faced with financial difficulties because of the amount being insufficient or default of payments, the maintenance board can refer them to the Social Services Department to apply for the CSSA.

Experience of other countries tells us that upon the setting up of an organisation similar to the maintenance board, the number of maintenance defaults will be reduced substantially. Of course, not a hundred percent of the defaulters will pay, as there are still many who cannot afford to, or just "disappear", and stay out of reach of the government. All these will still happen, but the number of defaulting cases will be greatly reduced. Moreover, with such an intermediate body handling the collection and delivery of maintenance payments, many divorcees who do not want to ask for maintenance, probably for fear of not getting it or dreading the complicated procedures, or just not wanting to have any further contact with the ex-husband, may change their mind and make their claims. Eventually, the social welfare expenditure of the Government can be reduced. What experienced by most countries is that the savings in social welfare expenditure far exceed the management costs of the maintenance board.

To conclude, the Government should set up the maintenance board for two basic reasons. One is on humanitarian grounds. It is paramount that we should help relieve the financial plight and mental stress of the numerous divorcees and their children in collecting their maintenance. The second one is fairness. The establishment of the maintenance board will prompt divorcees to take up the responsibility of supporting their children, and prevent them from shifting the burden to the community. In the short term, the Government should promptly amend existing regulations to empower the court to order the deduction and transfer, through autopay, of the monthly maintenance payment from the defaulter's income. Besides this, we hope that the Government will set up an

inter-departmental working group with representatives from social welfare organizations and women groups, and review the existing legal and management procedures concerning maintenance payments, with a view to alleviating the plight of the affected.

Mr President, I am asking fellow Members to make comments on the motion. I so submit.

*Question on the motion proposed.*

**MR NGAN KAM-CHUEN** (in Cantonese): Mr President, many single parent families in Hong Kong meet with obstructions posed by the parties from whom they try to claim maintenance payments. The phenomenon of default on maintenance payments is rather common. Some single parent families get into financial difficulties as the result of their failure to obtain maintenance payments. The Democratic Alliance for the Betterment of Hong Kong (DAB) thinks that the Government should streamline the existing legal procedures for the recovery of maintenance payments and establish an effective mechanism to reduce the difficulties encountered by single parent families in recovering maintenance payments. At the same time, it should improve the ancillary services of social welfare to provide immediate assistance to single parent families with financial difficulties.

Single parent families have to rely on maintenance payments to support their children. However, in reality, many maintenance payers shirk their responsibility and evade payment by falsely claiming that they do not have a fixed income or just by disappearing. When these single parent families try to confront the maintenance payers, they are often met with unfriendly and rude treatment, and even scolds and insults. If the single parents apply for legal aid to recover maintenance payments, they have to face complicated legal procedures. The application for legal aid takes one to two months, while the wait for court proceedings takes another two to four months. During these six months, they have to deal with mental stress as well as financial problems. Their hardship is beyond our imagination.

Even if single parent families apply for legal aid, the court can only make a ruling relying on the information collected by the payee and the information submitted by the defaulting party. In the end, it cannot stop maintenance payers from evading their responsibility.

To deal with these circumstances, the Government should amend the law expeditiously to empower the court to deduct maintenance payments from the payers' salaries or wages. The Government should also establish a safeguarding mechanism, such as an effective organization, to assist in the collection and payment of maintenance. It should improve legislation and administrative procedures to prevent maintenance payers from disappearing or making false income declarations to evade their responsibility. For single parent families in financial difficulties and unable to recover maintenance payments, the Social Welfare Department should provide them with immediate Comprehensive Social Security Assistance to save them from financial impasse.

Mr President, these are my remarks.

**MRS MIRIAM LAU** (in Cantonese): Mr President, there are often cases in which divorcees and their children encounter financial difficulties as they cannot get the maintenance payments. The Honourable LAW Chi-kwong has mentioned a number of survey findings just now. While the plight of these divorcees and their children certainly deserve our sympathy, I cannot support Mr LAW Chi-kwong's proposal to set up a maintenance board. Actually, both Mr LAW and I are keen to help these unfortunate people.

However, I have reservations about the effectiveness of the maintenance board in recovering maintenance payments. As indicated by overseas experience, although there are intermediate bodies responsible for the collection and recovery of maintenance payments, the problem of default on maintenance payments is still rather serious. Many people still have to live on social security assistance. Regardless of the effectiveness of the maintenance board, taxpayers have to shoulder the huge operation costs incurred.

Besides, Mr LAW Chi-kwong's proposal does not say clearly whether the maintenance board should replace the duties of the court. If not, the



maintenance board might be redundant, since the court is now enforcing the maintenance payments orders and playing the role of protecting divorcees. Is it really necessary to add another organization, the maintenance board, to the mechanism? Would the maintenance board be working alongside the court or would the board take its place? This might create some confusion.

Thirdly, Mr LAW Chi-kwong mentioned but did not clearly indicate whether the maintenance board, if established in Hong Kong, should follow the overseas model, the practice of which is that all maintenance payments are assessed and calculated by the board according to one formula. Such a rigid method of calculation has already been much criticized. As households have varying financial conditions, is the single method of calculation fair to the children or spouses in question? When a Hong Kong court makes a maintenance payments order, it will assess all the conditions by taking into account the financial ability of the maintenance payers and the needs of the recipients of maintenance payments, including their health and employability. The court has to take many factors into account before deciding on the amount of maintenance payments. Such a method of calculation is more flexible and it caters to the needs of different families. We do not think it appropriate to change the present method of calculation. Mr LAW Chi-kwong did not mention in his speech whether the Government should pay advances on behalf of the maintenance payer if he fails to make payments. If his proposal had included this point, we might have to consider seriously whether the Government should pay advances on behalf of the maintenance payer to support his wife or her husband. I think we must think about it very carefully, because it would mean a huge burden for the Government.

The setting up of a maintenance board has both pros and cons. I would support it from a sentimental point of view. However, upon rational analysis, I think the maintenance board is hardly worth supporting. Whether something is good or bad is often a matter of opinion. We are most concerned about whether the payments can be recovered. When I learnt that Mr LAW Chi-kwong had put forward this motion, I consulted many lawyers with much experience in family law. In my own professional work, I have come across a number of cases involving maintenance payments. Based on my experience and findings of my consultation, from a professional point of view, we do not think that setting up a maintenance board is an effective way to deal with irresponsible people who evade maintenance payments.

We must bear in mind that overseas intermediate bodies have extensive powers to recover maintenance payments, including the powers to track down the defaulters and to ascertain their income. In Hong Kong, the best way to track down the defaulters would be to get the address of their home or workplace from the Inland Revenue Department or the Immigration Department. However, given the restrictions imposed by the Personal Data (Privacy) Ordinance and the regulations of the Inland Revenue Department which stipulate that the data of taxpayers may not be disclosed, what can be done? So long as these regulations exist, the Legal Aid Department cannot gain access to the relevant information. When not even the counsel for the parties recovering maintenance can obtain such personal data, how would the maintenance board be able to obtain them? I believe that it could not get them either. In that case, how could it track down the defaulter and recover maintenance payments from him?

