

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 25 November 2009

The Council met at Eleven o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE ALBERT HO CHUN-YAN

IR DR THE HONOURABLE RAYMOND HO CHUNG-TAI, S.B.S., S.B.ST.J., J.P.

THE HONOURABLE LEE CHEUK-YAN

DR THE HONOURABLE DAVID LI KWOK-PO, G.B.M., G.B.S., J.P.

THE HONOURABLE FRED LI WAH-MING, S.B.S., J.P.

DR THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN KAM-LAM, S.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

DR THE HONOURABLE PHILIP WONG YU-HONG, G.B.S.

THE HONOURABLE LAU KONG-WAH, J.P.

THE HONOURABLE LAU WONG-FAT, G.B.M., G.B.S., J.P.

THE HONOURABLE EMILY LAU WAI-HING, J.P.

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE TAM YIU-CHUNG, G.B.S., J.P.

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

THE HONOURABLE LI FUNG-YING, B.B.S., J.P.

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

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE FREDERICK FUNG KIN-KEE, S.B.S., J.P.

THE HONOURABLE AUDREY EU YUET-MEE, S.C., J.P.

THE HONOURABLE VINCENT FANG KANG, S.B.S., J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

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

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

THE HONOURABLE ALAN LEONG KAH-KIT, S.C.

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE CHEUNG HOK-MING, G.B.S., J.P.

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

THE HONOURABLE RONNY TONG KA-WAH, S.C.

THE HONOURABLE CHIM PUI-CHUNG

PROF THE HONOURABLE PATRICK LAU SAU-SHING, S.B.S., J.P.

THE HONOURABLE KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING

DR THE HONOURABLE LAM TAI-FAI, B.B.S., J.P.

THE HONOURABLE CHAN HAK-KAN

THE HONOURABLE PAUL CHAN MO-PO, M.H., J.P.

THE HONOURABLE CHAN KIN-POR, J.P.

THE HONOURABLE TANYA CHAN

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

THE HONOURABLE WONG KWOK-KIN, B.B.S.

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE IP WAI-MING, M.H.

THE HONOURABLE IP KWOK-HIM, G.B.S., J.P.

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

DR THE HONOURABLE SAMSON TAM WAI-HO, J.P.

MEMBERS ABSENT:

THE HONOURABLE MRS SOPHIE LEUNG LAU YAU-FUN, G.B.S., J.P.

THE HONOURABLE WONG YUNG-KAN, S.B.S., J.P.

THE HONOURABLE MIRIAM LAU KIN-YEE, G.B.S., J.P.

THE HONOURABLE TIMOTHY FOK TSUN-TING, G.B.S., J.P.

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE HENRY TANG YING-YEN, G.B.M., G.B.S., J.P.

THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE JOHN TSANG CHUN-WAH, J.P.

THE FINANCIAL SECRETARY

PROF GABRIEL MATTHEW LEUNG, J.P.

SECRETARY FOR FOOD AND HEALTH

THE HONOURABLE MATTHEW CHEUNG KIN-CHUNG, G.B.S., J.P.

SECRETARY FOR LABOUR AND WELFARE

PROF THE HONOURABLE K C CHAN, S.B.S., J.P.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE MRS CARRIE LAM CHENG YUET-NGOR, J.P.

SECRETARY FOR DEVELOPMENT

DR KITTY POON KIT, J.P.

SECRETARY FOR THE ENVIRONMENT

THE HONOURABLE EVA CHENG, J.P.

SECRETARY FOR TRANSPORT AND HOUSING

CLERKS IN ATTENDANCE:

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS CONSTANCE LI TSOI YEUK-LIN, ASSISTANT SECRETARY
GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Inland Revenue (Double Taxation Relief on Income from Aircraft Operations) (Federal Democratic Republic of Ethiopia) Order	231/2009
Inland Revenue (Double Taxation Relief on Income from Aircraft Operations) (Republic of Maldives) Order ...	232/2009
Air Pollution Control (Motor Vehicle Fuel) (Amendment) Regulation 2009	233/2009
Fees for Official Signatures and Miscellaneous Services (Amendment) Notice 2009	234/2009

Other Papers

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| No. 31 | — | Estate Agents Authority
Annual Report 2008/09 |
| No. 32 | — | Report of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2009 |
| No. 33 | — | Report No. 53 of the Director of Audit on the results of value for money audits – October 2009 |
| No. 34 | — | Accounts of the Government for the year ended 31 March 2009 |

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Guangzhou-Shenzhen-Hong Kong Express Rail Link

1. **MR LEE WING-TAT** (in Cantonese): *President, good morning. I wish you a happy married life. (Laughter) President, the Government plans to seek in the near future funding approval from the Finance Committee of this Council for the construction of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (the XRL) and intends to locate the terminus in West Kowloon, while the West Kowloon Terminus (WKT) will extend into part of the underground area of the West Kowloon Cultural District (WKCD). In this connection, will the Government inform this Council:*

- (a) *whether or not the Government has conducted any assessment regarding the impact of the WKT on the traffic of the Yau Tsim Mong District; if it has, of the respective estimated volume/capacity ratios of the main roads in the vicinity (including Austin Road, Jordan Road, Lin Cheung Road, Nathan Road, Canton Road, Kowloon Park Drive, Ferry Street and West Kowloon Highway) after the Hong Kong Section of the XRL has been completed for five, 10 and 15 years;*
- (b) *of the total area of land in the WKCD to be occupied by the works of the Hong Kong Section of the XRL for site purposes and the duration of such occupation, together with a table listing out the respective surface and underground areas in the WKCD to be occupied permanently and temporarily for the aforesaid works, as well as the duration of occupation for each part of land; whether or not the Government has assessed if the works of the Hong Kong Section of the XRL will affect the overall planning and design of the WKCD, slow down the construction of cultural facilities within the district and thus increase the construction costs of such facilities; if it has, of the assessment results; and*
- (c) *given that the WKT will be located in part of the underground area of the WKCD, whether or not the Government needs to install additional noise barriers in the connecting underground area for the cultural facilities to be constructed on the relevant surface area in the future, so that users of the facilities will not be affected by the noise of running XRL trains; if so, of the details and expenditure involved; if not, how will the West Kowloon Cultural District Authority (WKCDA) resolve the noise problem?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the Hong Kong Section of the XRL will link up Hong Kong, Shenzhen, Dongguan and Guangzhou and significantly reduce journey time. More importantly, it will become part of the national high-speed rail network measuring 16 000 km, which is now being developed in full steam, thus fostering closer economic ties between Hong Kong and the Mainland. The XRL plays an unparalleled role in driving our long-term economic development.

The terminus of the Hong Kong Section of the XRL will be located in West Kowloon, which is in the proximity of most commercial, retail, hotel and residential districts and well served by existing and planned railway and road networks. Around 30% of the Hong Kong population resides and almost 50% of the workforce works within a radius of 5 km from the WKT. Passengers may efficiently and conveniently proceed from their origins to the WKT or from the WKT to their final destinations. The location of the WKT can attract more travellers to use the XRL, thus maximizing the economic benefit of the XRL. The authorities have developed an overall plan to improve the traffic condition in the West Kowloon area. In addition, relevant government departments will continue to work closely with the WKCD, so as to maximize the synergy between the XRL and the WKCD.

As regards the three parts of the question raised by the Member, my reply is as follows:

- (a) To better tie in with the development of the West Kowloon District (WKD), the Transport Department completed the West Kowloon Reclamation Development Traffic Study (the Study) in 2009. The purpose of the Study was to improve road and pedestrian connection in the WKD and tackle congestion at some of the junctions, with a view to meeting the increasing traffic demand arising from the entire West Kowloon New Development Area (WKNDA) (including the future WKCD) and the WKT upon completion.

The design philosophy of the Study is to segregate inter-district and local traffic by a three-layered road network (this is, one at-grade layer and two underground layers). Such design connects the local network directly to major roads in the region (for example, the West Kowloon Highway, the West Kowloon Corridor, the West Harbour

Crossing and the future Central Kowloon Route) to ensure smooth inter-district and local traffic flow.

Specific road improvement works suggested in the Study mainly include the following:

- constructing an underpass connecting Austin Road West (near Canton Road) and Lin Cheung Road (north of Jordan Road), with a view to segregating inter-district and local road traffic and providing an unobstructed access to the WKCD, the WKT and the Airport Express Kowloon Station;
- improving the junction of Austin Road and Canton Road, including considering the construction of the Canton Road Underpass and the extension of the existing subway system; and
- implementing other road improvement works to link the WKNDA directly to nearby highways, so as to alleviate the burden on local road network.

Local traffic management schemes will also be implemented by the authorities to address the current traffic congestion problems in the proximity of Jordan Road and Canton Road.

Currently, the capacities of several major junctions in the WKD are saturated or close to saturation at peak hours. It is estimated that most of the road improvement works described above will be completed by 2015 and they have already taken into account the traffic demand arising from the XRL, the WKCD and other developments in the district. The traffic pressure in the district will be relieved, with the reserved capacity at most junctions remaining at above 10% at all times up to 2031.

- (b) Regarding strategic co-ordination, locating the terminus of the Hong Kong Section of the XRL in the vicinity of the WKCD enables the two projects to complement each other. Capitalizing on the

travelling convenience brought about by the XRL, more visitors from the Pearl River Delta (PRD) Region will be attracted to take part in cultural and arts activities in the WKCD. In return, the WKCD will boost the XRL patronage, thereby enhancing the cost-effectiveness of the XRL. Complementing each other and being developed in a co-ordinated manner, the two projects will create synergy, thus bringing greater benefits to the economy of Hong Kong. In fact, the consultants of the WKCD also concur that placing the terminus of the Hong Kong Section of the XRL in the proximity of the WKCD can create a great deal of synergy. When developing the master layout plan of the WKCD, they will consider ways to bring this advantage into full play.

The 3.3-hectare underground extension of the WKT into the WKCD provides XRL passengers with a convenient access to the WKCD. Integrating the XRL into the WKCD will greatly enhance the prominence of the former as a gateway to the Mainland and the latter as a regional cultural hub. The Tourism Commission envisages that a proper integration of the two will help generate more visits to the proposed arts, cultural and tourism facilities in the WKCD, thereby promoting cultural tourism.

As for the co-ordination involved in the course of construction, we have been in constant dialogue with the WKCD to co-ordinate the works of the two projects. According to the current planning, part of the land in the WKCD will be used as temporary works sites of the XRL project from December 2009 to late 2014. Arrangements will be made to return the sites in phases from early 2012 to facilitate Phase 1 Development of the WKCD. The latest forecast suggests that the area of works sites occupied by the XRL project will be gradually reduced from not more than 14 hectares in December 2009 to around 3 hectares at the end of 2014. We will maintain close contact and co-ordination with the WKCD and ensure the timely completion of the Hong Kong Section of the XRL and Phase 1 Development of the WKCD in 2015.

As regards transport planning, the master planning and design of the WKCD is still at the stage of drawing up the master layout plan.

On the one hand, we take the opportunity of building the WKT to design and construct as early as possible the roads and pedestrian facilities around the WKT and the WKCD, with a view to completing these facilities in tandem with Phase 1 Development of the WKCD. On the other hand, we have reserved sufficient flexibility in the design of such facilities to better cater for the future creative planning of the WKCD. For instance, in designing the connection points for roads and pedestrian facilities, we will endeavour to provide a wide range of options, so as to offer more room for the overall planning and design of the WKCD.

The Home Affairs Bureau has established a standing inter-departmental co-ordinating committee led by a senior directorate officer, in conjunction with the participation of representatives from the Transport and Housing Bureau, the Highways Department, the Transport Department, and so on. The committee co-ordinates the planning of, and the works involved in, the WKCD and its nearby infrastructural projects (including the XRL project) to ensure that these projects can be implemented smoothly, thus maximizing the synergy and minimizing the impact on one another.

- (c) The platforms of the WKT will be extended into the WKCD, taking up about 3.3 hectares of strata. This is less than 10% of the area occupied by the WKCD. The planning of the remaining area of land occupied by the WKCD will not be affected by the XRL project at all.

The current planning assumption is to allow medium-rise structures up to 70 m above the Principal Datum (that is, about 15 to 20 storeys) to be built in this 3.3-hectare area. Enabling works, which include those for the foundation, noise and vibration mitigation, as well as the transfer plate, including isolated slab tracks, will be carried out in the strata of the extension area under the Hong Kong Section of the XRL. The ground-borne noise generated from vibration will comply with the standards stipulated in the Environmental Impact Assessment Ordinance and the Noise Control

Ordinance. Similar measures have been adopted for the superstructure development of other railway stations and the result is satisfactory.

MR LEE WING-TAT (in Cantonese): *President, the Secretary mentioned in the main reply that 14 hectares of land occupied by the WKCD would be used as works sites from December 2009 onwards. The conclusion to be drawn from this arrangement is very simple, that is, the design of the entire master layout plan of the WKCD will be affected and the impact is inevitable. I wish to ask the Secretary a further question to which she has not given any answer in the last paragraph of her main reply. The Kwai Tsing Theatre is situated adjacent to a Mass Transit Railway (MTR) station, that is, the Kwai Fong MTR Station. In view of this, the former Regional Council installed special equipment at the strata of the Kwai Tsing Theatre to protect the latter's acoustics and ensure that orchestral effects could be preserved. May I ask the Secretary whether or not, by merely complying with the requirement of a noise impact assessment, it can be ensured that while enjoying orchestral performances in the future, in addition to listening to the violin, we will also be able to enjoy the ensemble of other mechanical musical instruments, so that the audience will feel all the happier when enjoying such performances in the future?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I think Mr LEE is well aware of the fact that at present, the master layout plan of the WKCD is still on the drawing board. We know from the responses of the three consultants that there is actually sufficient room for them to bring their creativity into play. For this reason, regarding the enabling works, we are now considering the construction of medium-rise structures at 70 m above the Principal Datum. As to the question of what would be put in place at the same location in the future, this will have to be followed up in the design of the master layout plan. However, insofar as co-ordination is concerned, be it in short-term land use or long-term design, as I said just now in part (b) of the main reply, the Home Affairs Bureau had established a standing inter-departmental co-ordinating committee. We will follow up this matter through this committee.

PRESIDENT (in Cantonese): We have spent more than 11 minutes on this question. As there are 14 Members waiting to ask questions, will Members please be as concise as possible when asking questions.

MR ANDREW CHENG (in Cantonese): *In part (b) of the main reply, the Secretary remarked that if the two projects could complement each other, this would bring even greater benefits to our economy. President, the MTR Corporation Limited (MTRCL) has no property development right over the superstructure of the XRL terminus. However, since the future WKT will be partially situated in the WKCD, this means that property developers must assure the MTRCL that at-grade structures would not affect the operation of the WKT. In other words, although the Government will invest more than \$90 billion in the WKCD and the XRL projects, regarding how it lets the MTRCL, which needs not spend a single cent, have the right, at the WKT How can a balance be achieved in the future, since apparently, the MTRCL can just sit back and reap the benefits? Moreover, concerning the development of the WKCD and the XRL, what will the authorities do to make us feel that the Government is able to strike a balance between the development of the WKCD by property developers and the award of the service concession of the XRL to the MTRCL, which does not have to spend one cent? On this point, may I ask the Secretary how the Government will strike a balance, so that the MTRCL will assume some social responsibility in the future?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I hope I have not misunderstood the supplementary question put by Mr Andrew CHENG. The area above the WKT is zoned as a Comprehensive Development Area (CDA). As the Government has adopted the service-concession approach as the mode of development instead of the property-cum-railway approach, we are now carrying out enabling works for the future CDA. At present, the relevant procedures for the planning of the area above the WKT are underway. In our estimation, the area will measure about 5.88 hectares and height restrictions will be imposed. However, the MTRCL will not participate in the development of the superstructure of the WKT. On the contrary, we will accord flexibility to the development of the superstructure. As I said just now, we hope that the XRL can serve future visitors to the WKCD. Regarding the revenue-sharing arrangement to be adopted in the future, we

agreed with the MTRCL during the rail merger that the revenue yielded after deducting the operating cost would be shared at the ratio of 9:1. That is to say, the Government will receive 90% of the revenue while the remaining 10% will go to the MTRCL. This arrangement has already been agreed. Therefore, although the construction of the WKT will rest with the MTRCL, the superstructure will have nothing to do with the MTRCL.

MR VINCENT FANG (in Cantonese): *Secretary, concerning the XRL, the authorities hope that all the termini will be located at city centres. As I am aware, the terminus of the Guangzhou Section of the XRL will be located at Shibi, which is not a city centre. May I ask the Secretary about the reasons for that? After passengers of the XRL have arrived at that terminus, what feeder transportation services will be available to them?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, Shibi is actually a key development region in the planning of Guangdong. According to the planning of the Ministry of Railways, the New Guangzhou Passenger Terminus to be located at Shibi will connect Beijing, Shanghai and Wuhan in the future and become one of the four major railway passenger hubs of the Mainland. It will also be connected to a number of railway networks and highways, and interchange in that terminus is convenient. Passengers can directly interchange in the terminus for the metro and other means of transport, including high-speed railway routes, and proceed to other cities in the PRD Region very conveniently. For this reason, the Shibi Station is geographically located in the central area of the PRD Region. Although it has not yet become a city centre, it will attain such a position in the future, just like the Tianhe District, with which we are familiar. Moreover, Shibi is located in the Northern Enhancement Area of Panyu. According to the urban development strategy of Guangzhou, that area is a key Southern Expansion area of Guangzhou. With the University Town Development Area, the Guangzhou New Town Development Area, the Nansha Economic and Technological Development Zone and the Long Xue Dao Deep Water Harbour in its neighbourhood, Shibi will have great potential for development. For these reasons, we believe Shibi will become a new city centre in the future.

DR MARGARET NG (in Cantonese): *President, whenever the authorities talk about the XRL, they will always evade a core issue, that is, the co-location of immigration and customs facilities in Hong Kong. In fact, the whole design, scale and alignment of, and the acquisition of land for, the XRL are highly relevant to whether or not the co-location arrangement will be implemented in Hong Kong. Participating private companies say all the time that the co-location arrangement will definitely be introduced in Hong Kong because only through such an arrangement can the XRL truly live up to its name as an express rail link. However, the Government has evaded this issue.*

President, can the Government clarify if the implementation of the co-location arrangement in Hong Kong will actually contravene the Basic Law because the Basic Law specifies that Mainland officials shall not enforce laws in Hong Kong and Mainland laws shall not be applied to Hong Kong? President, may I ask the Secretary to say clearly that the co-location arrangement will not be introduced in Hong Kong and the plans and alignments proposed in the future will also be founded on this basis?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, all along, when explaining the XRL project, we have mentioned that the implementation of the co-location arrangement for passengers of the XRL will give rise to many advantages. However, at the same time, we have also emphasized that this will involve very complicated legal issues. Hence, at present, we will only reserve an area in the planning of the WKT. In parallel, at the level of actual work, we have set up an inter-departmental working committee responsible for studying this matter. At this stage, although it is too early for us to talk about implementing the co-location arrangement, we recognize the need to conduct more in-depth studies. We note that similar co-location arrangements have been put in place in other countries and such arrangements can bring great convenience to passengers. For these reasons, we are still at the stage of conducting studies.

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

DR MARGARET NG (in Cantonese): *President, my supplementary question is not a complicated one, rather, it is very simple. I asked the Secretary whether she was fully aware that the implementation of the co-location arrangement in Hong Kong was in contravention of the Basic Law. Will the Secretary please answer this supplementary question?*

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I have already explained that we are still at the stage of conducting studies. We think that this matter involves very complicated legal issues.

MR LAU KONG-WAH (in Cantonese): *President, the Tsuen Wan Line and Kwun Tong Line of the MTR, with an MTR station in Jordan, are located near the XRL terminus. However, the present planning does not include the construction of a subway to connect the XRL terminus with the Jordan Station, thus causing great inconvenience to members of the public when using them in the future. May I ask the Secretary to confirm whether or not a subway will be constructed in the future to connect the XRL terminus and the Jordan Station, so as to facilitate the public's access? If the answer is in the affirmative, will the commissioning of the subway be in tandem with that of the XRL terminus?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, in seeking funding approval from the Legislative Council on this occasion, one of the design features is to use seven footbridges and two subways as the pedestrian connection system for the entire WKD. Although Mr LAU Kong-wah's suggestion was also brought up in our discussion with the relevant District Council, it has not been included within the scope of the present design. In our view, we can continue to take this idea forward. Regarding the subway leading from Jordan Road as mentioned just now, a number of proposals have actually been made in this regard. One of the considerations is how to better connect Jordan Road and the old districts in the vicinity with the new WKD. Therefore, we will continue to study this issue from a broader perspective and we think that this is also important.

MR LAU KONG-WAH (in Cantonese): *The Secretary has not replied as to whether the commissioning of the said subway, if any, will be in tandem with that of the XRL terminus.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): At the present stage, we think that there may be some difficulty because the scope of the present funding application does not include the construction of the subway. However, from the perspective of planning and design, although the construction of the subway does not fall within the scope of the works, we will continue to take this idea forward. In our initial contact with the relevant District Council, we have heard various views, including those on ways to facilitate the flow of people to West Kowloon, in addition to the need to facilitate transport interchange. We will follow up these issues.

MISS TANYA CHAN (in Cantonese): *As highlighted in part (b) of the main reply, the latest forecast suggests that the area of works sites occupied by the XRL project will be gradually reduced from not more than 14 hectares at the end of this year (that is, in the coming month) to around 3 hectares at the end of 2014. Fourteen hectares of land accounts for over one-third of the land area in the WKCD because the entire WKCD measures 40 hectares. We wish to know exactly which part of it, particularly the waterfront area, will be occupied when the Government carries out the works because at present, many activities take place there and many members of the public also make use of it. May I ask the Secretary whether or not the Government has any long-term planning concerning how much land will be occupied, which parts of it will be occupied and how the area of land occupied will be gradually reduced?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, according to the forecast made at the present stage, as I remarked just now, we have put in place a mechanism headed by the Home Affairs Bureau, that is, a standing inter-departmental co-ordinating committee led by a senior directorate officer with the participation of representatives from the Transport and Housing Bureau, the Highways Department, the Transport Department, and so on. The committee is responsible for co-ordinating the nearby infrastructural projects, including formulating the timetables for temporary works sites. Our

goal is to ensure that the two projects, namely, the WKCD and the XRL projects, can be implemented smoothly, their respective timetables will not be upset and the synergy can be maximized. Of course, if we have a detailed timetable for the future land use, we will be more than willing to report the details to the Panel on Transport.

PRESIDENT (in Cantonese): Although Members are very concerned about this issue, since this Council has spent more than 23 minutes on this question, they will have to follow up the issue on other occasions.

PRESIDENT (in Cantonese): Second question.

Harbourfront Enhancement and Planning

2. **MR IP KWOK-HIM** (in Cantonese): *President, the authorities are now actively planning and enhancing the waterfronts of the Victoria Harbour. At the meeting of the Subcommittee on Harbourfront Planning held on the 9th of this month, the Secretary for Development advised that the Government intended to introduce public-private partnership (PPP) to develop Sites 1 and 2 at the new Central harbourfront. In this connection, will the Government inform this Council:*

- (a) *what criteria the authorities use in deciding whether to adopt a PPP approach or a government-funding approach to develop and enhance a particular waterfront site;*
- (b) *apart from Sites 1 and 2 at the new Central harbourfront, what other waterfront sites the authorities also intend to develop using the PPP approach; which waterfront sites will be developed by the Government with its own funding, as well as which government department will be responsible for the development and management of those sites; and*
- (c) *what policies the authorities have in place, on the one hand, to encourage developers to participate in the development of*

waterfront sites so as to implement the harbourfront enhancement projects and, on the other hand, not to arouse public query that the Government is transferring benefits to developers?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the development of Sites 1 and 2 at the new Central harbourfront is one of the projects under the initiative of "Conserving Central", put forward by the Chief Executive in his policy address this year. It is also our most important endeavour to beautify and create a vibrant, attractive and accessible Victoria harbourfront. With reference to overseas and local experiences, we propose to develop this waterfront site (being 2.3 hectares in size) into a mixed-use precinct for cultural, recreational and leisure uses through PPP for public enjoyment. My reply to the three-part question asked by Mr IP Kwok-him is as follows:

- (a) In considering whether to enhance the harbourfront through PPP, first and foremost, we have to consider the location and business potential of a waterfront site. Generally speaking, it is more suitable to engage the private sector to design, build and operate those waterfront sites in commercial and tourist areas than in residential areas. Moreover, unlike the quiet and passive waterfronts that mainly provide an environment for people to stroll and enjoy the scenic Victoria Harbour, a vibrant and active waterfront with entertainment, retail and dining facilities would be even more suitable to have the participation of the private sector in the design and operation of the harbourfront.

Compared with the established government practice of constructing waterfront parks or promenades by way of public works projects or minor works, and managing them by the Leisure and Cultural Services Department (LCSD), the private sector is usually more creative, efficient and flexible in terms of planning, design, financing, development, operation and facilities management. We believe that the participation of the private sector can add vibrancy to our harbourfront.

In fact, there are many overseas examples of enhancing and developing waterfront sites through PPP. In the past two years, both the Task Group on Management Model for the Harbourfront of the Harbour-front Enhancement Committee and myself have separately visited many overseas waterfront sites, including the South Bank of London, Darling Harbour of Sydney as well as the Singapore River. I agree with the Committee's view that we should select suitable waterfront sites for engaging the private sector to assist in developing and creating an ideal waterfront, for the enjoyment of both the public and tourists.

I would particularly like to point out that PPP is not only for business consortia or property developers. We also welcome non-governmental organizations and social enterprises to participate in harbourfront development.

- (b) In deciding whether a harbourfront site should be constructed and managed by the Government or through PPP, we need to adopt a flexible mindset, taking into consideration factors such as site details and public expectation on a case-by-case basis. As far as the new Central harbourfront is concerned, currently only Sites 1 and 2 are planned to be designed, built and operated by PPP.

As regards the harbourfront sites in other districts, we have planned to carry out 15 harbourfront enhancement projects in the next five years, all of which will be financed, designed, constructed and managed solely by the Government. These projects are set out at Annex.

- (c) In implementing any harbourfront enhancement projects, public interest is our primary concern. We will, in an open, fair and impartial manner, engage and select suitable partners. We will set out in detail the terms and conditions in the partnership agreement, to ensure that public interest is protected.

Annex

Harbourfront enhancement projects constructed and operated
by the Government in the next five years

	<i>Harbourfront enhancement project</i>	<i>Executive department</i>
1	Landscaped area west of Sun Yat Sen Memorial Park (SYSMP) after completion of Water Services Department (WSD)'s Western Cross Harbour water main and Harbour Area Treatment Scheme facilities	WSD, Drainage Services Department (DSD)
2	SYSMP and Swimming Pool Complex	LCSD
3	Pedestrian link between Gala Point and SYSMP	LCSD
4	Waterfront park at Sheung Wan Gala Point	DSD
5	Open Space within the Tamar Development Project	Administration Wing
6	Temporary waterfront promenade along eastern part of ex-North Point Estate site	LCSD
7	Aldrich Bay Park	LCSD
8	Kwun Tong Promenade, Stage 1	Civil Engineering and Development Department
9	Runway Park	LCSD
10	Open Space at Chi Kiang Street	LCSD
11	Beautification works of Tai Wan Shan Park (Promenade)	LCSD
12	Development of a Piazza in Tsim Sha Tsui	Tourism Commission
13	Open space at ex-Tai Kok Tsui Bus Terminus	LCSD
14	Open space at Tam Kon Shan Road, Tsing Yi	LCSD
15	Initial Development of Hung Hom Waterfront Promenade	LCSD

MR IP KWOK-HIM (in Cantonese): *It is mentioned in the Secretary's main reply that in the coming years, 15 harbourfront enhancement projects will be*

constructed and managed solely by the Government. The Subcommittee on Harbourfront Planning has recently paid visits to various harbourfront sites, notably the Western Wholesale Food Market but it seems that the Government has yet to formulate a plan for the development of this site. Many people in the local community have pointed out that the site vacated by this wholesale food market should form part of our harbourfront development. May I know whether the Development Bureau has any plan in this regard? What I mean is not a plan conceived by the Government itself but a plan based on the PPP approach. Can the Development Bureau put forward any specific plan?

SECRETARY FOR DEVELOPMENT (in Cantonese): First of all, I wish to thank the Subcommittee on Harbourfront Planning under the Panel on Development of the Legislative Council for spending one Saturday morning on joining us in inspecting a number of harbourfront projects on the two sides of the Victoria Harbour. Regarding the harbourfront building of the Western Wholesale Food Market mentioned by Mr IP, we have not yet formulated any plan for its development but we are of the view that if we are to revitalize the Western Wholesale Food Market and create a vibrant waterfront, it will be more appropriate to engage the private sector, the reason being that the site is of business potentials. It is not suitable for the Government to undertake a harbourfront project like this involving the operation of dining, entertainment and leisure facilities. However, I am afraid that the whole matter has not yet reached the stage of detailed planning. We will continue to explore the most suitable approach to the revitalization of the harbourfront site vacated by the Western Wholesale Food Market in the relevant Panel of the Legislative Council and the Central and Western District Council.

DR PRISCILLA LEUNG (in Cantonese): *I wish to ask a supplementary question on the fifteenth project set out in the Annex to the Secretary's main reply — the Initial Development of Hung Hom Waterfront Promenade. On 30 October, I presented a submission to the Town Planning Board (TPB). In this submission, I refer particularly to the comprehensive development of the Hung Hom Waterfront Promenade. At present, along the waterfront promenade, there is already a 73-storeyed private housing development called the Harbourfront Landmark, and under the latest planning, commercial buildings measuring about 75 m in height will also be erected. Regarding such*

commercial development, I made it a point to explain in my submission, and this is also local residents' view, that there is already an over-abundant supply of service apartments far exceeding market demand in the area. Therefore, if a private developer is to be vested with the task of planning, how can the Government ensure that, first, the buildings constructed by it will not run counter to the public aspiration of maintaining a continuous harbourfront promenade? Second, how can the Government ensure that the high commercial buildings constructed by the developer will not cause any further obstruction to the breezeways of the area? Such obstruction will certainly adversely affect the air quality and environment in the area. Can the Administration pause for a while and consider whether restrictions should be imposed on the development of harbourfronts by private developers?

PRESIDENT (in Cantonese): Dr LEUNG, it seems that you have asked quite a number of questions. Let me try to paraphrase your supplementary question as follows: How can the Government ensure that the private developer responsible for developing the harbourfront promenade will not violate the Government's overall development plan for the area? Secretary, please give your reply.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, there are three assurances that can address Dr LEUNG's concern about the compliance of private development with our planning for the provision of a harbourfront promenade. First, of course, there are planning guidelines. The Harbour-front Enhancement Committee has formulated a set of harbour planning guidelines which covers building heights, distance between buildings and the stepping down of building heights. This set of harbour planning guidelines will be taken into account in the land supply market or in the TPB's processing of applications from private developers for developing harbourfront sites. Second, if a site is owned by the Government and is to be auctioned in the market, the restrictions mentioned just now will also be included in the terms of sale. Third, even if the harbourfront promenade is handed over to a private developer through the process of auctioning for design and construction in accordance with planning requirements, it must still be handed back to the relevant government departments for management and operation in the future. Members all know that right now, we are proceeding with another task, that is, the task of formulating a new set of management guidelines on the provision of open space under private

development projects. In January next year, we should be able to submit the set of guidelines to the Subcommittee on Harbourfront Planning under the Panel on Development of the Legislative Council.

MR PAUL TSE (in Cantonese): *President, I believe Members must be very familiar with the colloquialism that decapitation cannot deter people from running forbidden businesses, but no one will be interested in loss-making trades. Therefore, speaking of part (c) in the main question, I must confess that I fail completely to see how any policy can encourage people to participate in development on the one hand and avoid any funnelling of benefits on the other. Of course, I am not talking about any extortionate or unreasonable profits. But still, President, may I ask whether we should distinguish between property development projects and other projects that are truly conducive to the development of the tourism industry when formulating policies? It should be noted that rather than generating any immediate and direct benefits, the tourism industry can bring forth many related benefits. May I know Besides considering the development potentials of a site or an area, does the Government have any policies in mind to provide actual assistance to those interested in investing in tourism projects to take part in harbourfront development, rather than leaving them completely alone, not bothering about whether they can survive? We understand that in many other places, such as Singapore, the Darling Harbour in Sydney and even the Thames in Britain, governments do provide very strong financial assistance. Government participation in these places is very great. May I know whether the Secretary has any similar strategy or plan in mind?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Mr Paul TSE's observation is certainly right. In fact, in recent years, we have also been making huge investments in beautifying harbourfront sites. The 15 projects set out in the Annex to my main reply, for example, are all to be funded, constructed and operated by the Government. The total investments will exceed \$1 billion. On the other hand, having studied overseas experience, we realize that it is not enough to rely solely on hardware facilities if we are to induce visitors to come. There must be the continuous support of various events, attractive dining establishments and special activities during festivals. Once we can identify a harbourfront site with such business potentials, we will invite the participation of the private sector.

Mr Paul TSE can also observe that business potentials, or what we refer to as commercial viability, are the prerequisite for attracting private-sector participation. For this reason, not many harbourfront sites can be selected for PPP, meaning that not many sites are found to have such business potentials. For the time being, only Sites 1 and 2 at the new Central harbourfront are found to be suitable. We will designate a suitable level of floor area at Sites 1 and 2 for commercial uses, so as to provide sufficient commercial opportunities to introduce PPP for the development of the new Central harbourfront.

DR RAYMOND HO (in Cantonese): *It is mentioned in part (a) of the Secretary's main reply that there are many overseas examples of developing waterfront sites through PPP. As a matter of fact, in many places in Europe and America, many development projects, large or small, are undertaken in the form of PPP. However, in this connection, Members may note that the Development Opportunities Office set up under the Development Bureau is aimed at providing private-sector organizations with one-stop services. Private-sector organizations intending to participate in development projects are especially worried about the complicated systems of government departments and their bureaucratic red-tape. May I ask the Secretary how she can convince private-sector organizations that the Development Opportunities Office is able to assist them in taking forward their desired development projects? I ask this question because we have not yet learnt of any obvious progress so far.*

SECRETARY FOR DEVELOPMENT (in Cantonese): The Development Opportunities Office, for which Dr HO has expressed concern, was established on 1 July this year. At present, we are processing around 10 development projects submitted by non-government organizations and private-sector organizations. So far, only one of these projects is about harbourfront development. Owing to the concern expressed by Mr IP in part (c) of his main question, we must be very cautious in processing such projects. That is why over the past few months, we have all the time been exploring how we can effectively assist private-sector organizations in taking forward their desired land development projects, with a view to achieving the objective of the present motion, that is, the enhancement of the harbourfront. I hope that in the first quarter next year, we can report to the Panel on Development on the work of the Development Opportunities Office, as I undertook earlier.