The root of the problem is that the parties held responsible refuse to pay maintenance and "disappear". They might flee to mainland China or change their addresses or jobs frequently, thus making it impossible to find them.

Is the existing mechanism for enforcing maintenance payment orders ineffective? Actually, the court issues judgement summons at present, which is very effective, but complicated. After the summons has been served for the first time, if the respondent fails to turn up, it will have to be served a second time personally. Many problems arise from this, since if the summons cannot be served, the court has no means of punishing the person.

The procedures at the Legal Aid Department are also very complicated. Just now other Members have also said that the application procedures for court proceedings or legal aid must be streamlined. I strongly support suggestions that the Government should legislate to empower the court to make an order for the attachment of income in order to deduct the maintenance payments payable from the income of those in employment. There are various ways to streamline the system to facilitate the recovery of maintenance fees, which are more feasible and practical than setting up a maintenance board.

Mr President, these are my remarks.

**MR LEE CHEUK-YAN** (in Cantonese): Mr President, from time to time we

read in the newspapers reports about abandoned wives who try to commit suicide taking their children with them. After reading such reports, I am sure we all feel sad. However, has anyone ever thought why these people had to resort to suicide? Can the Hong Kong community really help these single parent families made up of abandoned wives and their children? I believe we would all like to help them, just as the Honourable Mrs Miriam LAU has said. The question is how to do so.

I think we all acknowledge the fact that the biggest problem is the practical difficulties they encounter when trying to claim maintenance payments from their ex-husbands once they are divorced. Very often a lot of complicated procedures have to be gone through at the court, which might not be able to help them in the end. I believe the Government also acknowledges these facts. Just now Mrs Miriam LAU has acknowledged these facts too. Since we acknowledge these facts, what should we do about them? The Government tries to improve the matter through legislation, such as the attachment order mentioned by Mrs Miriam LAU. Of course it represents an improvement that the parties concerned can ask the court to make an order for the attachment of income. However, this attachment order also involves difficulties and will have no effect on self-employed people or people who have changed their jobs. It cannot help solve the biggest problem, which is the complicated legal procedures which Mrs Miriam LAU has also acknowledged just now.

Actually, the reason why I very much disagree with Mrs Miriam LAU's view that the maintenance board is impractical is that the board is set up to deal with all the legal procedures on behalf of clients, so that they do not have to run around helplessly. Mrs LAU asked if the maintenance board would decide on the amounts of maintenance payments instead of the court. I think the Honourable LAW Chi-kwong will answer this question later, but I believe the answer is in the negative. I think the amounts should still be decided by the court. The maintenance board will only try to recover the payments on behalf of the women struggling in pain and suffering from mental torment, and spare them the complicated legal procedures. This is the most important role of the maintenance board as an intermediate body. Therefore I fail to understand why it is said to be impractical. Its practical function is to represent the women in the cases.

In this case, one may ask if there is a need to pay advances. If advances are not paid, they will have nothing to live on while waiting for the recovery. I believe advances should be paid. One may say that paying advances would

mean that the taxpayers are footing the bill. But the Comprehensive Social Security Assistance is paid by taxpayers too. It is actually one and the same thing. No matter how it is done in the end, if the divorced women cannot recover the maintenance payments, the taxpayers will have to pay. If given advances, the women concerned can live at ease in this period when someone will take care of the complicated legal procedures for them. It is that practical and simple.

Actually, the question is how much our community is prepared to do to help these women in need — I believe they are mostly women. I hope the Equal Opportunities Commission will not criticize me for saying this.

Mrs Miriam LAU has said that her sentiments tell her to support it, but rationally she is a bit hesitant. Actually, sentiments are very important sometimes. Basically, when the community decides whether to deal with certain things, the decision may be based on sentiments. Not everything needs to be analyzed rationally. The question is whether we dare to respond according to our sentiments. In fact all the laws in society stem from responses based on sentiments. The question is whether we can make an emotional response and point out a certain thing is important, and then decide that we should set up a board to help those people recover maintenance payments and pay advances to them.

Lastly, I hope that during the debate, Members would take into account the fact that the women have been victimized by heartless men. I would like to see a government with a heart and taxpayers who are willing to be guided by their sentiments. If taxpayers let themselves be guided by their sentiments, it might solve the problem and this society would become a society with compassion. So why not do it? Thank you, Mr President.

**MR WONG WAI-YIN** (in Cantonese): Mr President, since the Honourable LEE Cheuk-yan has responded to the point made by the Honourable Mrs Miriam LAU just now, there is no need for me to do so. Actually, the Democratic Party proposes to set up such a maintenance board chiefly as an intermediate body, and not as an organization to replace the court. Since Mr LEE Cheuk-yan has already made a response to Mrs LAU's comments again, I will not do so.

Mr President, while considering this motion debate, I find that Hong Kong really lacks an effective mechanism to enforce the maintenance payments order. The present mechanism merely relies on the voluntary compliance of the

maintenance payer with the maintenance payments order. If it is not complied, nothing can be done. I am very skeptical about this arrangement. Actually, there are many examples in our society which show that if we harbour the wishful thinking that the maintenance payer will comply with the maintenance payments order voluntarily, the results are totally disappointing. I very much hope the Government will seriously consider means to enhance the present mechanism to help divorcees so that they can get their maintenance payments.

At present, we rely on the voluntary compliance of the maintenance payer to enforce the maintenance payments order. Hong Kong has no active enforcing mechanism or measure like the Child Support Registry of Australia. If the maintenance payer defaults on payment, the party receiving maintenance will have to file a suit for the court to carry out the enforcement. Other common measures to enforce the maintenance payments order include making an attachment order, in which case the arrears of maintenance will be paid from the assets of the defaulter, and laying an injunction to prevent the defaulter from leaving Hong Kong in order to force him to pay the sums according to the order. However, the court can only require the maintenance payer to pay the arrears and has no power to order him to pay the full amount on time thereafter. This means that one can only recover the previous amounts due. In case of renewed defaults, one would have to apply to the court again to recover the payments.

The problem is, under the present mechanism, even if the court rules that the defaulter has to pay maintenance, it is ineffectual for the recipient if the defaulter refuses to pay. In other circumstances, the payer makes irregular payment or does not pay the full amount, which is extremely bothersome for the payee. I have also heard of cases where the payer deliberately defaults on payment until the other party is about to take legal action. Only then would he pay. He does this every time to deliberately create trouble. Under such circumstance, the payee can hardly take legal action, and has to go through the same annoyance every time.