MR KAM NAI-WAI (in Cantonese): *It is mentioned in the Secretary's main reply that private-sector participation can make harbourfronts more vibrant, and that the social enterprises operated by non-government organizations may also take part in harbourfront development. However, the Secretary has not replied to point (b) of the main question, which asks the Government to clarify whether there are any other sites that it also wishes to develop using the PPP approach or with the participation of non-government organizations apart from Sites 1 and 2 at the new Central harbourfront. Apart from the Western Wholesale Food Market mentioned by Mr IP a moment ago, we also inspected the harbourfront outside Tai Koo Shing that morning. At that time, the Secretary also talked about similar plans. Why does the Secretary refrain from disclosing the sites for which plans have been drawn up for development using the PPP approach, so that the public can conduct discussions at an earlier time? Why has she instead given such an evasive and misleading reply, which once again reminds us of collusion between the Government and business? How many other harbourfront sites does the Government plan to develop through PPP?*

SECRETARY FOR DEVELOPMENT (in Cantonese): To begin with, I do not agree with Mr KAM Nai-wai that my reply is evasive and misleading. I believe Mr KAM Nai-wai also understands that the beautification of the Victoria Harbour should be an evolutionary process. Twice in the past few years, the Chief Executive mentioned the beautification of the harbourfront in his policy addresses, and the Task Group on Management Model for the Harbourfront set up with the assistance of the Development Bureau has been striving to explore various beautification options for the two sides of the Victoria Harbour. It is made very clear by the Chief Executive in the policy address this year that we have accepted the beautification options for 22 action areas recommended by the Harbour-front Enhancement Committee, and we have also submitted the relevant documents to the Panel on Development's Subcommittee on Harbourfront Planning chaired by Prof Patrick LAU. Therefore, we have not withheld any information.

However, in regard to the waterfront site along Hoi Yue Street in Quarry Bay, some members of the Subcommittee did give us some inspirations during the inspection that morning. According to them, there is already a long waterfront promenade in the Quarry Bay Park managed by the Leisure and Cultural Services Department, so it will be a bit of a waste if we simply lengthen

the waterfront promenade without adding any business elements that can make the place more vibrant, such as dining facilities. Members gave us some enlightenment during the interactive discussions. As a result, we have started to do some exploration and our next step is to initiate discussions in the Eastern District Council. As a matter of fact, the Eastern District Council also supports the study on the overall waterfront design for the eastern coast of Hong Kong Island currently undertaken by the Planning Department and the development pattern proposed for Hoi Yue Street will also be further explored in the study.

MR KAM NAI-WAI (in Cantonese): *President, she has not answered my supplementary question. What other harbourfront sites does the Government plan to develop using the PPP approach?*

PRESIDENT (in Cantonese): Secretary, can you inform Members of the plans concerned?

SECRETARY FOR DEVELOPMENT (in Cantonese): If we have any such plans, we will have to discuss with Members first because I am not a government official who likes to force through her views. We have already explained to Members all the details concerning the harbourfront promenades in the 22 action areas. If Members think that the PPP approach is suitable for any of these action areas, we will certainly study their views and give our responses positively. As Members are aware, there are already some private development projects at the harbourfront sites in several action areas. In such cases, successful development may be possible only with the adoption of the PPP mode.

MR CHAN KAM-LAM (in Cantonese): *President, I agree very strongly with a point made by the Secretary in the main reply. Harbourfronts are not only supposed to serve the purpose of enabling people to view the Victoria Harbour. Other elements must be added to induce tourists and members of the public to engage in various activities in harbourfront areas. Referring to the 15 harbourfront enhancement projects set out in the Annex to the main reply, may I ask whether the Government will also consider the participation of commercial organizations or non-government organizations, in addition to the*

implementation of the works by government departments? Will it also consider the idea of providing funding, so that the harbourfront promenades concerned will not only be made up of such facilities as parks and arbours but will also contain other elements that can make them more appealing?

SECRETARY FOR DEVELOPMENT (in Cantonese): These 15 projects will indeed be undertaken by government departments, but there is still some room for private-sector participation in these enhancement projects. However, I think the scale of participation will be rather small. After the Government has completed all the designs and construction works, when the projects are finalized, private-sector organizations may be invited to operate some snack shops or dining facilities similar to those found at public swimming pools. The Avenue of Stars in Tsim Sha Tsui is an example. Although this harbourfront promenade is managed by the Leisure and Cultural Services Department, private operators are permitted to run snack shops and dining facilities there on a contract basis to support the operation of the Avenue. Whenever we can identify any room for this, we will certainly conduct active studies.

PRESIDENT (in Cantonese): Third question.

Retirement Protection

3. **MR IP WAI-MING** (in Cantonese): *President, it has been reported that in order to enhance retirement protection for the public, the Government of Macao has recently launched an initiative of opening personal accounts under a centralized savings system for eligible permanent residents of Macao aged 22 or above and will annually inject part of its fiscal surplus into these accounts, but the residents cannot withdraw the deposits until they reach the age of 65, so as to further cater for their retirement needs. Regarding Hong Kong's retirement protection system, will the Government inform this Council:*

- (a) *whether it plans to follow the initiative of Macao and open a retirement protection account for each adult permanent resident of Hong Kong, as well as inject funds into these accounts when there is a fiscal surplus, to the effect that retirement protection will be*

available to all Hong Kong people; if so, of the details, if not, the reasons for that;

- (b) given that members of the public have relayed to me that as the existing mandatory provident fund (MPF) system needs to rely on long-term accumulation of retirement savings and prudent investment of these savings by MPF trustees, it fails to provide instant and long-term assistance for low-income persons, full-time housewives, the unemployed and the elderly, whether the Government will further review the MPF system to strengthen its function of retirement protection and consider injecting funds into MPF accounts during years with fiscal surpluses, thus perfecting the MPF system and enhancing retirement protection for the public; if it will, of the details; if not, the reasons for that; and*
- (c) given that Hong Kong's population is ageing rapidly and the people's needs for a sound retirement protection system are growing, whether the Government plans to conduct further public consultation on the existing retirement protection system and make improvements to the system so as to more comprehensively cater for the retirement needs of the public; if so, of the details; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, improving the quality of life of the elderly so as to provide them with a sense of security, a sense of belonging and a feeling of health and worthiness has always been the Government's policy objective. The Mandatory Provident Fund Schemes Ordinance (the Ordinance) was passed by the legislature in 1995, and has taken effect since the end of 2000. Together with the non-contributory social security system (including the Comprehensive Social Security Assistance Scheme, and the Social Security Allowance Scheme which comprises the Old Age Allowance and Disability Allowance) and voluntary private savings, Hong Kong has since adopted the three-pillar model for retirement protection.

Of the three pillars, the social security system can target welfare resources to those most in need, including the elderly, to help them meet basic and special needs. In fact, nearly 80% of elders aged 65 or above are at present receiving assistance or allowance of different types under the social security system.

The MPF System assists the employed population in accumulating retirement savings through contributions by both employers and employees, so as to enhance retirement protection for the employed population in Hong Kong. As at the end of June 2009, more than 2 400 000 employees and self-employed persons as well as 230 000 employers were participating in MPF schemes, and the total value of assets accumulated under the MPF System exceeded \$259 billion.

The Government and the Mandatory Provident Fund Schemes Authority (MPFA) have been reviewing and optimizing the arrangements in various areas under the existing system from time to time in the light of the experience gained from actual operation and the latest market development. Altogether seven bills have been enacted by the Legislative Council so far to amend the MPF legislation so as to improve the operation of the system and better fulfil the objective of enhancing retirement protection for the employed population. These include the legislative amendments made in 2008 to significantly raise the penalty for default contributions.

As to whether the Government should inject funds into MPF accounts when having fiscal surplus, the Legislative Council discussed the issue when it scrutinized the Mandatory Provident Fund Schemes (Amendment) Ordinance 2008 in July 2008. At that time, we had already explained clearly that the Financial Secretary would formulate appropriate fiscal measures each year in the light of factors such as the financial position of the year, the needs of the citizens, social and economic developments, as well as the views of the community. The flexibility of deploying resources by the Government and the Financial Secretary would be greatly hampered if there was a strict requirement for the Government to inject funds into MPF accounts during years with fiscal surplus. We therefore consider this proposal not feasible.

In fact, retirement protection systems in different places around the world are closely related to factors such as the local socio-economic environment, population structure and tax policy, as well as the development of the local financial market. The systems adopted in other places may not be completely suitable for Hong Kong. The three-pillar model for retirement protection being implemented in Hong Kong was adopted in the 1990's after lengthy discussion by different sectors of the community. The Government is currently studying the sustainability of the three pillars, and we will consider the findings of the study and other pertinent factors before deciding on the future course of action. The

important factors to be considered will include safeguarding traditional family values, maintaining our overall economic competitiveness and simple tax system, and ensuring the sustainable development of the existing social security system, and so on.

MR IP WAI-MING (in Cantonese): *President, the main reply given by the Secretary only reiterates the past issues relating to the MPF but has evaded the criticisms made by us that the MPF cannot offer any retirement protection to Hong Kong people or solve the problem of providing retirement protection for existing elderly people. We suggested that centralized accounts be opened but the idea was rejected by the Government. We demanded that the law should specify that funds be injected into the public's accounts when there is a fiscal surplus but the Government rejected the idea too. The Financial Secretary is now also in attendance and he is only concerned with holding his purse-strings tight.*

May I ask why in Macao, which is separated just by a stretch of water — in fact, both Macao and Hong Kong are Special Administrative Regions — the Government is capable of doing so? Is it because on the issue of retirement protection, the Hong Kong Government is not playing any role at all or it is barred by the law from doing so, or is it because the Government has no intention to provide universal retirement protection at all?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I have explained very clearly in the main reply that we adopt the so-called three-pillar model for retirement protection as proposed by the World Bank. Basically, this involves first, the use of the MPF system whereby employees make contributions and the Government is tasked with providing the required environment and mechanism; second, for elderly people in need, we have put in place a social security system consisting of the Comprehensive Social Security Assistance (CSSA) Scheme, the Old Age Allowance (OAA) and the Disability Allowance (DA) Scheme. The amount of funds involved is quite substantial. Members may look at the following figures: There are as many as 160 000 elderly people on CSSA, another 480 000 elderly people aged 65 or above are on OAA and there are some 60 000 people on DA. (Appendix 1) The numbers are quite large. Third, individuals should also be encouraged to make their own savings on a voluntary basis. These three pillars are advocated by the World

Bank and it is also accepted by the Hong Kong Government, so we have a very clear policy in this respect.

Having said that, we know that the speed of population ageing in Hong Kong is very fast. We all know that at present, in every eight persons, there is one over the age of 65. When 2033 comes, one out of every four persons will be of that age. We also know where the problem lies and that some full-scale planning must be undertaken. Studies are being made by the Central Policy Unit in the Government. I have explained in the main reply that we hope to study the sustainability of the three pillars and see what role the Government should play when taking this approach, as well as the overall impact on the economic conditions of our society. We must carry out a full-scale assessment on that. We attach great importance to this issue and it is not true that we care nothing about it.

MR TAM YIU-CHUNG (in Cantonese): *President, recently, some elderly people relayed their strong opinion to me that under the existing welfare system, those who are on OAA are not entitled to receiving DA and they must choose between the two. Some elderly people who receive DA are not eligible for OAA. May I ask the Government if it can consider revising the amount of payment received by elderly people eligible for DA upwards or allow elderly people to receive both allowances on account of their advanced years?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): I am grateful to Mr TAM for his supplementary question. With respect to OAA, as we know, we have increased the payment amount to \$1,000 at the beginning of this year and this applies to people who are aged 65 or even 70. They can all get this amount and this is already a great improvement.

Under government policy, the social security system comprises of CSSA, OAA and DA and these three are independent. We will not permit anyone to receive one allowance after another. This is not justified because the money involved is, after all, public resources. Also, Members should know that if elderly people are in financial difficulty, they can certainly apply for CSSA for the elderly. As a matter of fact, there are presently 160 000 people (Appendix 2)

aged 65 or above who receive CSSA to the amount of more than \$4,000 a month on average.

MR CHAN KIN-POR (in Cantonese): *The Secretary mentions in the main reply that the Government is currently studying the sustainability of the three-pillar model for retirement protection before deciding on the future course of action. In fact, many civil groups have conducted a large number of studies on universal retirement protection and these studies also include proposals. May I ask the Secretary whether or not he would meet these groups to learn more about their proposals before considering the issue comprehensively?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Thank you, Mr CHAN, for your supplementary question. In fact, for some time in the past, I had two meetings with the Coalition for Universal Retirement Protection. We have established communication and listened to each other's different opinions.

On one hand, as I said in the main reply, the Central Policy Unit is currently undertaking some studies. On the other hand, we also pay great attention to the voices in society. This is done in the hope of collecting diverse views on the subject. But we must wait until the Central Policy Unit has released its report and see what recommendations it makes before we can take follow-up action and examine what preparation should be made and what the future course of action should be.

MS LI FUNG-YING (in Cantonese): *We all know very well that the three pillars mentioned by the Secretary are all rotten, that is, they cannot really offer any protection to members of the public in retirement. Take the MPF as an example, under the Employment Ordinance, it can be offset by severance pay and long service payments. Given the current economic conditions, if an employee switches jobs a number of times, by the time he retires, there would not be much money left in his MPF account after all the deductions. In view of this, I cannot see why the Secretary still holds onto these three pillars obstinately. Mr IP Wai-ming asked the Secretary if he would carry out public consultation on such*

an imperfect retirement protection system and make improvements. May I ask the Secretary once more if he will do it?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Thank you, Ms LI, for raising the question. I have said very clearly that these three pillars are part of our basic infrastructure, they are in line with the model advocated by the World Bank and they have been proven. However, we understand that we have to face the problem of population ageing and precisely for this reason, the Government is conducting internal studies. We would be glad to listen to views from the public in the hope of collecting more views for consideration. But everything has to wait until the Central Policy Unit has released its report and we have made reference to or considered its recommendations and decided on a future course of action. Our aim is to enhance the relevant mechanism and ensure sustainability in both the social security system and the MPF system. This is our focus.

MRS REGINA IP (in Cantonese): *President, I wonder if the Government is aware of an article written by Mr Tony LATTEER, the former Deputy Chief Executive of the Hong Kong Monetary Authority, and published in the South China Morning Post, which says that the MPF system, launched around the reunification and in haste, was "too little, too late". That is to say, the system was launched too late and government commitment was too little. Another problem which is a subject of much criticism is that fund management companies make too great an amount of profits out of the system while their performance is only mediocre. In view of this, I hope that the Government can respond to the question of whether or not it will consider adopting other methods to invest this kind of savings. The Government of Singapore, for example, has a better framework than ours. They have a monetary authority and the Temasek to make investments directly on a global scale, and there is also the Government Investment Corporation (GIC), which is also responsible for investment and pursuing higher returns. Will the Government consider undertaking this kind of long-term investment reform?*

PRESIDENT (in Cantonese): Which Secretary would like to give a reply? Secretary for Financial Services and the Treasury, please reply.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Thank you, Mrs Regina IP, for raising this question. As for questions like the return of MPF investments and fees, over the past few years and recently, we have made many improvements, including the introduction of more competition, that is, to lower the fees charged through market competition and also by giving employees more options, such as introducing so-called "semi-DIY tours" to enable them to invest freely using their accrued benefits. I believe this will serve to enhance employees' control over investment choices and returns. To cite the example given by the Member just now, that is, the Temasek or the GIC of Singapore, as far as I know, they make investments using mainly government resources. With respect to our current MPF system, the investment choices should rest in the hands of the investors themselves. This is because each investor can bear different levels of risks and their needs are different. I would think that when more options are available as a result of market competition, arrangements offering better returns to investors should be available.

MR WONG SING-CHI (in Cantonese): *President, earlier on, many Members have asked the Secretary about implementing universal retirement protection or retirement protection for the elderly and the Secretary has been putting up the excuse that the Central Policy Unit is currently conducting some studies on the subject. May I ask the Secretary when the studies will be conducted by the Central Policy Unit and whether he will hold meetings afterwards with organizations which have been studying the subject of implementing universal retirement protection for a long time, so as to work out how universal retirement protection is to be put into practice?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Thank you, Mr WONG. I have said in my main reply that the Government is very much concerned about this issue and the Central Policy Unit has all along been working on it and the work has never stopped. Complicated issues are involved and as Members know, a lot of data are involved and some models will have to be designed to make projections. On top of these, much work has to be done in practice and scholars will also input their views. Therefore, after the Central Policy Unit has completed the compilation of such data and after it has made its recommendations to us, we will analyse them carefully. I can give a clear

assurance that in such a process, we will keep in touch with the civil organizations — just now, when I gave a reply to Mr CHAN Kin-por, I also mentioned that I had discussed the issue with the Coalition in detail on two occasions. We have also established communication with each other and we remain open when listening to the views expressed on this subject.

MR CHEUNG KWOK-CHE (in Cantonese): *I believe all of us are very concerned about the problem of retirement and part (b) of the main question mentions that the elderly and the housewives do not get any protection. What I want to ask is: Universal retirement protection has been discussed in the community more than a decade and likewise is the issue of tripartite contributions, so why does the Government not consider the universal retirement protection schemes proposed by the public?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I wish to thank Mr CHEUNG for raising this question. As a matter of fact, if we talk about universal retirement protection, as early as in 1994, if Members still recall it, the Government published a consultation paper on universal retirement protection scheme. It was unfortunate that precisely because the concept involved was very similar to a universal retirement protection scheme, the views expressed were in great divergence and despite extensive discussions, a consensus could not be reached either in the former Legislative Council or in the community. At that time, the mainstream view was that we should go in the direction of MPF, so such a system was set up. The law on it was passed in 1995 and in 2000, the current MPF system came into existence. As Members know, the issue has been discussed before but as I have just said, we are taking an open stand with respect to the different views put up in the community and we will collate such views with the findings of the Central Policy Unit before a full-scale and comprehensive approach is adopted to study the subject.

MR WONG KWOK-HING (in Cantonese): *President, when the Government of the Macao SAR announced that one third of the current fiscal surplus would be injected into the centralized savings accounts of the permanent residents of Macao, many workers and citizens in Hong Kong said to me that it was better to*

be a citizen of Macao than a citizen of Hong Kong and that they would emigrate to Macao if they got the chance. Therefore, may I ask the Government whether it would study the features and characteristics of the accounts of the centralized saving system of Macao and compare these with the rotten three pillars of Hong Kong in terms of their strengths and weaknesses, then report the findings to the Legislative Council? Edmund HO has done this good deed before he leaves his office and people would all miss him. I hope very much that the SAR Government of this term can also do something good, so that Hong Kong people can take this as a token of remembrance. Would the Secretary consider doing that?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I would like to thank Mr WONG for his views and the question asked. Often, we would make reference to the experience in other places in our governance. But since each place has its own characteristics, not all the experience in other places can be applied to Hong Kong. However, we would certainly try to find out the advantages and disadvantages of the system used in Macao and what we can borrow from it. We will certainly do that in the course of our future study.

PRESIDENT (in Cantonese): We have spent more than 20 minutes on this question. Now the fourth question.

Regulation of Sale of Medicines on Internet

4. **DR JOSEPH LEE** (in Cantonese): *President, it has been reported that recently a spate of incidents of members of the public purchasing questionable medicines on the Internet have occurred, and some members of the public even developed abnormal mental conditions such as emotional disturbance (情緒紊亂) (the Member pronounced "紊" as "mɛn5" in Cantonese) — insofar as the pronunciation of this character is concerned, I must have mispronounced it, President — hallucination and suicidal thoughts after taking slimming medication purchased through auction websites. These medicines were found by laboratory tests to contain western medicine ingredients. In this connection, will the Government inform this Council:*

- (a) *of the number of complaint cases received by the Department of Health (DH) in each of the past five years about the adverse reactions members of the public had after taking slimming products, health food and medicines purchased on the Internet; whether it had instituted prosecutions in respect of such complaints; if it had, of the number of prosecutions and details of the penalties; if not, the reasons for that;*
- (b) *whether it has new measures in place to monitor the sale of slimming products, health food and medicines on the Internet; if it has, of the details; if not, the reasons for that; and*
- (c) *given that the sale of slimming products, health food and medicines on the Internet is increasingly prevalent, whether the Government will reconsider amending the relevant legislation and increasing the penalties, so as to plug the loopholes and safeguard public health; if it will, of the details; if not, the reasons for that?*

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

- (a) The number of cases received by the DH in each of the past five years about members of the public having adverse reactions after taking slimming products, health food and medicines purchased on the Internet is as follows: There were three cases in 2005, six in 2006, three in 2007, eight in 2008, and 11 as at end of October 2009.

In the past five years, the number of prosecutions instituted in connection with the sale of medicines on the Internet is as follows: Prosecution was instituted in one case in 2005, five cases in 2006, four cases in 2007, three cases in 2008, and 11 cases as at end of October 2009. We can certainly see that different levels of penalties were imposed, the details of which are set out in the main reply.

- (b) At present, the DH has been monitoring the sale (including auction sale) of slimming products, health food and medicine on local websites. If any product on sale is found to be in violation of the Pharmacy and Poisons Ordinance, the person who puts the product

up for sale will be prosecuted. In addition, persons-in-charge of the websites will also be required to delete information about the product from their websites.

To strengthen public education and enhance community awareness, the DH has also advised persons-in-charge of the websites that they should post messages at the relevant position on their webpages to remind both buyers and sellers that sale or possession of unregistered pharmaceutical products or prescription drugs is prohibited. To step up prosecution against offenders, the DH has conducted targeted actions in collaboration with the Commercial Crime Bureau of the Hong Kong Police Force. If any sale of unregistered pharmaceutical products or prescription drugs is detected, the DH will take a joint operation with the police to arrest and prosecute the seller concerned.

- (c) The sale of pharmaceutical products on the Internet is also subject to regulation under the laws of Hong Kong as detailed below:

Under the Pharmacy and Poisons Ordinance (Cap. 138), the sale of unregistered pharmaceutical products is an offence. In addition, it is also an offence if a pharmaceutical product classified as a poison under the Pharmacy and Poisons Ordinance is not sold with a proper licence or under the supervision of a registered pharmacist, or if a pharmaceutical product which is a poison requiring prescription for its sale is not sold under the supervision of a registered pharmacist or with a prescription by a medical practitioner. Any person in violation of the above requirements (including the sale of these pharmaceutical products on the Internet) is liable to a fine of HK\$100,000 and imprisonment for two years upon conviction.

Under the Antibiotics Ordinance (Cap. 137), antibiotics must be sold in pharmacies under the supervision of a registered pharmacist with a prescription by a medical practitioner. Any person in violation of this requirement is liable to a fine of HK\$30,000 and imprisonment for one year upon conviction.

Under the Dangerous Drugs Ordinance (Cap. 134), dangerous drugs must be sold in pharmacies under the supervision of a registered

pharmacist with the support of a prescription by a medical practitioner. Any person in violation of this requirement is liable to a fine of HK\$5 million and life imprisonment upon conviction.

Under the Import and Export Ordinance (Cap. 60), any person who imports a pharmaceutical product from any place outside Hong Kong (including offshore websites) must first obtain an import licence from the DH. Any person in violation of this requirement is liable to a fine of HK\$500,000 and imprisonment for two years upon conviction.

To protect members of the public from being induced by undesirable medical advertisements to seek improper self-treatment which may cause damage to their health as a result of improper medication or delay in seeking treatment from health care practitioners, the Undesirable Medical Advertisements Ordinance (UMAO) (Cap. 231) prohibits any person from publishing, or causing to be published, any advertisement likely to lead to the use of any medicine, surgical appliance or treatment for the purpose of preventing or treating certain diseases or bodily conditions as specified in Schedules 1 and 2 to the Ordinance. Such advertisement includes, among others, those posted on the Internet. The DH will conduct regular checks on the market (including the Internet) and take follow-up action in accordance with the law if any suspected violation of the UMAO is found.

Targeting at the sale of slimming products, health food and medicines on the Internet, the DH has stepped up public education and its control and enforcement actions as well as conducting special operations in conjunction with the police in an effort to combat illegal trading of these products on the Internet. The DH will continue to monitor the situation and review the relevant measures.

DR JOSEPH LEE (in Cantonese): *President, part (b) of my main question actually asks the Government whether it has new measures in place to monitor those slimming products and health food, while part (c) asks the Government whether it will reconsider amending the relevant legislation. However, in parts (b) and (c) of its main reply, the Government only states, particularly in part (c),*

some regular practices and the existing regulatory legislation, without telling us whether or not new legislation will be enacted, and the ordinances concerned are intended to monitor medicines only. My main question is about slimming products and health food but the Secretary did not address this issue in his reply. I would like to ask the Government this: Given the wide variety of slimming products and health food being put up for sale on the Internet, especially on overseas websites, will the Government introduce new measures or does it consider it unnecessary to introduce new measures for monitoring purposes?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): In response to Dr LEE's question, part (a) of the reply deals with whether or not these so-called slimming products contain medicine and if they do contain western medicine, they are certainly subject to regulation under Cap. 138 of the laws of Hong Kong. For instance, vitamins containing western medicine are regulated by this Ordinance. If these slimming products are proprietary Chinese medicines, they are regulated by the Chinese Medicine Ordinance (Cap. 549), whereas other types of health food, including food containing no western medicine or Chinese medicine, are regulated by the Public Health and Municipal Services Ordinance (Cap. 132). So, the laws are very clear.

Regarding measures for controlling their sale on the Internet, we can see that the DH actually exercises monitoring in a number of ways. Apart from receiving complaints, our colleagues also conduct checks on the websites against the sale of illegal pharmaceutical products, as I said in the main reply earlier. Lastly, we will continue to launch operations jointly with the police, in order to step up actions against these illegal practices.

MR ANDREW CHENG (in Cantonese): *President, my supplementary question is intended to follow up the second paragraph of part (b) of the main reply. But President, since you have started the practice of correcting wrong words, let me begin by saying that I hope the Government will, or the President will order the Government to stop using wrong characters. In the Chinese version of the main reply, in the second line of the second paragraph of part (b), there is the phrase "以提醒買賣相方不得銷售" (to remind both buyers and sellers that sale is prohibited), and the Chinese character "相" is obviously wrong. This is something that should not have happened.*

President, my supplementary question seeks to draw the attention of the Secretary or the Under Secretary to the fact that there is no legislation to follow up this issue and in view of this, I would like to ask the Government whether it will amend the relevant legislation to at least require the persons-in-charge of the websites — not just advising them to post warning messages under the existing legislation but enacting legislation to make it a mandatory requirement for them to post warning messages to tell both buyers and sellers that sale or possession of unregistered pharmaceutical products is prohibited. This is the first point. Second, will hyperlinks be provided on those websites, so that members of the public can immediately be connected to the relevant websites of the DH to check whether or not the medicine or slimming products that they intend to buy are registered?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Mr CHENG for his supplementary question. Insofar as legislation is concerned, as I said very clearly in the main reply and in response to Dr LEE's supplementary question earlier, we do have legislation in place. Chinese medicines, western medicines and other health foods not containing any medicine are all regulated by the relevant legislation. As for medicines purchased from overseas websites or imported from places outside Hong Kong, prior application must be made to the Director of Health or else, it would constitute a breach of the laws of Hong Kong. Concerning Mr CHENG's supplementary question about whether we have websites for the public to check whether the medicines that they intend to buy on the Internet are registered in Hong Kong, whether they are in breach of the law or whether they are legal, I think it is rather difficult to draw up such a list. President, as you know, new websites are rapidly emerging one after another on the Internet, and there are various types of new products every day. As to whether the ingredients of each and every product are clearly stated, I think it may not be possible to grasp all such information. Having said that, apart from receiving complaints, we will actively follow them up and we also conduct covert operations. That is, we conduct surprise checks by purchasing some of these pharmaceutical products, then conduct tests on them to see if they contain any western or Chinese medicine. In this respect, we will continuously step up regulation and operations.

PRESIDENT (in Cantonese): Which part of your supplementary question has not been answered?

MR ANDREW CHENG (in Cantonese): *He has not answered the part on enacting legislation to make it a mandatory requirement to post warning messages.*

PRESIDENT (in Cantonese): Secretary, please give an answer with respect to enacting legislation to require the posting of warning messages.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as I have already said in the main replay, in order to strengthen public education and enhance community awareness, the DH has advised the persons-in-charge of the websites that they should post warning messages to remind both buyers and sellers that sale or possession of unregistered pharmaceutical products or prescription drugs is prohibited.

PRESIDENT (in Cantonese): Mr CHENG was asking you if, apart from advising them to do so, legislation can also be enacted to make it a statutory requirement?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Enacting legislation for this purpose would certainly be more effective, but I must point out that local laws are applicable only to websites registered in Hong Kong. As for websites outside Hong Kong, local laws are certainly in no position to impose regulation or control on them.

MR CHAN HAK-KAN (in Cantonese): *President, to combat copyright infringing activities, piracy, publication of obscene articles and even prostitution on the Internet, the Government has proactively taken actions against them, such as conducting checks, instituting prosecutions and even launching operations to clamp down on them. However, with regard to the sale of dubious pharmaceutical products on the Internet, the Government said earlier that the DH would play a monitoring role. In this connection, I would like to ask the Government whether it will proactively take actions against this situation? How*

many people are responsible for carrying out this area of work and how many times have actions been taken?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): The DH is responsible for monitoring the sale of these products on the Internet. Its work includes firstly, conducting weekly checks on the Internet, and secondly, purchasing these products from the sellers on the Internet for conducting laboratory tests. On the first point that I have just mentioned, the DH conducts checks on local auction websites on a weekly basis, making reference to the list of controlled drugs. If problem products are found to be on sale on the Internet, the managers of the relevant websites will be notified and required to delete the information on the problem products from their websites, while the DH will continuously update the list of monitored drugs. On the second point that I have just mentioned, that is, buying these products from sellers on the Internet for conducting laboratory tests, the DH will take the initiative to contact the sellers and buy health products from them for conducting laboratory tests. This is what I referred to as "covert operations" just now when answering Mr CHENG's question. If the products are found to be containing controlled western medicine, we will take actions jointly with the police, while the DH will publish the information on the problem medicine to protect the health of the public in Hong Kong.

DR LEUNG KA-LAU (in Cantonese): *President, I would like to ask the Secretary this: Part (c) of the main reply mentions many ordinances but from the figures provided in part (a), actual enforcement actions have been taken only in a very small number of cases. Besides, in respect of the fines and penalties imposed, it is often the case that only a written warning was issued or a fine of \$10,000 or a few thousand dollars was imposed, which falls far short of a fine of \$100,000 to \$5 million as stipulated in law. What is the reason for this?*

I still receive a lot of e-mails promoting the sale of "Viagra" every day, (Laughter) and I wonder if the Secretary has received any such e-mail, and if he has, will he ask the DH to follow this up? I receive these e-mails not for three times a year, but three or four times a day. Will the Secretary proactively take follow-up actions?

PRESIDENT (in Cantonese): Dr LEUNG, you seem to have asked more than one question.

MR LEUNG KA-LAU (in Cantonese): *Yes. My supplementary question is: Why have the enforcement actions taken been so weak?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I thank Dr LEUNG for his question. First of all, I must clarify that I seldom receive e-mails promoting medicines for invigorating the sexual potency of males, but if I have received these e-mails, I will certainly refer them to the DH for follow-up actions. If Dr LEUNG often receives these e-mails, he is welcome to lodge a report to us, so that we can call the DH for follow-up actions. On the question of penalties raised by Dr LEUNG, certainly, the Court will, after concluding the hearing of a case, determine the penalties or punishment according to the merits of a case. I believe that we, being the health authorities, will certainly do all we can in providing evidence and we will also explain to the Court the seriousness of a case and which law has been breached.

As for the number of prosecutions, I stated very clearly in the main reply the number of cases in which a written warning had been issued to the seller on the advice of the Department of Justice, the number of cases referred to the Court and the details of the fines and penalties imposed, which, I think, are related to the number of complaints stated in part (a) of the main reply. However, insofar as law enforcement is concerned, I trust that the DH absolutely will not condone these illegal practices and it will proactively take actions to conduct checks on a weekly basis, as I said when answering Mr CHAN's supplementary question earlier. In the event of any irregularity being identified, we will proactively follow up the case and look into whether or not they have done what we would like them to do and what we have ordered them to do.

Lastly, it is our most important duty to provide accurate information to members of the public in Hong Kong to make them understand that they have to be smart shoppers, and to ensure that all western and Chinese medicines will be obtained only with a doctor's prescription.

DR LEUNG KA-LAU (in Cantonese): *Why is it that a case was closed after issuing a warning to the seller on the advice of the Department of Justice, with the Court playing no role at all? If a warning had to be issued, it means that what had been done was wrong. In that case, why was the case closed after just issuing a warning?*

PRESIDENT (in Cantonese): Dr LEUNG, I think it is inappropriate for you to question the handling of individual cases.

DR JOSEPH LEE (in Cantonese): *I thank you, President, for allowing me to ask the last supplementary question. I would also like to follow up the pharmaceutical products mentioned by the Secretary just now. In fact, my prime concern is not pharmaceutical products but health food and slimming products. My supplementary question is: The Secretary mentioned just now the need to enable the public to make informed choices. Will the Secretary consider adopting measures to require both local and overseas websites to list the ingredients and origins of these products when they are put up for sale to ensure that members of the public are well-informed? Because the Secretary also said earlier that not even the Government could always obtain information on the ingredients of the products put up for sale on the Internet. Such being the case, will the Secretary consider enacting legislation or taking other administrative measures to require these websites to list the ingredients of the products clearly?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): I think the biggest problem now is that, as Dr LEE should know very well, some health foods have claimed to be not containing Chinese or western medicine, and this, I think, poses the greatest threat to public health. So, what is most important now is not to set out the medicinal ingredients but to deal with health foods which claim to be not containing Chinese or western medicine. Targeting these food products, we will, as I said in reply to Mr CHAN's supplementary question earlier, proactively conduct checks. Apart from covert operations, we will conduct tests together with colleagues of the laboratory to ascertain whether or not these products really do not contain Chinese or western medicine, because this will very likely have adverse effects on public health.

PRESIDENT (in Cantonese): Fifth question.

Safety of Franchised Buses

5. **MR ANDREW CHENG** (in Cantonese): *President, on 9 November this year, a serious traffic accident involving a cross-harbour bus occurred in Tseung Kwan O, and as at the 18th of this month, the accident had already resulted in two deaths and over 30 injuries. It was reported that the bus driver concerned was suspected of speeding, which caused the accident. Regarding the safety of franchised buses, will the Government inform this Council:*

- (a) *whether it knows the details of the current systems adopted by the various franchised bus companies to test the driving skills and behaviour of their bus drivers, and whether they include regular inspections; if so, of the number of inspections carried out by the various franchised bus companies in each of the past three years, and the number of cases in which bus drivers were found to have breached the relevant safe driving requirements (for example, speeding and failing to comply with traffic signals, and so on) during the inspections; whether the Transport Department (TD) regularly carries out surprise inspections of the driving skills and behaviour of bus drivers; if so, of the number of inspections carried out in each of the past three years, and the outcome of the inspections; if not, the reasons for that;*
- (b) *given that press reports have pointed out that the bus driver concerned was driving the bus involved in the accident as a relief driver at that time, and franchised bus companies also adopt such a means from time to time to save expenditure on drivers' overtime pay, whether it has looked into the prevalence of the aforesaid situation and its impact on the rest time of bus drivers and road safety; if so, of the details; if not, the reasons for that; and whether it will consider amending the "Guidelines on Working Schedule for Franchised Bus Drivers" (Guidelines), so as to further improve bus drivers' rest time; and*
- (c) *whether it will reconsider requiring seat belts be retrofitted to all seats of franchised buses by amending the law or when signing the*

franchise agreements with franchised bus companies in the future, so as to safeguard passenger safety; if so, of the details; if not, the reasons for that?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese):
President,

- (a) Franchised bus companies are required to provide safe, proper and efficient bus services. They arrange various training programmes for their bus captains, including the training courses for new recruits, enhancement/refresher training for serving bus captains and special/remedial training, so as to ensure that their bus captains are capable of providing safe and reliable services. The bus companies have also established a mechanism to monitor the driving skills and behaviour of their bus captains, and have put in place relevant incentive and penalty schemes.