There are also some views expressing dissatisfaction with legal aid. Many divorcees have to rely on legal aid to file a suit for the recovery of maintenance payments. The legal aid service has a direct impact on the outcome of recovery. The Government has no information on the efficiency of the Legal Aid Department. However, the Concern Group for Maintenance Collection has looked into this question. Their survey shows that even if the ex-husbands of the respondents had defaulted on maintenance payment, most of

them did not apply for legal aid to recover such payments. We asked them why they did not apply. The reasons cited include comments like "the procedures for legal aid are too complicated" or "even if the court makes a ruling, it will be of no avail". Even for those who did apply for legal aid in the hope that the court could help them recover the maintenance payments, the results were not satisfactory. If you file for recovery of payments through legal aid, it normally takes more than one year to obtain a result, no matter whether the recovery is successful or not. Some cases have taken more than two years. Even if the recovery through legal means is successful, it does not mean that the payer will pay maintenance on time thereafter. Among the cases of successful recovery, only about a quarter of the payers have paid on time afterwards.

The Democratic Party thinks that the Government should no longer hold on to this "*laissez-faire*" mechanism for the collection of maintenance payments. Instead, it should seriously consider setting up an intermediate body to assist divorcees in obtaining the full amount of maintenance payments on time. The Government has said that it will introduce a bill in April this year to empower the court to deduct the arrears of maintenance from the maintenance payer's income. While this still has to be enforced through court procedures, it is already a big step forward. The Democratic Party welcomes this move very much. In the long run, the Democratic Party hopes that the Government can seriously consider how to actively assist divorcees in collecting maintenance payments. The Democratic Party's proposal is to set up a maintenance board as an intermediate body to help these divorcees claim their maintenance payments.

Mr President, with these remarks, I support the motion.

**MR ALBERT HO** (in Cantonese): Mr President, the Democratic Party wishes to bring up the concept of "maintenance board" through this motion debate sponsored by the Honourable LAW Chi-kwong, in order to prompt us to think about whether there is any solution to a widely recognized problem.

In my opinion, as the Honourable Mrs Miriam LAU has said earlier, all of us can sense the existence of the serious problem. It is quite common for us to see cases in which some unscrupulous people take no care of their spouses or children who have to fend for themselves, throwing them into an uncertain state where they might have the money to feed themselves today but could not be so sure about whether they would be able to come up with the money to pay school

fees or rents tomorrow. As a result, many people who are entitled to maintenance payments have been subject to the most degrading insults, and many children are left without any sense of security. We believe that many front-line social workers or Members of the Legislative Council are downhearted when they come into contact with such families and feel very angry with those unscrupulous people. Now that the problem does exist and through the efforts of a group of enthusiastic social workers who have carried out a research, we have been provided with much clear information about the contributing factors. How should this problem be tackled? Should the Government play a role? In my opinion, the answer is definitely yes. The Government should do more and it has agreed to do so. But is that enough?

First of all, the Government has told us in the Legislative Council Panel on Home Affairs that it will propose amendments to the relevant legislation. Of course, such amendments will be useful in providing some more channels for those seeking maintenance payments to get information and enable them to initiate legal proceedings more effectively, so as to force those who are obliged to make maintenance payments to comply with court orders. However, the result of a survey published by the social welfare sector has revealed that this matter is not as simple as we have thought. Where does the problem lie? It lies in the insults and humiliation these women are subject to when seeking maintenance payments. Even if their ex-husbands have promised to make such payments, they may not know when and whether or not they will be paid, or how long their ex-husbands will delay the payments, or how much more humiliation they will have to go through before receiving the payments. All of these problems cannot be resolved simply by amending the relevant legislation.

Moreover, these women will face difficulties when applying for legal aid. Many of those women from such families, who do not want to live on the Comprehensive Social Security Assistance (CSSA) payment, have to work. If they go to the Legal Aid Department for help, subsequent to this, they will have to go through a lot of red tape, such as going to a law firm, taking an oath and appearing in the court, not to mention the time spent on waiting and so on. They are placed under tremendous psychological stress, which will frustrate them so much that many of them would rather give up. This is indeed very sad.

In my opinion, the amendments proposed by the Government cannot satisfactorily solve all the problems mentioned above. We are of the view that the establishment of a maintenance board is a relatively more comprehensive

solution. One of the advantages is that the responsibility to demand maintenance payments will be undertaken by a group of professionals who work on a full-time basis and are provided with the necessary resources. Of course, a certain amount of administrative expenses will be incurred. However, we should not forget that savings in other areas can be achieved. First of all, CSSA payments can be saved as some children will not need the payment if their families can claim maintenance payments effectively. Secondly, expenses of the Legal Aid Department can also be saved as the initiation of legal proceedings will become less frequent, which can also save time for the court. All these mean money, taxpayers' money. Judging by this, cost-effectiveness could actually be promoted.

Mrs Miriam LAU has said earlier that she is sympathetic to people who seek maintenance payments and their children who are in such a difficult situation. She has sympathy for them but does not agree with this proposal. I hope that our colleagues from the Liberal Party will study this concept first. In fact, the Democratic Party only brought up this concept without making any proposals concerning detailed operational arrangements because our intention is to listen to the views of more colleagues. But I think that some views were based on misunderstanding. For example, the aim of establishing the maintenance board is certainly not to replace the court. Our idea of the future maintenance board is that it will comprise professionals, social workers and lawyers who will assist claimants in seeking maintenance payments. Its lawyers may even directly represent the claimants in the court and thus saving money for the Legal Aid Department. At the same time, some cases can be directly referred to the Social Welfare Department. This can also save time for the Department as much investigatory work has been done. However, the court will continue to be responsible for deciding the enforcement of the maintenance payments order, the amounts and modifications made to maintenance payments. In my opinion, it is impossible for the maintenance board to replace the court. Therefore, Mrs Miriam LAU may have misunderstood the issue.

Secondly, as for the payment of advances, this is can be further studied. However, now that some families are receiving the CSSA payment, if they can recover their maintenance payments, they will not need the former. I do not understand why the maintenance board cannot make advances to those families which have not recovered their maintenance payments but are eligible for CSSA payment. However, at least, this is can be further studied.



Generally speaking, many developed countries, for very strong grounds, have established maintenance boards and other bodies to support children living on maintenance payments. Moreover, more help should also be given to the underprivileged in society who are in great difficulties and are desperate for help. We are of the view that our society should do more to support and take care of these people. As for the power structure of the maintenance board, its detailed operations and how to overcome problems arising from the Personal Data (Privacy) Ordinance, we believe that all these can be given further thought and discussed later. However, this concept, the movement in this direction should be viewed positively and be carefully studied, in order to formulate a correct legislative policy to help those in utmost need. Therefore, I hope that our colleagues from the Liberal Party will change their mind after listening to our speeches and support today's motion. Thank you.

**MR LEUNG YIU-CHUNG** (in Cantonese): Mr President, just now, I have listened to several colleagues' speeches and they all contain very similar views. I believe this is mainly because of the similarity in the circumstances of the problems or cases we usually come across. Hence the feelings, opinions and contents we have spoken out are more or less the same. Now that our opinions are similar, why should this question be brought up for discussion? In my opinion, as the Honourable Albert HO has said just now, the crux of the problem lies in the failure of the current approach adopted by the Government to offer help to people in need. Therefore, apart from bringing up this issue for discussion, we should also prompt the Government to show genuine concern about it and make improvements.