Franchised bus companies reward their bus captains with bonus for commendable driving skills and service performance. In the past three years, bus captains eligible for the safe driving bonus each month account for 98% or above in the Kowloon Motor Bus Company (1933) Limited (KMB), the Citybus Limited (CTB), the New World First Bus Services Limited (NWFB), the Long Win Bus Company Limited (LW) and the New Lantao Bus Company (1973) Limited (NLB). As regards bus captains who are unable to meet the requirements of the bus companies, they will not receive the safe driving bonus. They will also receive additional training and coaching from the bus companies. If necessary, the bus companies may impose other penalties.

As regards the monitoring system, franchised bus companies deploy plainclothes inspectors who possess the qualification of driving instructors to ride on buses as passengers to assess the driving skills and service performance of the bus captains. Bus captains being monitored fall into two categories: those who are involved in passengers' complaints or traffic accidents, and those who are randomly selected by the inspectors for different time slots and routes. In parallel, the major bus companies deploy inspectors to

traffic accident black spots or locations prone to speeding to check by using laser guns if their buses exceed the speed limits.

In the three years from 2006 to 2008, an average of about 62 500 on-board inspections were carried out by the KMB per year, 4 000 by the CTB, 4 000 by the NWFB, 450 by the LW and 150 by the NLB. During the same period, around 700 speed checks using laser guns were conducted by the KMB, 1 900 by the CTB, 900 by the NWFB, 200 by the LW and 24 by the NLB. The bus captains in 97% of such inspections and checks of the KMB, 98% of the CTB, 97% of the NWFB, 97% of the LW and 98% of the NLB were found to possess satisfactory driving skills and service performance without committing speeding.

In view of public concerns about bus service safety, I, as Secretary for Transport and Housing, have met with major bus companies and reiterated the importance of safe driving as well as requested them to take some immediate actions. The bus companies have committed to strictly implement their internal monitoring systems to assess bus captains' safe driving skills and service performance, and to enhance awareness of such a system. Major bus companies have strengthened the manpower in their inspections carried out by plainclothes inspectors and their speed checks using laser guns, in particular for the night-time shifts and routes involving higher speed sections. In monitoring night-time shifts, the KMB has increased its inspection from about 100 buses on average per month to 400-500 buses per month. The CTB and the NWFB also stepped up their inspection from 40 buses per month for each company to 250-300 buses per month for each company. In parallel, the bus companies have undertaken to equip newly purchased buses with the operation data recording device commonly known as "black box". They will also continue the retrofitting of the black box on in-service buses. The installation aims to monitor the driving behaviour of the bus captains, including speeding.

To help bus captains who have underperformed in terms of driving skills and behaviour or violated the traffic legislations, each franchised bus company has respectively put in place a mechanism to initiate follow-up actions, such as arranging special/remedial

training or instructions for bus captains with improper driving behaviour. Bus companies may, as the circumstances require, impose on these bus captains different levels of penalties ranging from warning, wage deduction, suspension and termination of duty, and so on. Like all other motorists, bus captains driving on the road are subject to the regulation of the Road Traffic Ordinance and the Road Traffic (Driving-offence Points) Ordinance. Offenders will be prosecuted by the Police and penalized by the Court. The penalties include fine, incurring of driving-offence points and licence suspension.

The TD monitors bus operation safety by analysing various data in the operation reports, including statistics, categories and causes of accidents, submitted regularly by the bus companies, as well as complaints and feedback from passengers. Upon receipt of complaints on alleged violation of traffic legislations by the bus captains or their improper service attitudes, the TD will follow up and investigate the cases immediately with the bus companies concerned and require them to take appropriate improvement measures. Separately, the TD, in conjunction with the police, conducts quarterly review with the management of the bus companies on bus operation safety. A number of workshops are also held annually in which safe driving skills and behaviour are explained to the bus captains by the police with a view to promoting safety in bus operation.

- (b) Regarding the accident occurred in Tseung Kwan O on 9 November 2009, the KMB bus captain of route N293 (Mong Kok East Station-Sheung Tak) concerned was a "scheduled replacement captain".

The first trip of KMB route N293 sets off at 11:55 pm from Sheung Tak every day and the last trip at 5:30 am from Mong Kok East Station and Sheung Tak. The bus captains serving this route work for about five to six hours per shift. Owing to relatively short service hours of N293, some bus captains serving this route are assigned to serve both route N293 and another specified route in the same shift. Besides, all bus captains are entitled to take annual leave and causal leave. When their bus captains take leave or are

absent from duty, the bus companies will arrange "scheduled replacement captains" to provide bus services.

Buses serve passengers every day. In order to enable their bus captains to take leave or rest and to maintain bus services, all franchised bus companies adopt the "scheduled replacement captain" arrangement. This is an operational arrangement to facilitate manpower deployment, and is not directly related to the basic salary or overtime pay of individual bus captains. "Scheduled replacement captains" have all received training in relation to the routes they are assigned to serve. They will not be arranged to serve unfamiliar routes.

To ensure sufficient rest time for the bus captains, the TD has formulated for franchised bus companies the Guidelines. At present, all bus companies schedule the working hours of their bus captains in full compliance with the Guidelines. Should the bus companies fail to follow the guidelines, the TD will require explanation from the bus companies concerned and remind them of the requirement of full compliance. The TD reviews regularly the Guidelines with the bus companies and maintains close liaisons with the trade unions of the bus captains to listen to their views on bus operations. The bus companies also maintain close contact with the trade unions and would review the shift arrangements taking into account the latter's suggestions. This is to ensure their service level on the one hand and ensure sufficient rest time for their bus captains on the other. In parallel, we have requested the bus companies to review the bus schedules set for different routes and make necessary adjustments, in consultation with the TD, to ensure that their bus captains have proper rest.

- (c) According to the findings of studies carried out by the TD, bus operators and bus manufacturers, it is technically infeasible to retrofit pre-1997 design buses with seat belts, but the bus companies have agreed to and already retrofitted additional horizontal guard rail across the upper deck windscreen. For buses designed after 1997, it is feasible to retrofit seat belts at the exposed seats at the front row on the upper deck. The bus companies completed the above retrofitting work in 2008. In addition, all exposed seats of new

double deck buses purchased after 2003 have been installed with seat belts to enhance protection for passengers. The Government will, from time to time, review bus equipment and take necessary follow-up actions with a view to improving safety of bus passengers.

MR ANDREW CHENG (in Cantonese): *I would like to follow up part (b) of the main reply. Although in his main reply, the Secretary indicated that the Guidelines would be reviewed with the bus companies regularly to ensure proper rest time for bus captains, President, here, I would like to explore a serious problem relating to the existing Guidelines together with the Secretary. I believe the Secretary has repeatedly heard us mention that the working hours of drivers can be as long as 14 hours, with driving time on the road possibly reaching as long as 11 hours, and the interval between two shifts can be as short as 9.5 hours.*

President, what I would like to raise is: Concerning these Guidelines, although bus companies say that currently, the average driving time of each bus captain is only about 10 hours, with 10 hours on the road and three to four hours of so-called rest time — human beings are not machines, Secretary, so how can you allow bus companies to drive our bus captains to mental and physical exhaustion with such inhumane requirements, thus affecting road safety? May I ask the Secretary whether she would immediately require bus companies to at least reduce the driving time on the road under these inhumane Guidelines to eight hours, so as to bring it more in line with the pattern of eight hours of work, eight hours of rest and eight hours of recreation followed by people in general? This is a very basic, direct and reasonable request. Secretary, if the Government is unwilling to do so, do you think that it is actually the accomplice in a number of serious traffic accidents over the years?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, first, we have to look at the average work hours and driving time of bus captains per day. The work hours for bus captains is on average 10.4 hours per day; while the average driving time is 8.5 hours, far less than that prescribed in the Guidelines. Of course, the Guidelines are subject to constant reviews, revisions and improvements. At this stage, take the KMB as an example, we

require the company to review the Guidelines from time to time. At present, it has set up a working group to conduct a comprehensive review of its bus network and study whether there are discrepancies between the schedule and the actual journey time to see there is any need to make improvements to the time and the routes. As for rest time, it has always been the established arrangement of bus companies to include an extra 10% of the time as a buffer for each journey when preparing schedules of service. Members may be worried about whether bus captains would not have enough rest time due to traffic conditions. In this regard, bus companies have their own approach in dealing with this. They would make adjustments to the service schedules, such as deferring the departure time of the next bus or arranging captains on reserve to go on duty. This series of measures can help drivers get adequate rest.

I believe that be it in the formulation or implementation of the Guidelines, our main goal is to ensure safe driving and enable bus captains to have adequate rest. We are willing to continue to study with bus companies the appropriateness of the Guidelines, but at present, we can see that the average work and driving hours of bus captains are 10.4 and 8.5 per day respectively, so it seems the figures are still far below those prescribed in the existing Guidelines.

MR RONNY TONG (in Cantonese): *In fact, in many other places, there are statutory standard work hours for such workers as pilots, truck drivers and bus drivers. May I ask the Secretary if she thinks that these guidelines, which have no binding effect, are perhaps no longer suitable for Hong Kong? Would the Secretary explore with the industry the introduction of legislation and the formulation of standard work hours, so that bus captains can get enough rest and the lives and health of Hong Kong people can be safeguarded?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, in fact, the existing Guidelines are the product of a number of reviews and revisions by the TD in conjunction with franchised bus companies. During the review and revision process, we listened to the views of bus captains, bus regulators and trade unions. At the same time, reference was also made to overseas practices. The rest time for bus captains under the Guidelines, such as a break of at least 30 minutes for bus captains working for six hours and a break

of at least 12 minutes within the first four of those six hours, was added during the review and revision process. Therefore, we consider that at this stage, insofar as the Guidelines are concerned, it is an appropriate measure for the TD to review the statistics at least on a quarterly basis and take follow-up actions together with the bus companies. Certainly, at this stage, we will also require bus companies to listen more to the views of the bus captains and regulators. In fact, if bus captains frequently fail to complete the relevant route journeys within the specified time, adjustments will be made by bus companies. In the period from 2006 to 2008, we changed the journey time for 98 bus routes, with 70% of them having their journey time extended, thus enabling bus captains to complete the journeys within an appropriate period of time.

For the reasons above, we think that the existing Guidelines are proven. Certainly, as I said just now, we will continue to require bus companies to further identify with bus captains and regulators rooms for optimization.

MR LEE CHEUK-YAN (in Cantonese): *Regarding the issue of the safety of buses running on the road, it has always been the strategy of the KMB senior management to adopt a high-handed management approach, which does not serve to resolve the problem. Furthermore, there is also a need for the rest time mentioned just now to be reviewed.*

I wish to ask the Secretary a question: I wonder if the Secretary is aware of the serious wastage of new bus captains recruited on contract terms over the past 10 years since the implementation of the contract system by the KMB in 1999. Of the 11 000 bus captains recruited, 7 900 have left, that is, three out of four recruited captains have left. However, of those captains recruited prior to 1999, very few have left because their fringe benefits and pay are better, so they can work with peace of mind. However, after the introduction of the contract system, the resignation of bus captains has become a very serious problem.

I wonder if the Secretary agrees that if experienced bus captains can stay in the company and work with peace of mind and stability, the quality of bus captains can naturally be raised continually with the accumulation of experience and the training received over the years. Conversely, if there is a continual loss of bus captains, the driving skill of new recruits can never be raised. Has the

Secretary noticed the wastage of bus captains and explored with the KMB the reasons for the serious wastage? Will she urge the KMB to take effective measures to make bus captains stay on?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese):

President, given the establishment of new bus companies over the years, the competition among companies and the competition for experienced employees may be one of the factors. However, I believe that bus companies attach great importance to their teams, for example, we can see that they have put in place penalty systems for driving safety and they also reflect to us that the use of a bonus system is even more important. We can see that over 98% of the bus captains of these major bus companies are eligible for the bonus for safe driving, with the bonus accounting for almost one tenth of their pay. We hold that this is a desirable system that will help those bus captains who aspire to serve in their capacities to stay on. In addition, bus companies also provide systems for training and advancement. We will continue to monitor the situation. As regards the regulation of bus companies, not only are we concerned about safety, we also expect bus companies to provide the public with sound and stable bus services. We will continue to work together with bus companies in monitoring the situation.

MR LEUNG YIU-CHUNG (in Cantonese): *In her answer to Mr Andrew CHENG's supplementary question just now, the Secretary pointed out that bus captains worked about 8.5 hours on average. President, those who have studied mathematics would know that due to the possibility of great variations, the average may not necessarily reflect the actual situation, and that the work hours of some bus captains may be very long. Many workers have reflected to us that because of their low basic salaries, very often, they have to rely on overtime work to earn more to make a living, so they have to work for long hours. Working long hours is an issue that we are all concerned about because it will increase the likelihood of traffic accidents. Therefore, will the Secretary explore with bus companies ways of making improvements to such matters as work hours and the system of pay and fringe benefits for their staff, so as to reduce the need for them to work overtime and ease their work pressure, with a view to protecting public safety?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, as I explained just now, the TD is very concerned about the Guidelines and the scheduling of duty. It will review with bus companies their implementation every three months. As for pay and fringe benefits, I believe bus companies will continue to communicate with their employees or trade unions every year. From our point of view, we certainly hope that they will provide good service conditions to their staff and offer sound service to the public, so we will focus our efforts on the Guidelines and on monitoring safety. In response to the incident that occurred recently, we have immediately asked bus companies to make greater efforts in monitoring. In addition, additional monitoring measures at night or in high-speed sections have also been taken. Generally speaking, we think that bus companies have the responsibility to assign appropriate duties to their employees and offer them appropriate pay.

PRESIDENT (in Cantonese): We have spent more than 20 minutes on this question. Last oral question.

Disposal of Electronic Waste

6. **DR RAYMOND HO** (in Cantonese): *President, at present, people in Hong Kong use various kinds of electronic equipment and electrical appliances (for example, computers, televisions, mobile phones and audio/visual players, and so on). The amount of electronic waste being disposed of every year is not small, and some of the components of such products often contain toxic substances which, if not disposed of properly, will pollute the environment. In this connection, will the Government inform this Council, in addition to implementing the voluntary producer responsibility scheme to enhance the recycling of the relevant products, whether:*

- (a) the authorities have issued to the public clear guidelines on the disposal of electronic waste; if so, whether such guidelines have been publicized to the public in an appropriate manner;*
- (b) at present, the electronic waste and domestic waste among the refuse collected are treated separately by the Government; and*

- (c) *it has assessed the impact of electronic waste on the environment of Hong Kong; if it has, of the main points of the assessment report?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, in 2008, the total volume of waste electrical and electronic equipment generated in Hong Kong was estimated to be some 71 000 tonnes. Over 80% of waste electrical and electronic equipment are recycled and reused in Hong Kong or other markets as second-hand goods; less than 20% are disposed of at the landfills.

On part (a) of the Member's question, we have been encouraging the public to arrange proper treatment of waste electrical and electronic equipment. In addition to implementing voluntary producer responsibility schemes to enhance the recycling of the relevant products, we have also implemented other initiatives in three aspects as follows:

- (i) formulating guidelines and code of practice. For instance, in 2006, we formulated guidelines on the export of waste electrical and electronic equipment and proper treatment of mercury-containing lamps;
- (ii) providing support to environment-related projects, including the funding support approved by the Environmental and Conservation Fund for a waste electrical and electronic equipment recycling centre; and
- (iii) conducting publicity and public education. Apart from the conventional channels to promote civic education and public participation through the media and waste reduction programmes in the community and schools, we have launched a dedicated website to promote waste reduction and to disseminate relevant information about environmental protection, practical guidelines and details of recycling services, and so on.

These initiatives are on-going. We would also upload the latest information about waste reduction onto the Environmental Protection Department's website for reference by the public.

Furthermore, the Legislative Council enacted the Product Eco-responsibility Ordinance in July 2008 to provide the legal basis for implementing statutory producer responsibility schemes. We have already launched the environmental levy scheme for plastic shopping bags as the first producer responsibility schemes under the said Ordinance and have proposed waste electrical and electronic equipment as the target for our next mandatory producer responsibility schemes. We would soon consult the public on the relevant options.

On part (b) of the Member's question, at present, we have primarily been promoting source separation through publicity and public education so as to reduce the volume of waste electrical and electronic equipment that is mixed with domestic waste. Over 80% of waste electrical and electronic equipment is now recycled and reused. The public consultation on a mandatory producer responsibility scheme for waste electrical and electronic equipment will be launched in the near future. At that juncture, we will explore possible measures to enhance the proper management of waste electrical and electronic equipment and will invite views and comments from the public.