In fact, we all know that not every divorced woman wants to receive payments for her maintenance. Then why do some of them demand such payments? Actually, most of them are women of the grassroot. Many of them stopped working after getting married so as to look after the children and the families. Some of them chose to stay at home to look after the whole family as they thought that they could not make much money even if they worked. As they have not worked for a long time, it will be very difficult for them to return to the labour market to look for jobs after divorce, which in turn will throw them into financial difficulties. That is why they need to receive maintenance payments.

In another perspective, even if some divorced women are able to find jobs,

it may not be a good thing for them. Why? As a teacher, I have long observed a phenomenon that most naughty school children come from single-parent families. This is particularly true of my school. Why? It is because of the incomplete parental care in single-parent families. If the only parent to whom the children in such families can look for attention has to work, the children will receive little care, resulting in their misbehaving at school or "being rebellious". Most naughty children come from single-parent families. Therefore, if we can solve the problems of their living, we will also solve a social problem and maintenance payments forms part of the solution in this respect. If we can ensure that divorced women will receive maintenance payments on a regular basis, I believe they will be able to put their minds at ease and concentrate their energy on looking after their children and no longer have to worry about problems of their living. This is a very important issue. However, in reality, many ex-husbands do not consider this issue from such a perspective. To the contrary, they always exhaust all possible means to avoid making maintenance payments.

Apart from the sufferings borne by the children as I mentioned earlier, the circumstances of some cases are in fact more tragic. When some of these women demanded maintenance payments, they were subjected to insults of various kinds, as mentioned earlier by Mr Albert HO. Some of them even became prostitutes in disguise. Why? When they demanded maintenance payments, their ex-husbands would say, "OK, but you must sleep with me for one night before I give you the money." The women's dignity in such cases was seriously battered and trodden. Therefore, in my opinion, if we do not have a system or the means to help divorced women, they will endure great torment in their daily life and their mind. Therefore, if we do not tackle these problems right now, more tragedies will occur in our society. The Honourable LEE Cheuk-yan has also mentioned just now that many tragedies we come across in newspapers arise from the absence of a sound system. Now that the Government has shown concern about this problem, why do we not tackle it in a determined and comprehensive manner? Why should we not solve it thoroughly, instead of adopting a piecemeal approach?

Later, the Honourable LAW Chi-kwong may explain in detail the operation of the entire maintenance board and on how to assist women in claiming maintenance payments. But, in my opinion, what is extremely important about the board is that, by acting as an intermediate body for divorced women in claiming maintenance payments, it can spare these women the insults,

oppression and the loss of dignity which they are subjected to when asking for such payments. I hope that the Maintenance Board, after its establishment, will really help freeing the women from these sufferings. In addition, after receiving the money, they will be able to overcome the problems of their living so that their children will not be left uncared for just because their mothers have to work.

Mr President, the question of maintenance payments is such an important issue in our society that it has prompted some 17 social welfare organizations and groups to form a joint council to show their concern. If this had not been such an important issue, it would not have pulled together so many groups. In view of this, we have brought up this issue again for discussion. The Government should not be indifferent to it or continue to tackle it in a piecemeal approach. It should provide more comprehensive assistance to these divorced women.

Mr President, these are my remarks.

**MR ALBERT CHAN** (in Cantonese): Mr President, in this prosperous city which features intense competition and stresses the importance of material life, we can find that the stability of marriage in many families has kept on declining while the divorce figure has been increasing. This can be regarded as a strange phenomenon of a modern society. Luckily, the divorce figure of Hong Kong is not as high as those of the Western countries, but we can still see very rapid increase in the figure. Before a couple decides to get divorced, the two parties usually have the painful experience of having numerous quarrels and they have to live up with the pain of being detached. Finally, they make up their minds to divorce after having struggled in great pain. This painful process has profound influence on both parties and their children, and out of the many problems encountered by the parties, the financial problem attracts most concern. This is because this problem would affect not only the family concerned but also the liabilities of our society as a whole. For many years, I, as a District Board Member, have handled many divorce cases and cases concerning the problems of alimony arising from divorces. I can simply give two examples to prove how serious this problem is and the urgency and indispensability of establishing a maintenance board as referred to by the Honourable LAW Chi-kwong.

The victim in the first case is Ms KWAN, who was formally divorced from her husband in 1988 when the court held that her former husband had to pay her an alimony of \$1,250 every month. At the beginning, her former husband did pay the sums on time, but in 1990, her husband stopped paying her the alimony and migrated to a foreign country. The victim was not able to contact her former husband for a few years. It was in October 1996, that is, last year, that the victim heard from her friends and relatives that her former husband had returned to Hong Kong from abroad. Therefore, the victim did her best to recover the outstanding sums of the alimony from her former husband but to no avail. So she approached the Legal Aid Department (LAD) for assistance. As the victim had been assisted by the LAD when she initially filed an application for divorce, the staff of LAD asked her to register first and return to the LAD with the relevant documents after half a month. During this period, the victim learnt that her former husband would leave Hong Kong very soon. She went to the LAD again and requested for faster processing of her case. However, the LAD responded that that could not be done and she had to wait until the appointed time. Finally, the appointed time arrived but her former husband had already left Hong Kong, and the LAD responded that since her former husband had left Hong Kong, it could not help her recover the alimony. This is a very contradictory process. The victim had repeatedly told the LAD the urgency of the case but it only told her to wait. When the time came, it just told her that it could not do anything as her former husband had left. This is really ridiculous. The former husband of the victim could afford to travel by plane but was unwilling to pay the victim the alimony and support his children. These acts make one's blood boil and I resent such acts indeed.

Mr President, Ms CHUI in the second case is now the head of a single parent family and was formally divorced in 1990. At that time, the court held that her former husband had to pay her an alimony of \$1,500 every month. However, her former husband had not paid her a cent since the court had made the judgement. Finally, the victim had to apply for the Comprehensive Social Security Assistance (CSSA) payment to support herself and her children. I believe many Honourable colleagues must have received such cases at their offices in the districts. As the victim had not received the alimony, she had to approach the LAD for assistance. However, it told the victim that it would first ask her to pay part of the legal expenses before assisting her in recovering the money from her former husband. This had made things difficult for her. The victim also approached the Social Welfare Department (SWD) for help as she

was subject to very great financial pressure. However, the SWD also told her that if she was paid the alimony in future, the SWD would ask her to repay the entire sum of the CSSA payment she had received. The victim was at a loss as to how she could financially cope with this and she felt immense pressure. Nevertheless, she did not know who could help her and she had a feeling that she had to withstand the pressure of living on her own.