On part (c) of the Member's question, waste electrical and electronic equipment that is neither recycled nor reused would be disposed of at the landfills. Extensive environmental monitoring programmes are being carried out at the landfills to measure pollutants in the air, stream courses, ground water, sea water as well as checking constituents of the leachate and landfill gas. Findings obtained from our monitoring show that the landfills are safe and have not caused any pollution to the environment in the neighbourhood.

DR RAYMOND HO (in Cantonese): *Yesterday, I delivered a one-hour public speech on the recycling of waste and the principles underlying producer responsibility schemes. Some participants raised several points, pointing out that at present, the recycling time of electronic equipment, including televisions and mobile phones, no matter where they were from, was far too short, that their cost of repair was too high and that often, there were not enough repair staff in the companies or manufacturers concerned, so the repair cost was also very high. Could the Secretary inform this Council whether the consultation paper on the producer responsibility scheme to be released soon will cover how the issues in this area will be dealt with and how incentive measures will be adopted, so that*

producers will take into account these issues when promoting their products and will not design products with motherboards that will malfunction very quickly or in less than a year, thus compelling customers to find replacements and buy new electronic products. In this regard, is it not also very important to address the root of the problem?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, with regard to the producer responsibility scheme relating to electronic and electrical products, currently, we are still in the process of drafting proposals and we hope that public consultation can be carried out by the end of this year or early next year. In formulating the producer responsibility scheme, several major areas have to be considered. The first is the products to be covered, for example, which products can be included in the producer responsibility scheme; the second is the mode of regulation, that is, what mode and related measures should be adopted in the recovery and disposal processes, as raised by the Honourable Member just now, and the third is the work to be shared by producers, consumers and retailers. At present, we hope that the flow of waste electrical and electronic equipment in the future can be regulated mainly through this system, so that this issue can be properly addressed. As regards the details, public consultation on the feasible proposals will soon be held.

MR LEUNG KWOK-HUNG (in Cantonese): *President, just now, I heard the she is the Under Secretary, is she not? In her reply, the Under Secretary said that it seemed the producer responsibility*

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, Dr Kitty POON is attending this meeting in the capacity of Secretary for the Environment.

MR LEUNG KWOK-HUNG (in Cantonese): *She is attending the meeting in the capacity of a Secretary. I see. It is very clear that the Under Secretary is attending the meeting in the place of the Secretary but the remunerations they receive are different.*

PRESIDENT (in Cantonese): Please put your supplementary question.

MR LEUNG KWOK-HUNG (in Cantonese): *She talked about producers assuming their own responsibilities but I have also heard of another thing called consumers assuming their own responsibilities in waste recycling. Recently, the Chief Executive was involved in an incident relating to light blubs. Apart from the Chief Executive being suspected of benefiting his relatives in his proposal to offer compact fluorescent lamps, we all know that in fact, compact fluorescent lamps contain harmful mercury, which is difficult to be disposed of when they are discarded or no longer used. Could she inform this Council why such a lousy decision was made? How did this decision to force the public to become collective consumers using public funds come about? Why did the Government not consider the fact that in the recovery process, a toxic substance exists in a product promoted by it? Could she reveal to this Council why such a decision was made?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, there are two parts in this supplementary question, so let me answer the issue about mercury first. On the issue of mercury, in disposing of electrical appliances the quantities of which are currently small in Hong Kong (such as compact fluorescent lamps or related products used at home), the impact on the environment will not be great. However, the disposal of such substances in large quantities is subject to the regulation of the legislation on the disposal of chemical waste. Registration with the Environmental Protection Department (EPD) is also required and the substances will be delivered by licensed collectors to the Tsing Yi Chemical Waste Treatment Centre for disposal. At present, 110 organizations in Hong Kong have registered. Hence, there is already legislation to regulate the disposal of compact fluorescent lamps or fluorescent tubes containing mercury.

The second part is about the scheme concerning compact fluorescent lamps. As explained by the Secretary in a meeting of the relevant Panel two weeks ago, we will listen to the views of the public and give detailed consideration to various areas when introducing the scheme in the future, including extending the scope of products covered from compact fluorescent

lamps to other products. We will discuss with Honourable Members again in due course.

MR LEUNG KWOK-HUNG (in Cantonese): *She has not answered my supplementary question.*

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

MR LEUNG KWOK-HUNG (in Cantonese): *She said that the proposal would be further improved, meaning that the original decision may not be acted upon but what I ask her is how they arrived at the original decision because what she said in reply was that if members of the public bought compact fluorescent lamps individually, they would then discard them. The Government is going to use its funds to let the public buy these toxic compact fluorescent lamps individually and then discard them, so is this not tantamount to not assuming consumer responsibility? The Government is a collective consumer.*

PRESIDENT (in Cantonese): Mr LEUNG, the main question is about the handling of the toxic waste in electronic equipment and electrical appliances. I hold that the Secretary has already answered the part in your supplementary question that is relevant to the main question.

MR LEUNG KWOK-HUNG (in Cantonese): *I see.*

PRESIDENT (in Cantonese): Please sit down.

MS AUDREY EU (in Cantonese): *President, I would also like to follow up this issue. In fact, in her reply given just now, the Secretary stated that the amount*

of mercury in a single discarded compact fluorescent lamp was minimal and when large quantities were involved, they had to be sent to Tsing Yi for treatment. President, even a minimal quantity of mercury can be fatal but the Government issued energy efficiency labels in November to encourage the public to purchase compact fluorescent lamps and it also intends to introduce compact fluorescent lamp coupons. President, it can be seen in the Secretary's answer to my written question number 19, which is on the capacity of the Tsing Yi Chemical Waste Treatment Centre, that it can handle at the most 1 million compact fluorescent lamps. However, judging from the present situation of disposal, there were already 800 000 tonnes in 2008.

Could the Secretary inform us although you indicated that the capacity would be expanded, energy efficiency labels have already been introduced to encourage members of the public to purchase compact fluorescent lamps before any expansion has been carried out. The issue is not simply about each person discarding one compact fluorescent lamp but the problem that results from the sum of all light bulbs. Moreover, glass can easily be broken and in transit, before reaching the landfills, the lamps may already have been although it is pointed out in your reply that there is no problem with the landfills since there is a protective layer, before those compact fluorescent lamps have been transported to landfills, they would already be broken when workers handle the waste and the mercury would be released. What would happen if such a large amount of mercury exists in the atmosphere of Hong Kong? Can the Secretary please explain this to us?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, in fact, each compact fluorescent lamp contains only 4 mg of mercury. On the experience of the Tsing Yi Chemical Waste Treatment Centre, one million such light bulbs were handled in 2008, with only 3.18 kg of mercury collected. So, in our view, the amount of mercury involved is relatively speaking small.

PRESIDENT (in Cantonese): Which part of your supplementary question has not been answered?

MS AUDREY EU (in Cantonese): *I am sorry, President; the Secretary has not answered my supplementary question. My question is not about the amount of mercury handled by the Chemical Waste Treatment Centre. I am asking about the mercury released from those compact fluorescent lamps which were not delivered to the Centre but were broken or discarded in transit. I am not talking about just one but many compact fluorescent lamps in Hong Kong, as the Government has introduced energy efficiency labels for them in November in a bid to encourage members of the public to purchase compact fluorescent lamps.*

My question is: Since so many compact fluorescent lamps were not delivered to the Chemical Waste Treatment Centre and even a very small amount of mercury is toxic, what would happen if mercury is released? What we are talking about is a large quantity of compact fluorescent lamps that did not reach the Chemical Waste Treatment Centre.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, when we were planning to launch this redemption scheme, in fact, the ideas put forward at that time also included that of recovery; that is, shops providing redemption service need to undertake recovery for us, therefore, the situation of a large quantity of compact fluorescent lamps being discarded on the streets as a result of this scheme should not arise. This is the first part.

As for the second part, in fact, there are currently a number of voluntary recycling programmes in which over 60 manufacturers join hands with the Government in recovering lamps that contain mercury, so it can be seen that there is already an approach to deal with the issue.

MR CHAN HAK-KAN (in Cantonese): *President, I would like to follow up part (c) of the main reply. The Secretary said that certain environmental monitoring programmes were carried out at the landfills to measure pollutants in the air, stream courses and ground water to see if they have been contaminated by heavy metals. However, is the Secretary aware that in certain remote areas in the New Territories, there are many recovery yards of various scales in which electronic components are dismantled? These recovery yards may be located adjacent to farmland or residential areas, so the pollutants generated in the dismantling process actually pose great potential risk to public health. May I ask the*

Secretary whether monitoring will be carried out on these black spots or in response to public demand?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, we also notice that there is an accumulation of waste electronic and electrical equipment in certain areas of the New Territories. As far as we understand, most of these wastes will be transported to such neighboring areas as the Mainland for recycling. Therefore, often, such waste electronic and electrical equipment will not be dismantled in Hong Kong.

Nevertheless, our colleagues also carry out regular inspections of these areas to see whether or not the soil or the stream courses in them have been contaminated. For the time being, we have not found a large number of or any serious instances of pollution.

DR RAYMOND HO (in Cantonese): *At the beginning of her main reply, the Secretary stated that the total volume of waste electrical and electronic equipment generated each year in Hong Kong was estimated to be around 71 000 tonnes, which of course, do not include such products as mobile phone. Of this volume, nearly 20% was disposed of at the landfills. May I ask the Secretary whether this ratio is a very high one compared with those of Taiwan and Singapore? What are the ratios and percentages of disposal at landfills for these places?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I do not have the figures in hand but at present, 20%, that is, 13 000 tonnes, of waste electrical and electronic equipment in Hong Kong is disposed of at the landfills. Compared with many other countries, I believe this figure is already a very good one.

DR RAYMOND HO (in Cantonese): *Does the Secretary mean that he will give a written reply to my supplementary question after the meeting?*

PRESIDENT (in Cantonese): Secretary, could you provide a written reply after the meeting?

SECRETARY FOR THE ENVIRONMENT (in Cantonese): I can provide a reply insofar as the comparison with Taiwan only is concerned. (Appendix I)

DR RAYMOND HO (in Cantonese): *I mean Taiwan and Singapore.*

MS AUDREY EU (in Cantonese): *President, I still wish to follow up the issue of mercury, particularly given that the Secretary said in part (c) of her main reply that the Government would monitor the disposal process at the landfills, and that extensive environmental monitoring programmes would be implemented at various landfills. May I seek clarification on whether or not areas outside the landfills, such as other rivers, groundwater and seawater are also included, that is, whether monitoring work will be conducted throughout Hong Kong, or is she only talking about the areas surrounding the landfills? Furthermore, could she tell us if the extent of mercury pollution in Hong Kong can be seen from the results of these monitoring programmes?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, most importantly, there is a system of liners at the landfills. Tests for over 10 kinds of toxic substances, such as mercury, copper and other substances, would be conducted on the leachate (that is, at the source). Therefore, the tests conducted at the source are perhaps the most accurate, since this is the place where the substances are most concentrated. Therefore, we believe that so far, the tests carried out on the leachate at the landfills have not found any instance in which the limits were exceeded.

PRESIDENT (in Cantonese): Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS**Fly-tipping of Construction Waste**

7. **MS LI FUNG-YING** (in Chinese): *President, it has been reported that fly-tipping of construction waste (fly-tipping) in Hong Kong is increasingly serious, and even urban roads have for a long time been used as locations for fly-tipping. Yet, some members of the public have complained to the Government about such a situation for quite a while but their complaints have still not been followed up. In this connection, will the Government inform this Council of the number of complaint cases (broken down by District Council districts) received by the authorities about fly-tipping and the number of prosecutions instituted in each of the past three years?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President, since the implementation of the Construction Waste Disposal Charging Scheme in January 2006, the number of complaints against fly-tipping has been on the rise in recent years. In view of this, the Environmental Protection Department (EPD) and other government departments concerned have enhanced co-ordination and co-operation to combat fly-tipping. The relevant departments have set up a co-ordination mechanism and meet on a regular and as-needed basis to monitor the overall situation. For cases of public concern, they also conduct joint site inspections and enforcement actions as necessary. Preventive measures, such as putting up railings, warning signs and road barriers, are taken at identified fly-tipping blackspots and other locations with serious fly-tipping problems. To step up publicity and education, guides on preventing fly-tipping have been drawn up and distributed to members of related trades including the construction industry, construction transporters and property management companies. The government departments concerned also have jointly compiled a list of fly-tipping blackspots and stepped up patrol at these blackspots.

Apart from the above measures, the EPD is installing closed circuit television surveillance systems at two fly-tipping black-spots in Shatin and Tuen Mun as pilot sites to monitor and combat fly-tipping. This 12-month pilot scheme will commence in end-2009. The EPD will review the effectiveness and feasibility of the scheme before considering whether to extend the use of the surveillance system.

Despite the significant increase in the number of complaints against fly-tipping in recent years, we note that most of the complaints involve small-scale fly-tipping such as the dumping of construction waste at the roadside. Overall speaking, the annual quantity of dumped construction waste removed by the government accounts for less than 0.1% of the total quantity of construction waste disposed of at government disposal facilities for the same period. The regional distribution of construction waste fly-tipping complaint cases handled by government departments for the past three years is as follows:

<i>Region</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>
North West New Territories (Kwai Tsing, Tsuen Wan, Tuen Mun and Yuen Long)	305	408	366
North East New Territories (Tai Po and North)	395	478	467
Sai Kung and Islands (Sha Tin, Sai Kung and Islands)	143	247	325
Urban (Eastern, Southern, Central and Western, Wan Chai, Kowloon City, Wong Tai Sin, Kwun Tong, Sham Shui Po and Yau Tsim Mong)	2 399	2 885	3 979
Total	3 242	4 018	5 137

Note:

Government departments involved in handling fly-tipping include Agriculture, Fisheries and Conservation Department, EPD, Food and Environmental Hygiene Department (FEHD), Home Affairs Department, Highways Department and Lands Department. As there are differences amongst departments in the administration of information concerning handling of cases involving fly-tipping, we cannot classify such complaint cases according to the boundaries of District Councils.

The number of prosecutions taken against fly-tipping is as follows:

<i>Year</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>
The number of prosecutions instituted by the EPD under the Waste Disposal Ordinance	7	16	11
The number of prosecutions instituted by the FEHD under the Public Cleansing and Prevention of Nuisances Regulation	0	0	6

<i>Year</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>
The number of Fixed Penalty Notices issued by the EPD and FEHD under the Fixed Penalty (Public Cleanliness Offences) Ordinance*	11	20	38
Total	18	36	55

* For cases involving unlawful depositing of small quantity of construction wastes, enforcement officers of the EPD and FEHD will issue \$1,500 Fixed Penalty Notices to the offenders.

Traffic Control in Congested Areas

8. **MR ANDREW LEUNG** (in Chinese): *President, along the major roads in busy areas, such as Queen's Road Central, Connaught Road Central and Pedder Street, there are always lorries and light goods vehicles parked in the loading/unloading areas and no-parking places, occupying those places or loading and unloading goods on the traffic lanes, and together with the "long queues" of taxis waiting for passengers, causing traffic blockages. In this connection, will the Government inform this Council:*

- (a) *of the number of penalty tickets issued, in each of the past three years, by the Police in respect of illegal parking of commercial vehicles in loading/unloading areas and no-parking places;*
- (b) *whether it had, in the past three years, stepped up enforcement actions (for example, deploying more law enforcement officials to patrol illegal parking black spots) against illegal parking;*
- (c) *focusing on the excessively long queues of taxis waiting for passengers, whether the Government will deploy more law enforcement officials to divert traffic flows, so as to reduce the occurrence of traffic blockages; and*
- (d) *whether it will consider relocating the taxi stands on busy roads to improve traffic conditions?*

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

(a) and (b)

The numbers of notices of fixed penalty (FPNs) issued by the police against commercial vehicles including goods vehicles, taxis and public light buses for loading or unloading at prohibited or restricted zones, and illegal parking in the past three years are as follows:

	2006	2007	2008	2009 (Jan to Oct)
Goods vehicles	208 492	215 129	207 192	170 245
Taxis	19 775	21 277	21 643	22 494
Public light buses	4 022	3 591	3 105	2 307

To ensure smooth traffic flow, the police will continue their stringent enforcement actions on busy roads and at illegal parking black spots. Such actions include strengthening manpower for patrol duties during peak hours at these locations and instituting prosecutions with a view to combating illegal parking or loading/unloading at prohibited or restricted zones.

(c) and (d)

We endeavour to strike an appropriate balance between maintaining smooth traffic flow and catering for the need of vehicles to load/unload passengers and goods. To ensure smooth traffic flow, the Transport Department (TD) has designated restricted zones at major roads in Central including Pedder Street, Queen's Road Central and Connaught Road Central to prohibit loading/unloading of passengers or goods. In parallel, the TD has designated appropriate locations as taxi stands or loading/unloading areas to cater for the needs of the public and daily operation of commercial buildings. At present, there are two taxi stands at the above roads in Central (one is located at Pedder Street near Queen's Road Central, and the other is a night-time cross-harbour taxi stand at Queen's Road Central near Li Yuen Street West). Between these two taxi stands, the one at Pedder Street is busier. In order to alleviate impact on traffic, the TD has chosen the wider section of Pedder Street for the designation of taxi stand. In addition, in order to prohibit taxis from stopping there for prolonged periods thereby

affecting the traffic flow, the TD has adopted special traffic management measures. Taxis are only permitted to pick up or set down passengers from 7 am to 10 pm at the road section concerned, and waiting for passengers is not allowed during the period. When necessary, the police will deploy additional manpower during the peak hours to divert traffic flow in the vicinity. The TD will also continue to appeal to the taxi trade to exercise self-discipline and observe relevant traffic arrangements so as to maintain smooth vehicular flow. The TD will closely monitor the situation, and make appropriate changes to the traffic arrangements for the taxi stands as necessary.