I believe these two cases are typical of many divorced women in Hong Kong who should be paid alimony as held by the court. However, it seems that the Government has done very little. In order to address these problems, the establishment of a maintenance board as proposed by Mr LAW Chi-kwong can be a high-priority solution. I believe that a maintenance board can act as an intermediate body and it should be able to assist the victims in recovering their alimony and alleviating the pressure of living, and this would be helpful to the families and their children.

Mr President, I think that the Government has neglected this problem for many years. I am not sure whether it is because the people in charge of these policies are mostly men, or perhaps because those who have to pay alimony are mostly men. This may have something to do with interests and roles, but I hope this does not apply to the incumbent Secretary for Home Affairs. As a result, the problem has existed for so many years. I hope that there can be a good solution. Since the divorce figure has kept on increasing and the expenses on the CSSA payment have gone up correspondingly, the establishment of a maintenance board can actually save public money. The Honourable Mrs Miriam LAU fears that if the Government has to advance the sums, it may have to spend more public money. However, I think that the establishment of the board can systematically recover alimony and help these families. In the long run, it would be beneficial to the families, our society and the Government. I hope that the Government can take this into careful consideration.

Thank you, Mr President.

**MR FRED LI** (in Cantonese): Mr President, there is no intermediate bodies in Hong Kong to take up the responsibility for the recovery of maintenance

payments for divorcees. Under the existing arrangement, whether the maintenance payee can get maintenance depends very much on whether the other party makes payments on his or her own initiative, or else the process of recovering maintenance payments can be very difficult. I once heard a woman complaining, "He (her ex-husband) never gave me any money for household expenses before divorce. How can I expect him to pay me maintenance after divorce?" Many other divorcees are well aware of the enormous difficulty encountered in recovering maintenance payments as well as in applying for the Comprehensive Social Security Assistance (CSSA) on the ground that their ex-spouses fail to make maintenance payments. In order to ensure a steady monthly income, they simply give up asking for maintenance payments and resort to applying for CSSA instead.

According to research findings obtained by the Concern Group For Maintenance Collection, in most cases, divorcees gave up applying for maintenance payments because "they knew for sure that they would not get it", or "they did not want to have any contact with their ex-spouses", or "they were very upset at the time of divorce", and so on. We can imagine that what they need is a simple mechanism which will enable them to deal with maintenance-related matters in a simple manner at the time of divorce and when they are very upset. Moreover, some kind of intermediate body is required to assist the future collection and payment of maintenance in order to avoid potential direct conflicts between the parties concerned. These measures will relieve divorcees of the mental and physical sufferings they may be subjected to on the one hand, and encourage more divorcees to apply for maintenance payments on the other hand. This will help cut down Government spending on the CSSA.

Regarding the collection and payment of maintenance, the Hong Kong Government has been adopting a *laissez-faire* policy. The existing policy hinges very much on the self-discipline of the maintenance payer who may or may not comply with the court's maintenance payments order on his or her own initiative. Moreover, little can be done in case of default of payment. In fact, governments of many countries and places such as the United Kingdom, Australia and Ontario of Canada, have put in place a more proactive mechanism to assist divorcees to recover maintenance from their ex-spouses. In this regard, I would like to share with you the experience of Australia.

The series of reforms launched by the Australian Government in late 1980s were exactly meant to address the issue in question. Between 1987 and 1988, the Federal Government of Australia introduced a series of reforms, providing for

the determination of the level of maintenance payment as well as its collection.

The Federal Government of Australia amended the Family Act, enacted the Child Support (Registration and Collection) Act 1988 and set up the "Office of Child Support Registrar" ("the Registrar's Office") as the organization co-ordinating the collection and payment of maintenance. The Registrar is the local Commissioner of Taxation. Moreover, the Child Support (Assessment) Act ("the Act") was enacted in 1989, under which a statutory formula was devised for the Registrar's Office to determine the level of maintenance payment by administrative means.

As a result of the reforms, the divorcees only need to register their divorce case with the Registrar's Office. They need not go through legal proceedings. The Registrar's Office, upon registration of divorce cases, will determine the amount of maintenance payments according to the statutory formula under the Act. All payments due will then be deducted from the maintenance payers' income directly. The money collected will then be credited to an account called the Child Support Trust Account and subsequently disbursed to the children concerned.

It should be noted that under the Act, once a maintenance case is registered, the amount of money due will become debts owed to the Registrar's Office, which will be responsible for collecting and recovering maintenance from maintenance payers. In case of default of payment, the Registrar's Office will impose a surcharge on the defaulting party. If the maintenance payer fails to fulfil his or her obligations, the payee will receive nothing. In such case, the Registrar's Office, however, can institute proceedings against the payer.

The experience of Australia show that although there are still cases where maintenance payers default on paying maintenance after the establishment of the Registrar's Office, and there is still room for improvement in the administrative procedures, the overall situation has improved significantly. In the past, only 30% of maintenance payers in Australia made exact payments on time. With the establishment of the Registrar's Office, as at 1994, over 56% of the maintenance debts registered with the Registrar's Office were timely paid. We may well say that the rise from 30% in the past to the current 56% is a significant improvement. In 1992-93, the Government's net savings on the expenditure on social security amounted to 30 million Australian dollars. As maintenance payees need not apply for social security assistance, the Australian Government could make savings in this respect.

As clearly revealed by the research findings of the Concern Group For Maintenance Collection, the current *laissez-faire* policy is impracticable and it is not effective to apply for legal aid to recover maintenance. It is time the Government considered more proactive measures to assist divorcees to get maintenance and hence allow the Government to make savings in the expenditure on the CSSA. In this connection, I would like to urge Mr Michael SUEN, the Secretary for Home Affairs, to make reference to policies on maintenance adopted by other countries, and to take the initiative to put in place a mechanism to resolve problems relating to maintenance payments.

Mr President, with these remarks, I support Mr LAW Chi-kwong's motion. **MR CHAN KAM-LAM** (in Cantonese): Mr President, last week a concerned group on maintenance payments has published the findings on a survey, revealing that among the 292 female interviewees who are single parents, 45% have applied for maintenance payments but over 70% of them cannot collect their alimony. Apparently, some people think that the setting up of a maintenance board can effectively protect this disadvantaged group in the community. It seems that we do not have any justifications to oppose this proposal. However, we should give serious consideration to two questions.

1. Can the establishment of a maintenance board provide assistance to single-parent families to improve their welfare?
2. Is the establishment of this mechanism beneficial to the disadvantaged group in the community?

I would like to emphasize that we have to further look into the motion on the maintenance board proposed by the Honourable LAW Chi-kwong today, and we also sincerely hope that we are doing good deeds out of our goodwill. It is hoped that the Government and all of us can give serious consideration to the following issues, so as to ensure that the resources can be fully utilized, and the recovery of the maintenance payments can be resolved in the best possible way. Furthermore, it is hoped that the Administration will pay attention and give considerations to the aspects that I am going to mention.