Professional Training on Building Management Services

9. **DR DAVID LI:** *President, with the continuing efforts of the Government to facilitate the formation of owners' corporations by owners of older residential buildings, plus the steady growth in the number of new private residential developments, there is a growing demand for professional building management services in Hong Kong. In this regard, will the Government inform this Council whether it offers any assistance, either through its retraining programmes or other means, for individuals to gain professional building management knowledge; if so, of the number of persons so supported in each of the past five years, and whether it knows their success rate in finding employment within the building management sector upon completion of the courses?*

SECRETARY FOR HOME AFFAIRS: President, the Government has always been promoting quality building management through the provision of a sound statutory framework and support services, in order to assist owners in properly discharging their management responsibilities. The District Building Management Liaison Team of each District Office is tasked to give advice and support to owners on general building management matters. In addition, the Home Affairs Department organizes about 390 educational and publicity activities every year to promote proper and effective practices in building management.

The Employees Retraining Board provides property management courses of both general and technical nature. These courses include the Certificate in Standard Security and Property Management, the Certificate in Advanced Security and Property Management, the Certificate in Clubhouse and Recreation Assistant Training, the Diploma in Clubhouse and Recreation Management, the Certificate in Property Facility Management, and the Certificate in Supervisory Property Management. Enrolment is open to Primary Six to Form Five school leavers. Total in-take for the first two of the above courses has reached about 96 000 since April 2004 and the average placement rate among the graduates is 82%. As to the other four newly developed courses, 1 700 have been admitted since their inception at the end of 2008. Since the placement period for some classes of the courses has not ended, the respective placement rates are not yet available.

In addition, the Department of Building and Real Estate of the Hong Kong Polytechnic University offers degree programmes related to building management. The relevant data is set out in the Annex.

Annex

Student Statistics of BSc (Hons) Schemes Offered by the Department of Building and Real Estate of The Hong Kong Polytechnic University

(headcount)

<i>Programme</i>		<i>2004-2005</i>	<i>2005-2006</i>	<i>2006-2007</i>	<i>2007-2008</i>	<i>2008-2009</i>
BSc (Hons) in Property Management *	No. of students	-	35	74	110	106
	No. of first year intakes	-	35	37	32	33
	No. of graduates	-	-	-	34	45
	No. of graduates whose employment sector of employing organization is "real estate/real estate management" [#]	-	-	-	18	NA
	No. of graduates who responded to the employer survey [#]	-	-	-	28	NA
BSc (Hons) in Surveying (including the former BSc (Hons) Building Surveying)	No. of students	110	140	172	212	215
	No. of first year intakes	35	65	66	66	68
	No. of graduates	38	39	35	72	71
	No. of graduates whose employment sector of employing organization is "real estate/real estate management" [#]	13	2	4	15	NA
	No. of graduates who responded to the employer survey [#]	37	38	31	64	NA

<i>Programme</i>		<i>2004-2005</i>	<i>2005-2006</i>	<i>2006-2007</i>	<i>2007-2008</i>	<i>2008-2009</i>
BSc (Hons) in Building Engineering & Management	No. of students	112	109	104	111	116
	No. of first year intakes	35	35	34	39	36
	No. of graduates	41	39	34	35	38
	No. of graduates whose employment sector of employing organization is "real estate/real estate management" [#]	5	3	4	1	NA
	No. of graduates who responded to the employer survey [#]	33	22	28	29	NA

Notes:

* BSc (Hons) in Property Management started in the academic year of 2005-2006.

The 2008-2009 Graduate Employment Survey has yet to be completed, and therefore results are not yet available.

Occupational Injuries and Industrial Accidents

10. **MR CHAN KIN-POR** (in Chinese): *President, construction activities involve higher risks of accidents as compared with other industries. According to the figures provided by the Labour and Welfare Bureau, the construction industry recorded 1 248 industrial accidents with an accident rate of 49.5 (per 1 000 workers) in the first half of 2009, representing a drop of 9.3% and 10% respectively when compared with the figures in the same period of last year. Yet, the fatal industrial accident which happened at the International Commerce Centre on 13 September this year again aroused public concern about the issue of safety of the construction industry. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of cases in each of the past five years in which the authorities issued warnings and instituted prosecutions against the relevant members of the construction industry (including employers, contractors, sub-contractors and workers) who had breached the legislation on safety of the construction industry and, among such cases, the number of cases in which such persons were convicted; what the highest, lowest and average amounts of fine and the terms of imprisonment were;*
- (b) *whether it will consider raising the penalty imposed on the employers, contractors and sub-contractors of the construction industry who were repeatedly convicted, so as to enhance the*

deterrent effect; if it will, of the details; if not, the reasons for that; and

- (c) *given that there have been comments that apart from employers who have the responsibility to comprehensively manage the risks involved in the various kinds of works at construction sites and safeguard employees' safety and health, individual workers should also comply with the legislation on safety of the construction industry and should not neglect the safety of themselves and the others for expediency, whether the Government will step up the prosecution against workers who do not comply with the legislation; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, the Government attaches great importance to safeguarding and promoting the occupational safety and health (OSH) of the workforce. The Labour Department (LD) is responsible for enforcing the relevant legislation, and for promoting the standard of safety and health work in Hong Kong through a three-pronged strategy of legislation and enforcement, education and training, as well as publicity and promotion.

Enforcement is the key to ensuring the efficacy of a regulatory regime. Where breaches of OSH legislation or unsafe conditions are identified during inspections or investigation, the LD will take appropriate enforcement action, including issuing warnings, serving improvement notices or suspension notices on employers or contractors to secure prompt rectification of irregularities or to remove imminent risks of death or serious bodily injuries to workers, as well as initiating prosecutions. For workplaces with a record of repeated breaches of regulatory requirements or irregularities, the LD will also step up enforcement action by increasing the frequency of inspections to ensure compliance with the law.

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

- (a) Details of the LD's enforcement action against relevant members of the construction industry (including employers, contractors, subcontractors and workers) for failing to comply with the OSH legislation between 2004 and 2008 are as follows:

	2004	2005	2006	2007	2008
Total Number of summonses heard	1 368	1 296	1 366	1 397	1 331
Total Number of summonses convicted	1 118	1 003	1 085	1 147	1 085
Average fine	\$13,148	\$9,873	\$8,655	\$10,120	\$8,040
Highest fine	\$100,000	\$100,000	\$100,000	\$150,000	\$65,000
Lowest fine	\$300	\$1 [#]	\$500	\$500	\$450
Imprisonment	NIL	NIL	NIL	NIL	NIL

[#] The Court found that the defendant was only technically liable for the offence as charged and thus imposed a nominal fine only.

It is noteworthy that the Court would normally impose a fine proportionate to the gravity of the offence. For example, the average fine in the five-year period for failing to take adequate steps to prevent any person from falling from a height of two metres or more was \$17,675, while that for failing to display a copy of the most recent certificates of test and examination on a suspended working platform was only \$1,683.

- (b) To promote safety and health at work, we must adopt a holistic strategy of legislation and enforcement, education and training, and publicity and promotion. The maximum penalty under the current OSH legislation is a fine of \$500,000 and imprisonment for 12 months. The LD does not plan to amend the law to increase the penalty for repeated offenders but will continue to be vigilant in its enforcement of the OSH legislation and promotion of sustained improvements in the OSH standards in Hong Kong in close partnership with the key stakeholders. As a matter of practice, the LD also assists the Court in determining the sentence by providing information on the defendant's previous conviction records and sentences upon conviction, as well as material facts of the case reflecting the seriousness of the offence.
- (c) Contractors/employers have the primary responsibility for ensuring a healthy and safe working environment for their workers/employees. In this regard, they should strive to manage the safety behaviour of their workers/employees, who are also obliged under the OSH laws to take care of their own safety and health and that of other

employees at the workplace. The LD also initiates prosecution against workers who, through their wilful acts or omissions, put themselves or others at risk if contractors and employers have fully discharged their legal responsibilities.

Between 2004 and 2008, the Court heard 61 summonses taken out by the LD against workers who contravened OSH legislation on construction sites. The conviction rate was 100%.

Personalized Vehicle Registration Marks

11. **MR LAU WONG-FAT** (in Chinese): *President, regarding the problems arising from the Personalized Vehicle Registration Marks Scheme (the Scheme), will the Government inform this Council:*

- (a) *of the total number of personalized vehicle registration marks (PVRMs) comprising three or more letters that have been sold by the Transport Department since the implementation of the Scheme, as well as the auction proceeds involved;*
- (b) *whether the authorities have compiled statistics on the total number of complainants and injured persons who could not clearly state the registration marks (in particular those with single words or short phrases formed by letters) of the vehicles concerned because they did not know English, when dealing with cases involving traffic problems and accidents since the implementation of the Scheme; and how the time required for complainants and injured persons to clearly state the vehicles' registration marks comprising two letters compares to that in respect of the vehicles' registration marks comprising three or more letters; and*
- (c) *if the authorities have sought legal advice on whether the Scheme discriminates against persons who do not know English; if they have, of the details; if not, the reasons for that?*

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

- (a) Since the implementation of the Personalized Vehicle Registration Marks (PVRMs) Scheme in 2006, the Transport Department has allocated upon sale by auction 6 970 PVRMs using three or more letters and the sales proceeds of these marks amounted to about \$89.15 million.
- (b) The Administration has no statistics on whether there has been any complainant or injured person who could not clearly state the vehicle registration marks because they did not know English and has also not conducted any research on the time required for identifying vehicle registration marks made up by letters.

Whether the PVRMs would bring difficulty to law enforcement is one of the criteria for vetting PVRMs applications. Moreover, during law enforcement, apart from the vehicle registration marks, the Hong Kong Police Force would refer to other descriptions of the particulars of the vehicles (for example, the type, make, model and colour), and check such information against the registration records in the computerized licensing system of the Transport Department.

- (c) The PVRMs Scheme has been working well since its introduction and complies with Hong Kong's existing law. We do not consider that the Scheme discriminates against persons who do not know English.

Advertising Spaces on External Walls of Retail and Car Parking Facilities in Housing Estates Under Tenants Purchase Scheme

12. **MR FRED LI** (in Chinese): *President, I have learnt that upon the sale of public rental housing (PRH) units and divestment of retail and car parking facilities by the Hong Kong Housing Authority (HA), the owners' corporation (OC) of a Tenants Purchase Scheme (TPS) estate came to know that it had the right to control the external walls of the shopping mall in its estate only when a commercial organization wishing to erect an advertisement sign on the external wall concerned consulted it on the relevant matter. In this connection, will the Government inform this Council:*

- (a) *of the shopping malls or car parks in existing TPS estates the external walls of which are under the control of the OCs concerned, the names of such shopping malls and car parks, as well as the titles to their external walls;*
- (b) *of the rights and obligations of the OCs concerned regarding the above external walls, and whether they may collect fees from the organizations which erect advertisement signs on the external walls; and whether the OCs concerned are responsible for the maintenance of such external walls and the procurement of third party risks insurance;*
- (c) *whether, upon the sale of PRH units, the authorities have ensured that the OCs concerned have procured insurance for all the areas under their control and are aware of their rights and obligations; whether at present the OCs of all TPS estates have procured insurance for the areas under their control; and*
- (d) *whether the authorities will consider publishing on the government web sites information on the distribution of the right to the control of the common areas in TPS estates, including which parts are under the control of the Housing Department, The Link Management Limited and OCs respectively, as well as their respective rights and obligations?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, broadly speaking, the titles and right of control of external walls of commercial and car parking facilities in PRH estates sold by the HA, that is, TPS estates can largely be categorized under three modes of arrangement.

The first mode is applicable to free-standing commercial and car-park buildings. The titles and right of control of external walls of such buildings belong to the owners of these commercial and car parking facilities.

The second mode is applicable to integrated development of residential premises and commercial and car parking facilities. The titles and right of control of external walls of commercial and car-park facilities belong to the owners of these commercial and parking facilities.

The third mode is applicable to shops on lower floors of residential buildings. The external walls of such buildings are common areas, the titles and right of control of which are jointly owned by all the owners of the TPS estates through their OC.

My reply to the four parts of the question is given below:

- (a) As mentioned above, for the existing TPS estates, only the titles and right of control of external walls of shops of those to which the third mode of arrangement is applicable are jointly owned by owners of the relevant estates through their OCs.
- (b) Proceeds related to the signs, signboards and other installations on the external walls belong to the owners of the external walls. Thus, OCs owning the titles and right of control of the external walls of the buildings to which the aforesaid third mode of arrangement is applicable may charge for the signs, signboards and other installations erected on these external walls. According to the Deed of Mutual Covenant (DMC), OCs shall maintain these external walls in good condition and be responsible for the management and maintenance of these external walls. They shall take out and maintain appropriate insurances, including fire insurance and third party risks insurance.
- (c) During the first two years upon the sale of a TPS estate, the HA acted as the DMC manager and would appoint a property management agency (PMA) for the management of the estate. The HA would also take out public liability insurance cover for the "common areas" of the estate in accordance with the DMC. After the setting up of the OC, the management rights and liabilities will be transferred to the OC concerned from the HA, and the PMA appointed by the OC will be responsible for managing the estate, including effecting insurance cover for the "common areas" of the estate in accordance with the DMC.

Since the handover of the management rights of the last TPS estate to the OC concerned in 2008, all 39 TPS estates are managed by their own OCs. After the sale of the TPS estates, the HA remains to be one of the owners of the estates. Representatives of the HA

participate in the work of the OCs' management committees and take the opportunity to remind the OCs and their PMAs to comply with the DMC in managing the estates.

- (d) It is provided in the DMC that a copy of the Deed, its Chinese translation and plans showing the "common areas" of the estate should be kept at the management office of the housing estate for inspection by relevant owners, tenants and residents. The professional property management staff employed by the OC will help owners, tenants and residents understand issues on building management, such as the rights and obligations of the OC and the extent of "common areas" of the estate.

To enable the OCs of TPS estates to know more about estate maintenance and management, the HA set up a Tenants Purchase Scheme Advisory Team (TPSAT) in mid-June 2009. The TPSAT will visit the OCs of TPS estates to explain to them issues on building management, including the extent of "common areas" in the estate and the rights and obligations concerned, to enhance their knowledge in this respect.

Monitoring of Fund-raising Activities

13. **MR WONG TING-KWONG** (in Chinese): *President, regarding the charitable fund-raising activities organized in Hong Kong, will the Government inform this Council:*

- (a) *of the number of applications for organizing fund-raising activities received by the authorities in each of the past two years and, among them, the number of applications rejected and their details (including the reasons for their rejection, the types of fund-raising activities, and the names of the organizations submitting the applications);*
- (b) *whether the authorities had, in the past two years, received complaint cases in which fund-raising activities were suspected to have been used to defraud donors; if they had, of the number of such*

complaint cases and the details (including the types of fund-raising activities); and

- (c) *whether the authorities will consider further enhancing its efforts in monitoring fund-raising activities, particularly those conducted on the Internet (including those which specify that the appeal for donations is only made to the registered members of the web sites concerned or those which appeal to the public) by non-recognized charitable organizations; if they will, of the details; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, legitimate fund-raising activities are an important income source to support the services and projects of charitable organizations. While the Administration facilitates the conduct of charitable fund-raising activities, we also have to safeguard the interests of the donors and ensure that the activities do not create undue nuisance and inconvenience to the public. For this purpose, government bureaux and departments put in place various regulatory and administrative measures.

Under section 88 of the Inland Revenue Ordinance (IRO) (Cap. 112), a charitable institution or trust of a public character is exempt from tax chargeable under the Ordinance. Any institution or trust can apply to the Inland Revenue Department for recognition of its charitable status under the section. Relevant government departments take this tax-exempt status into account when considering applications involving fund-raising activities.

At present, the Commissioner for Television and Entertainment Licensing is empowered by the Gambling Ordinance (Cap. 148) and the Gambling Regulations to grant lottery licences. The Director of Social Welfare (DSW) may issue Public Subscription Permits (PSPs) under Section 4(17)(i) of the Summary Offences Ordinance (Cap. 228) for any collection of money or sale or exchange for donation of badges, tokens or similar articles for charitable purposes in public places. For the sale of goods in public places for raising funds, temporary hawker licences (THLs) may be issued by the Director of Food and Environmental Hygiene under the Public Health and Municipal Services Ordinance (Cap. 132).

Recognition of charitable status and control of the charitable fund raising activities straddle the programme areas of a number of bureaux and departments. The Administration's co-ordinated reply to the three parts of the question is set out below:

- (a) In the past two years, the number of applications for lottery licences, PSPs and THLs received and rejected by the Television and Entertainment Licensing Authority (TELA), the Social Welfare Department (SWD) and the Food and Environmental Hygiene Department (FEHD) respectively are as follows:

<i>Calendar Year</i>	<i>Approval authority</i>	<i>No. of applications received for lottery licences/PSPs/THLs</i>	<i>No. of applications rejected</i>
2007	TELA	103	1
	SWD	716	24
	FEHD	430	121
2008	TELA	94	1
	SWD	1 004	24
	FEHD	533	204

(i) *Applications for lottery licences*

Two applications were rejected by the TELA in the past two years taking into account, among other things, the poor financial situation of the applicant organizations.

(ii) *Applications for PSPs*

48 applications for PSPs were rejected by the SWD in the past two years. The reasons for the rejection were mainly the failure of applicant organizations to meet the eligibility criteria (such as inadequate track record of the applicants in organizing charitable activities or previous non-compliance with PSP conditions).

(iii) *Applications for THLs*

325 THL applications were rejected by the FEHD in the past two years. The common reasons for rejection include prior approval already granted to other organizations for using the same location, and concerns over crowd control or traffic flow raised by other relevant departments.