- (1) It looks as if Members who agree with the setting up of a maintenance board mainly borrow their ideas overseas, but it seems that the proposal made under this motion is very different from the practice of foreign countries. A crucial point is the proposed



maintenance board will not perform the duty of assessing the maintenance payments to the children concerned. If this is the case, the future duty of the maintenance board will simply be debt-chasing. I think a lot of deficiencies will be created with the establishment of such a maintenance board.

- (2) On the other hand, according to the overseas experience, for example, in Australia and New Zealand, default on paying alimony is still very serious. The Oxfordshire in Britain once conducted a survey and discovered that the main reason for failure in making maintenance payments was not because of inadequate incentive or inappropriate financial management, but the inability of the payers to pay the alimony. I think we should do our best to solve this crucial problem, and the present idea of setting up a maintenance board obviously does not touch on this question;
- (3) We all know the theory of economy of scale in Economics. In 1996, the number of divorce cases in Hong Kong was 12 600. In comparison, Australia handled 275 218 maintenance payments recovery cases in 1994-95. There is a great discrepancy between the figures. Therefore, we have to consider how this maintenance board can become an effective structure and we have to look into it further;
- (4) On the other hand, the Administration has decided to amend the legislation on maintenance payments shortly, and it will introduce amendments to this Council in April. If the amendments are passed, the Court can rule that the maintenance payments should be deducted from the monthly income of the payers. The Democratic Alliance for the Betterment of Hong Kong (DAB) hopes all of you can seriously consider this legislation when it is presented to this Council. I think we also have to consider whether it is possible to put the idea of setting up a maintenance board into this legislation when necessary, so as to provide maximum protection to the people concerned.

The Government should look into the following aspects in details:

- (1) It should study how to use legislative and administrative means to

prevent the payers of the maintenance payments from concealing their income and disappearing intentionally;

- (2) A mechanism should be set up to ensure that the Social Welfare Department can immediately offer financial assistance to the single-parent families who are waiting for the recovery of the maintenance payments. This administrative measure is more flexible and effective than the establishment of any structure which cannot be set up within a short time; and
- (3) In the long run, the Administration should not delay the improvement of the welfare of the single parents or their families, with an excuse of setting up a recovery mechanism or going to improve this mechanism.

Lastly, I have to reiterate that in principle, the DAB is in support of any measures that can provide financial assistance to the divorcees, including the setting up of a maintenance board. We think we have to adopt a rational and objective attitude towards this problem, and to consider this issue in a more comprehensive manner in order to find out the practical solution to the difficulties these single-parent families are facing. In fact, we can imagine that a divorcee, no matter male or female, will be under very great pressure imposed by the blow of their broken marriage and financial difficulties. It is no doubt that the experiences of these people deserve every sympathy we can give and assistance from the community.

Mr President, these are my remarks.

**MISS CHAN YUEN-HAN** (in Cantonese): Mr President, I have been serving the workers for 20 to 30 years, during which I have come across many problems of broken families. Take a new acquaintance of mine as an example. As a newly divorced, he is saddled with two children and a host of difficulties. In the past, both the husband and wife were breadwinners of the family. Now, he has to shoulder the entire financial burden after they have divorced. He has tried to recover his maintenance payments through various means, but the problem has not been solved after he has been divorced for two years. My friend is not a woman, but a man.

This problem is related to not only women but also men of the grassroot.

In recent years, many families require both the husband and wife to go out to work. When the couple is working for the same goal, all the family problems can be solved easily. However, if the family has broken, no matter it is the man or the woman, he or she will meet enormous difficulties when one of them has to shoulder the responsibility of the other party as well. My friend had to face very great and unimaginable pressure in the past couple of years. Although he is a man, he cannot support his two children financially. His ex-wife has made up many excuses to avoid paying money to support their two children. We can see many problems from the experience of my friend, and the whole assistance system provided by the Government is indeed very inadequate. Why am I so clear about this problem? It is because my friend requires legal assistance, and the Federation of Trade Unions (FTU) has its own legal adviser who can provide support to him. It is only because he knows me, my Federation, and therefore he realizes that we have such supporting service. What can someone who does not have such access do? The above case is one of which I am very familiar with.

Also, we can see from the past that quite many females from the grassroot families had to face even more serious difficulties. Certainly, I may be unfair to the men if I put it in this way, but the community may also impose many other things on women at the same time, and these include criticisms. Therefore, how much assistance can they secure from society? The Government has unshrinkable responsibility to provide assistance to women since they are under such great pressure, and we can see that the assistance provided under the existing mechanism is inadequate. I would like to point out one thing and it is an example I always quote. When we go to the Labour Tribunal to settle labour disputes, the employers always decline to give the employees their entitled compensation, even if the Labour Tribunal has made such ruling. If the employees further press for repayment, the cases will be referred to the Small Claims Tribunal. We all know that this is only a sheer waste of money and manpower.

Today's original motion proposes to set up a maintenance board. I very much appreciate the open attitude of the Honourable Albert HO on the discussion of this proposal just now. Whether this board can be set up or whether there are any other problems, the point is, as the Honourable CHAN Kam-lam has said, that we have to provide solutions to the various difficulties which these divorcees have to face in the long run. Although the Government has declared to amend the legislation in April to deduct the money from the income of the divorcee who has to make the maintenance payments, problems will still arise. I hope the Government can understand that the problem cannot simply be solved by

deducting the maintenance payments from their income. As shown in the example I quoted in the beginning, some people may be needed to provide assistance to these divorcees. Regardless of the proposed structure of the maintenance board, which we can look into it further, we are indeed very concerned with the difficulties of these people, just as the different political parties and colleagues in this Council have mentioned. Therefore, I sincerely hope that the Government can adopt an open attitude and come up with some means to provide assistance to them.

Thank you, Mr President.

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): Mr President, Members who have spoken today, in particular Mr LAW Chi-kwong, have described in detail the problems encountered by divorcees and their children in collecting and enforcing maintenance payments. They have also set out their proposed solutions to the problems. I am grateful to them for imparting to us their wisdom.

To suffer from a broken marriage is unfortunate enough. Some divorcees, more unfortunate still, cannot receive the maintenance payments due to them. Some of them even have to shoulder the responsibility of bringing up their children single-handedly. Both the Government and the community as a whole wish and should help these people instead of turning a blind eye to their plight. But we all understand that no solution is perfect and there is simply no single solution to all these problems. We therefore must come up with different solutions taking into account different circumstances. I will elaborate on this.

At present, citizens who encounter matrimonial problems can receive free legal advice through the Legal Advice Scheme and Tel Law Scheme. At the same time, for those who have to take legal actions to enforce maintenance payments, legal aid is available provided that they pass the means and merits tests. People who are in financial difficulties owing to failure to receive maintenance can apply for the Comprehensive Social Security Assistance (CSSA). Processing time of such applications is kept short to ensure the timely provision of assistance. For urgent cases, immediate cash can be arranged within one or two working days from the date of receipt of the applications.

In the circumstances, our present system does ensure appropriate assistance to those who may otherwise suffer hardship because of default of

maintenance payments due to them. This is our present system which is by no means perfect. Many Members have just now pointed out that there are limitations on its operation, and occasionally cases of default. However, we cannot say that such a system is dispensable. We will further improve it so that we can offer assistance as far as possible to those who are in genuine need.

Nevertheless, some knowledgeable people think that under the present system, there is not an adequate monitoring mechanism to ensure that the maintenance payers will pay on time. They also take the view that the law can do nothing about those who evade payments by, for example, disappearing or concealing their income. They, therefore, suggest that the Government set up a maintenance board to collect, recover and distribute maintenance payments so as to protect the maintenance payees. The suggestion has also been made that the court should be empowered to order the deduction of maintenance payments from the payer's wages; and that the Legal Aid Department and Social Welfare Department should simplify the relevant application procedures and exercise flexibility for the benefit of those who need assistance.

If Mr LAW's proposal to set up a maintenance board is implemented, it will be necessary to make fundamental changes to our present system and administrative structure. In considering whether or not to make these changes, we have to study the experience of other countries and also understand clearly:

1. First, what benefit can be derived from such changes?
2. Second, who will benefit?

Those who support the setting up of the proposed board think it would solve the problem of arrears in maintenance payments. However, from what I know, this is not borne out by experience overseas. As for the experience overseas mentioned by some Members just now, as a matter of fact, we have studied the experience in Australia, New Zealand and the United Kingdom, where Child Support Agencies (CSA) were set up in the late 1980s or early 1990s to collect and enforce maintenance payments. Mr LAW mentioned that more maintenance payers have paid as a result, but he did not clearly point out that the problem of arrears continues to be serious.

In New Zealand, a Working Party appointed in 1994 by the government to review the CSA observed that 16% of liable parents had not paid any of their

child support payments; that 70% of liable parents were in arrears; and that the arrears since the operation of the CSA amounted to New Zealand \$70 million and were increasing at the rate of New Zealand \$3 million per month. The Working Party concluded that the Child Support Act and its operation "are in need of fundamental change". This is the experience in New Zealand.

As for the situation in Australia, Mr Fred LI has provided some statistics, though we tend to use statistics to our own preference, which indicate that the percentage of maintenance payers who make their payments on time has risen from 30% to 56%. While this is a fact that nobody can deny, has he pointed to another fact that the total amount of debt owed to the CSA grew to Australia \$481.5 million as at 1994-95 (the one-year period to which he referred just now). The Commonwealth Ombudsman's Annual Report 1993-94 warned that the backlog of arrears, if continued to accumulate, would undermine the effectiveness of the CSA.

In the United Kingdom, while we have not been able to obtain the corresponding statistics, a White Paper presented by the Secretary of State for Social Security to the Parliament in January 1995 stated one of the problems to be the opposition from absent parents, some of whom even deliberately obstructed the work of the CSA. One of the changes proposed in the White Paper was for the government to consider not enforcing more than six months' arrears where a maintenance payer undertook to meet existing liabilities and to repay six months' arrears. I dare not imagine what would be the reaction if I were to make a similar suggestion in this Council!

Some supporters of the proposed board suggest that it would help those maintenance payees who may suffer hardship because of failure to receive the payments due to them.

The present situation in Hong Kong is that those single parents who need financial assistance may apply for CSSA and as I said earlier, in urgent cases, immediate cash grant is available. We do not, as some countries do, insist on the applicants filing claims for maintenance against the liable parents.

For those single parents who are better off and who, therefore, are not eligible for CSSA, it is true that no assistance is provided at present. However, in case the proposed maintenance board were set up, would it be necessary for the board to advance maintenance payments to them? If the answer is in the

affirmative, the taxpayers would shoulder the financial responsibility of these people. Is such an arrangement appropriate? Apart from the question whether it is justified to use public funds to provide assistance to these better off recipients, I should mention the overseas experience that where maintenance payers know that their children and ex-spouses will receive payment from the government, the payers will be less inclined to shoulder their responsibilities and more inclined to default.

In the circumstances, the beneficiaries of the proposed board would include the better off recipients.

There are others who support the proposed board on the ground that it would save public expenditure. Some divorcees, so the argument goes, refrain from applying for or enforcing maintenance payments because of the potential difficulties involved and they, instead, apply for CSSA.

I do not rule out the possibility that some individuals do so. However, if the proposed maintenance board is set up, the board can follow up only after the persons concerned have applied for maintenance and complied with the necessary procedures. If the persons concerned apply for CSSA only, are we to follow the practice in other countries and require the applicants to lodge claims for maintenance with the board? If so, the uncertainties include the degree of adverse reaction, the success rate of the applications for maintenance, the amount of maintenance awarded and whether the awards are commensurate with the administrative expenses incurred by the board. Some Members are apparently more positive and optimistic in this respect. But we have serious reservations.

In order to protect their financial position, the CSAs overseas are given very wide powers. For example, they have the powers to assess the amount of maintenance payments, to deduct maintenance payments from wages and moneys payable to the liable parents, to intercept tax refunds due to the liable parents and to access the personal records kept by the tax authorities. I notice that Mr LAW has not suggested that the proposed board be responsible for assessing the amounts of maintenance payments, the power for which is, in Hong Kong, vested in the court. This makes the proposal less controversial. Nevertheless, there will still be divergent views in our community on whether it is appropriate to give the proposed board the other wide powers as given to the CSAs overseas.

Having regard to the experience of the countries concerned, we think that

it would take a long period of discussions and studies before any conclusion can be reached on whether or not the proposed maintenance board can solve the problem of arrears in maintenance payments. Some Members have also raised this because the questions involved are controversial and the effectiveness of the proposed arrangement is uncertain. However, regardless of whether there is a need, in the long term, to set up a maintenance board, we must take effective measures early to prevent evasion of maintenance payments so as to allay the difficulties encountered by the maintenance payees.

As a matter of fact, the Legal Aid Department has set up a Working Group to review the processing of all legal aid applications, including matrimonial legal aid applications, with a view to reducing the processing time.

The Judiciary has reviewed the practices and procedures in matrimonial proceedings and has reserved slots in the Family Courts diaries to deal specifically with such summonses. As a result, the relevant court waiting time has been reduced from four months in the past to about two months at present.

In August 1996, the Judiciary published the report of a Working Group appointed by the Chief Justice to recommend changes to the practices and procedures relating to matrimonial proceedings. The Working Group, chaired by a Family Court judge, consisted of representatives of the Bar Association, Law Society, the Family Law Association and the government branches and departments concerned.

The Working Group's recommendations are extensive. We have given priority to processing legislative amendments to implement those recommendations to improve the enforcement of maintenance orders. The legislative amendments which we have been processing include:

1. empowering the court to issue Attachment of Earnings Orders, where a maintenance payer has failed to make payment without reasonable excuse, to require his employer to deduct from his wages and pay the money direct to the maintenance payee;
2. requiring all maintenance payers to notify maintenance payees of change of address by registered mail;



3. empowering the court to order the sale of matrimonial property where this is necessary to meet maintenance payments;
4. making it a standardized provision in the relevant ordinances that the court may issue a maintenance order extending beyond a child's eighteenth birthday if the child is or will be undergoing education or training or there are special circumstances;
5. removing the age ceilings in the relevant ordinances such that where a child is in need of financial assistance, the court may issue a maintenance order for his benefit beyond his twenty-first birthday; and
6. removing certain restrictions on the court's power such that a maintenance order for the benefit of a child can cover as long a period as the court sees fit having regard to the special circumstances of a case.

These proposals involve some fine legal questions and extensive amendments to four ordinances. We have done a lot of work with a view to finalizing the Bill for introduction to this Council by the end of April.

When these amendments are implemented, there will be additional disincentive on a maintenance payer to default in payment without reasonable excuse. A maintenance payee may find it easier to trace the whereabouts of a maintenance payer. Also, owing to the greater powers and flexibility given to the court, some cases which now require repeated applications to the court can in future be settled after one application, thus saving the inconvenience to the maintenance payers and payees concerned.

The Government believes that these amendments will bring about significant improvements. We believe that until these improvements have been implemented and their effect evaluated, no fundamental change to our present administrative machinery should be contemplated.

**PRESIDENT** (in Cantonese): Mr LAW Chi-kwong, you are now entitled to reply and you have six minutes 17 seconds out of your original 15 minutes.

**MR LAW CHI-KWONG** (in Cantonese): Mr President, since I have only got six minutes left, it is highly unlikely that I can respond to each and every point made. There are too many points that I have to respond to.

However, I would first of all like to thank those Members of the Democratic Party for throwing behind me their support and the six Members who have given their views. I also would like to thank the Government for their response. I agree with the Government that no system is perfect but I also have not heard any Member saying that the setting up of a maintenance board would solve the problem entirely. Hence, I cannot understand why the Secretary for Home Affairs holds such a view.

I very much appreciate the frankness of the Government in saying that everyone is taking what he wants in a debate. This explains why the figures quoted by the Secretary all represent the stance of the Government. For example, the Secretary mentioned the New Zealand report. I cannot but cite some important conclusions contained in the report in order to get my point through. Although there is a need to conduct an overall review, the report has put forth a lot of suggestions for changing the existing system. There is however one very important point — allow me to quote in English as the document is written in English — "The Child Support Scheme represents a significant improvement over the previous schemes replaced. The objects of the Act are being achieved to a significant extent, but it should be acknowledged that problems remain." A number of suggestions for changes then follow but in principle, it maintains that there should be an agency for child support.

In addition, I would like to respond to some points in this connection. The views expressed by the Government, especially on the point of effectiveness, is somehow related to those expressed by the Honourable Mrs Miriam LAU. I think I am being fair when quoting the data concerned. For example, England saved \$400 million dollars in social security; New Zealand saved 1 billion dollars

in 1993-94, which is more than Hong Kong's annual Comprehensive Social Security Assistance (CSSA) payout. As for Australia, the Honourable Fred LI mentioned just now that the successful rate increased from 30% to 56%, and only 16% represents total failure to receive payment. Of course, as the Secretary has mentioned, there are still a lot of cases with outstanding payment but it is certain that the overall saving for the Government is going to exceed the necessary administrative cost.

Another related issue concerns the possibility for the divorcees to apply for the CSSA even if they fail to recover payment. The Secretary has more than once brought up this point but I really hope that he can have the chance to attend the hearings and have contact with the grass-roots so as to understand what it means to such single-parent families in applying for the CSSA and the difficulties they have to face. I myself have much experience in this respect and hope that even if the Secretary cannot spare his time, he can ask someone to contact those people to understand what they actually have to face. For example, they have to rush about in applying for legal aid, meet lawyers, apply for the CSSA and encounter all kinds of difficulties.

Many people may ask, "Is the maintenance board going to replace the courts?" Just now, the Honourable Albert HO has also said that it should not replace the courts. There are some controversial issues — which the Secretary has also realized — such as who is going to assess the amount of maintenance. In Canada, the courts are responsible for making assessments while in England, New Zealand and Australia, the respective boards are responsible for the job. Recently, England has conducted a review to look for any inflexibility in the arrangement which may need improvements. However, the principle of the review is not to hand the responsibility over to the courts. Rather, it aims at means to handle the matter with flexibility. I believe this point is very important and has to be discussed.

As regards tracking down the whereabouts of the ex-spouse, there is one point which we can be sure. It is a very painful thing for a single female parent to act as a private detective to trace her ex-husband. It would however be easier for a maintenance board to do so. The problem then is how to strike a balance between privacy and the children's interests. We have to strive for a reasonable balance. I believe this will be considered under any law. If the suggestion for the setting up of a maintenance board is really presented to this Council for deliberation, I believe we will have to discuss the matter then. Upon

completion of its review, New Zealand concluded that more emphasis should be placed on the children's rights when striking a balance and there should be greater powers for investigations regarding privacy. This is the result of a recent review conducted in New Zealand and we can see that the balance point in fact needs to be adjusted.

The issue regarding advance payment is actually a controversy. I also agree that the simplest solution is for maintenance to tie in with the CSSA. As all basic investigations have been done, if the divorcee gets into financial difficulty, direct assistance can be given to the divorcee to receive the CSSA which will solve the problem of advance payment. However, I still think that this controversial issue can be discussed later.

The Honourable CHAN Kam-lam compared the divorce rate of Hong Kong with that of Australia. First, we should note that the population of Australia is bigger than that of Hong Kong. Second, the divorce rate of Hong Kong has doubled over the past few years. Of course, no one would like to see that Hong Kong catches up with foreign countries in this respect but with the present rate of increase, it is quite probable that it will happen in the next 10 to 20 years. Should we not begin to consider this problem now?

Given the time constraint, I can only say that in proposing today this issue of setting up a maintenance board, the Democratic Party is only bringing up a concept. I hope that Members can study and consider it seriously. We understand that a lot of details still have to be sorted out. If Members think that this suggestion is worth studying but are having reservation today, we very much hope that they would abstain, even if they are not going to vote for it. I am happy to discuss the matter with them in future.

Thank you, Mr President.

*Question on the motion put and agreed to.*

## **ADJOURNMENT AND NEXT SITTING**

**PRESIDENT** (in Cantonese): In accordance with Standing Orders, I now adjourn the Council until 2.30 pm on Thursday, 27 February 1997.

*Adjourned accordingly at four minutes past Eight o'clock.*

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*Note:* The short titles of the Bills/motions listed in the Hansard, with the exception of the Factories and Industrial Undertakings Ordinance, Copyright Bill, Administration of Justice (Miscellaneous Provisions) Bill 1997, Consumer Goods Safety (Amendment) (No. 2) Bill 1996 and Toys and Children's Products Safety (Amendment) (No. 2) Bill 1996, have been translated into Chinese for information and guidance only; they do not have authoritative effect in Chinese.