As the information provided by the applicants was for the purpose of applying for the issue of relevant licences or permits under the respective Ordinance cited above, the Administration is not in a position to disclose the names of individual applicants whose applications were rejected in the past two years.

- (b) In the past two years, the TELA and the FEHD did not receive any complaint relating to suspected fraud in connection with the lotteries licences and THLs issued. The SWD received 36 and 61 complaints in 2007 and 2008 respectively in relation to alleged fund-raising activities without PSPs. All the complaints were referred to the police for follow-up action. Following investigation by the police, most of the complaints were not substantiated. In the past two years, only three persons in two cases were prosecuted with eventual conviction.
- (c) Hong Kong is a caring society and the community is supportive of charitable causes. The Administration strives to provide a friendly environment with administrative procedures kept to a minimum in order to facilitate charitable organizations to mobilize community resources for their fund-raising activities. At the same time, the Administration needs to ensure that such activities would not pose undue nuisance and inconvenience to the public, and that the interests of the donors are safeguarded. We also combat fraudulent fund-raising activities vigorously.

We are stepping up our efforts to educate the public to be smart donors. The Administration will continue to keep the regulatory regime and administrative measures under review. In this regard, the Law and Reform Commission of Hong Kong is conducting a review on the law and regulatory framework relating to charities in

Hong Kong. The Administration will keep in view progress of the review and its recommendations.

Arrangements Regarding Provident Funds of Aided School Teachers who are Adjudicated Bankrupt

14. **MR CHEUNG MAN-KWONG** (in Chinese): *President, in July last year, an aided school teacher, who was bankrupt during the contribution period of his provident fund, had been adjudicated by the Court that the total sum of his provident fund should be vested in the Official Receiver for repaying his debt. Regarding the attachment of employees' provident funds, will the Government inform this Council:*

- (a) *of the total number of aided school teachers whose provident funds including the part of government donations were attached in the past five years because they were adjudicated bankrupt, as well as the sums involved; how such figures compare with the relevant figures of cases in which the part of government donations for teachers had been attached because they were involved in criminal offences or professional misconduct;*
- (b) *given that under section 85(3) of the Education Ordinance (Cap. 279), no contribution or donation to or dividend or interest on a dividend from a provident fund shall be assignable or transferable or liable to be attached, sequestered or levied upon, for or in respect of any debt or claim whatsoever, of the reasons and justifications for the Official Receiver still being able to attach the provident funds of the teachers concerned, as well as the legislative intent of the section;*
- (c) *whether it has assessed if the part of government donations of the provident fund, before it is withdrawn by the employee, does not form part of the employee's estate; if it does not, of the reasons and justifications for attaching the amount of provident fund which has not yet formed part of the bankrupted employee' estate for debt repayment; if it forms part of the employee's estate, the reasons for that;*

- (d) *given that under section 30A of the Bankruptcy Ordinance (Cap. 6), where a person has not previously been adjudicated bankrupt, he is discharged from bankruptcy by the expiration of four years beginning with the commencement of the bankruptcy, whether the authorities will consider not attaching the part of government donations in the course of the attachment of provident fund, in order that the bankrupted persons concerned, after the discharge of bankruptcy, may obtain the part of government donations, hence their livelihood will not be affected; and*
- (e) *given that both the Pensions Ordinance (Cap. 89) and the Pension Benefits (Judicial Officers) Ordinance (Cap. 401) stipulate that the pension of the retired civil servants and judicial officers will cease immediately if they are adjudicated bankrupt while they are receiving pension, whether the Administration will amend the Education Ordinance by adding a similar provision, so as to protect the provident fund of subsidized school teachers from being affected by bankruptcy orders?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) In the past five years up to August 2009, there were 45 cases concerning aided school teachers whose provident fund benefits (including government donations) vested in the Official Receiver/trustee in bankruptcy by operation of law because they were adjudicated bankrupt, involving a total sum of about \$42 million. During the same period, there were nine cases in which government donations to contributors were not granted by virtue of rule 13 of the Subsidized Schools Provident Fund Rules on account of professional misconduct or being convicted of an offence. The sum involved was about \$4.95 million.
- (b) Under section 58 of the Bankruptcy Ordinance, on the making of a bankruptcy order, the property of the bankrupt shall vest in the Official Receiver/trustee in bankruptcy. On 23 July 2008, in a bankruptcy case concerning an aided school teacher, the Court ruled that section 85(3) of the Education Ordinance did not prevent the benefits under the Subsidized Schools Provident Fund from vesting

in the trustee in bankruptcy. The Court of Appeal in its judgment delivered on 14 August 2009 also agreed with the decision in this regard. The bankrupt has filed an application for leave to appeal against the judgment of the Court of Appeal on entitlement to benefits under the Subsidized Schools Provident Fund. As to whether the provident fund benefits of a contributor shall vest in the Official Receiver/trustee in bankruptcy in the event of the contributor's bankruptcy, the Education Bureau does not have information indicating the legislative intent of section 85(3) of the Education Ordinance in this regard.

- (c) Under section 58 of the Bankruptcy Ordinance, on the making of a bankruptcy order, the property of the bankrupt shall vest in the Official Receiver/trustee in bankruptcy. Under section 2 of the Bankruptcy Ordinance, a bankrupt's property includes things in action, present or future, vested or contingent. In the bankruptcy case mentioned in part (b) of the reply, the Court ruled that the provident fund benefits (including government donations) under the Subsidized Schools Provident Fund Rules due to the bankrupt formed part of his property. The Court of Appeal also agreed with the decision in this regard. Hence, the benefits vested in the Official Receiver/trustee in bankruptcy upon the making of the bankruptcy order.

- (d) and (e)

In the case mentioned in parts (b) and (c) of the reply, the Court of Appeal has ruled that a bankrupt is entitled to the benefits attributable to the period after his discharge from bankruptcy. The bankrupt has filed an application for leave to appeal against the judgment of the Court of Appeal on entitlement to benefits under the Subsidized Schools Provident Fund and the case will be fixed for hearing. At this stage, it is not known whether the judgment of the Court of Appeal will be affected. As such, we will keep close watch on the case and take appropriate follow-up action after examining the final judgment of the Court.

Electronic Records of Government

15. **MS EMILY LAU:** *President, the Government Records Service (GRS) has been addressing issues relating to the electronic records of government bureaux and departments (B/Ds) since late 1990s through organizing presentations by international experts, hiring overseas consultants to study different aspects of electronic records management (ERM) and conducting pilot studies in testing prototypes of electronic recordkeeping systems (ERKSs). With increasing reliance on computer technology in conducting government business and delivering public services, and given the susceptibility of electronic records to easy manipulation and technological obsolescence, will the executive authorities inform this Council:*

- (a) after more than a decade's effort, what specific policy, standards and measures GRS has put in place to ensure that government electronic records are properly captured and managed with those having been appraised of holding archival value being transferred to the Public Records Office (PRO), and the others properly disposed of;*
- (b) of the current quantity of government electronic records, the percentage of that number in the total number of government records, how this percentage compares with that of the paper records, the most popular electronic record format and the types of electronic systems used by government B/Ds, as well as how electronic records of continuing value are managed to meet archival requirements;*
- (c) of the quantity and types of government electronic records destroyed in the past three years;*
- (d) of the quantity, content, format and access status of archival electronic records transferred to PRO by government B/Ds in the past three years, and the quantity of electronic records likely to be nominated as archival records and transferred to PRO in the next three years;*

- (e) *what PRO has done to ensure that the electronic records transferred to its custody as archives are authentic, preservable and accessible by the public over time;*
- (f) *of the total number of professional archivists working in PRO and the number of professional archivists responsible for appraising electronic records, their relevant experience and professional training in electronic records;*
- (g) *whether they know how the electronic records program of GRS, in terms of resources and capacity, progress and achievement, effectiveness and comprehensiveness, compares with similar programs in Australia, Canada, the Mainland, Singapore and the United Kingdom, which started their electronic records initiatives a little earlier than or at around the same time as Hong Kong; and*
- (h) *whether there are unresolved issues concerning the government electronic records program; if so, what they are and what plans GRS has adopted to address them?*

CHIEF SECRETARY FOR ADMINISTRATION: President,

ERM — policy, standards and measures in place, plans on further work and progress made in comparison with other jurisdictions (Parts (a), (g) and (h) of question)

Since 2001, the GRS has been working in conjunction with the Office of the Government Chief Information Officer (OGCIO) and the Efficiency Unit to formulate policy, strategies, and standards for the effective management of electronic records. The ultimate objective is to develop new records management practices and tools to assist B/Ds to manage both electronic and non-electronic records in an integrated, efficient and consistent manner. A consultancy study was conducted in 2001 to gauge the requirements and priorities in ERM. With the consultant's input, guidelines on managing electronic mail (email) records were promulgated in 2001 to help B/Ds identify, create, file and manage email records.

On the basis of the consultancy study carried out in 2001, the GRS has formulated a set of functional requirements with regard to both international standards and the Hong Kong Government context to provide a sound basis for developing an ERKS for the Government. The GRS has also developed a set of records management practices and guidelines for an ERKS setting. Following system development, an ERKS pilot run was carried out between September 2007 and September 2008 in some selected offices of the OGCIO and Transport Department. The review of the pilot project has identified the need for undertaking further work to address issues relating to ERM and ERKS, including development of records management standards on metadata and on transfer of records from one ERKS to another, and preservation of electronic records with archival value. Consultancy services will be engaged to follow up on these issues.

In taking forward ERM, the GRS has been making extensive reference to ERM implementation experience in overseas jurisdictions, including the formulation of functional requirements and records management practices and guidelines for ERKS by relevant authorities in Australia, the European Union, the United Kingdom and the United States of America. The GRS has also been referring to the best practices advocated by an international professional organization, namely the International Council on Archives. However, it has not compared its ERM programme with those in other places. This is because the development of ERM varies from place to place in terms of objectives, scope, implementation approach and pace in the light of the unique situations in each place.

Quantity and format of electronic records, types of systems used, management of electronic records with archival value, and transfer and destruction of electronic records (Parts (b) to (e) of question)

Electronic records mostly appear in such formats as emails, office documents (for example, word processing documents and spreadsheets), scanned/faxed documents (for example, in Portable Document Format), databases, static webpages or dynamic webpages. The most common electronic systems used to generate these electronic records are email systems, B/Ds' specific application systems and web application systems. In addition, office application software is commonly used to generate electronic records.

Pending the full implementation of ERKS in the Government, B/Ds are required to convert email records into printed form for management and storage. Printed email records with archival value are transferred to the GRS together with other paper records. The authenticity and accessibility of these printed electronic records are protected in the same way applicable to paper records. For electronic records with archival value but which cannot be printed (for example, audio records), the PRO of the GRS will store them in a suitable and secure environment for preservation.

The GRS does not have readily available information on the quantity of government electronic records nor its percentage in the total number of government records. With the prevailing arrangement for managing and storing electronic records, no electronic record with archival value was transferred to the PRO by B/Ds in the past three years. We expect that the amount of electronic records with archival value to be transferred to the PRO in the coming three years would be minimal.

On destruction of electronic records, as already explained above, a significant portion of electronic records are printed for storage along with other paper records. The GRS does not keep separate statistics on the quantity of printed electronic records which have been approved for destruction. Separately, for electronic records still stored in B/D's databases, the GRS has approved the destruction of 18 575 electronic records in two cases in the past three years. These electronic records are concerned with data of job applicants.

As mentioned above, to tie in with the further development of ERKS, the Administration will conduct a comprehensive study to enable appropriate strategies and technical solutions to be developed for preserving electronic records with archival value, so that they can be accessible by members of the public.

Staff responsible for appraising electronic records (Part (f) of question)

There are four Archivist Grade staff working in the PRO and two of them are responsible for records appraisal work, irrespective of the format of the records. Although electronic records constitute a very small proportion of the records appraised and ERKS is at its early stage of development for use by B/Ds, the GRS is mindful of the need to step up training and build up knowledge on appraisal of electronic records to dovetail with the development and adoption of

ERKS in B/Ds. During the past few years, the two Archivist Grade staff responsible for records appraisal work attended training courses, seminars and conferences on various aspects of electronic records, including records classification, preservation and management of metadata and ERM in general. In addition, an attachment to an overseas archive with expertise in appraising electronic records was arranged in October 2009. The GRS will continue to arrange suitable professional training in electronic records for the relevant staff.

Section 39E of Inland Revenue Ordinance

16. **DR LAM TAI-FAI** (in Chinese): *President, I raised questions regarding the depreciation allowances on machinery and plants under section 39E of the Inland Revenue Ordinance (section 39E) at the meetings of this Council on 21 October and 4 November of this year respectively. Regarding the replies given by the Secretary for Financial Services and the Treasury (the Secretary), will the Government inform this Council:*

- (a) *given that according to the explanatory memorandum of the Inland Revenue (Amendment) (No. 5) Bill 1991 (the Bill), the purpose of amending section 39E was to "remove the allowances that may be claimed in certain 'leveraged leasing' transactions", why the Government stated that the amended section 39E no longer targeted merely the two arrangements of "sale and leaseback" and "leveraged leasing";*
- (b) *given that it was pointed out both in the Legislative Council Brief issued by the former Finance Branch in 1991 and by former Secretary for the Treasury during the Second Reading of the Bill in the former Legislative Council on 27 November of the same year that the 1992 amendment aimed at "denying depreciation allowances to all foreign operators of ships and aircraft", of the justifications for the Government to interpret this amendment as restricting the granting of depreciation allowances to owners of machinery or plants other than aircraft or ships;*
- (c) *given that the 1992 amendment only changed the word "and" to the word "or" between section 39E(1)(b)(i) and (ii), why the Government interpreted this amendment as extending the application*

of section 39E (that is, not only targeting the two arrangements of "sale and leaseback" and "leveraged leasing"); given that the Secretary stated that "the legislation aims at limiting tax avoidance opportunities in various forms of machinery or plant leasing arrangements machinery or plants", what forms are being referred to by "various forms";

- (d) given that the Legislative Council Brief issued in 1991 by the former Finance Branch, the speech delivered by the former Secretary for the Treasury during the Second Reading of the Bill in 1991, as well as the speech delivered in 1992 during the resumption of Second Reading of the Bill by the convenor of the ad hoc group of the former Legislative Council formed to study the Bill had all reflected that the leasing as referred to in section 39E at that time meant "acquiring ships and aircraft through leveraged leasing", whether the "leasing arrangements" referred to in the replies given by the Government at present are equivalent to the "leveraged leasing" referred to at that time; if they are, of the definition of "leveraged leasing"; if not, of the difference between the definitions of the two kinds of leasing;*
- (e) why the Government defines the arrangements concerned referred to in section 39E as those "within the specific scope of the provision", and considers that relaxing the relevant restrictions will lead to the situation where "the specific anti-avoidance provision can easily be exploited, resulting in tax deferral or loss and a large number of cases in dispute";*
- (f) given that the former Commissioner of Inland Revenue (the Commissioner) gave an assurance upon the enactment of section 39E in 1986 that the provision would only be enforced in circumstances of actual necessity, why the Government stated that it "cannot exercise its power under the law selectively", hence activities with no tax avoidance intention are subject to regulation under the provision, and whether the Government has abandoned the assurance given in the past;*
- (g) whether the Inland Revenue Department (IRD) had considered that the original intent of the legislation is to target "leveraged leasing" when it updated the Departmental Interpretation and Practice Notes*

No. 15 (P.N. 15) in 2006 to categorize the provision of moulds for machinery by Hong Kong enterprises to Mainland processors as "leasing";

- (h) given that the Government indicated that the time limit for raising additional assessments under section 39E is six years, yet, in the appeal case with decision number D51/08, the counsel representing the Commissioner pointed out that the P.N. 15 updated in 2006 was not applicable before January 2006, whether the authorities have assessed if the two arguments contradict each other, and whether the Government should refrain from applying this section retrospectively to cases assessed prior to the updating of the Notes; if not, of the reasons for that;*
- (i) given that under the processing trade arrangements at present, Hong Kong companies strictly restrict Mainland manufacturing units to use the moulds provided to them only for manufacturing goods which the companies require and to return the moulds to the companies once the manufacturing process is completed, whether the Government, in not granting the depreciation allowances concerned, is violating the taxation principle under which costs arising from Hong Kong companies' taxable profits in Hong Kong are eligible for tax allowances;*
- (j) given that the legislative intent of section 39E is to strike down tax avoidance by businesses, whether the Government has assessed if it is lawful to invoke section 39E to recover tax from Hong Kong enterprises which have not avoided tax, and whether it has sought the advice of the Department of Justice on the enforcement actions concerned; if it has, of the details; if not, the reasons for that; and*
- (k) whether the Government can provide information on the number of companies from which tax has been recovered by the authorities by invoking section 39E (including tracing back the cases which had already been assessed before IRD updated the P.N. 15 in 2006) in each of the past 10 years, the amount of tax involved as well as the number of companies which went bankrupt because of the recovery action?*

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

(a) to (c)

When section 39E of the Inland Revenue Ordinance (IRO) was enacted in 1986, sub-paragraph (1)(a) targeted "sale and leaseback" arrangements of all machinery or plants (including ships and aircrafts). Sub-paragraphs (1)(b) and (1)(c) of section 39E targeted "leverage leasing" arrangements, the former being applicable to machinery or plants not being ships or aircrafts while the latter being applicable to ships or aircrafts. It is evident that upon enactment in 1986, section 39E already covered machinery or plants other than ships and aircrafts. Since ships and aircrafts were most commonly involved in such leasing arrangements for tax avoidance, the papers submitted by the Administration to the Legislative Council at that time specifically mentioned these two items.

Section 39E was indeed enacted in 1986 to target "sale and leaseback" and "leverage leasing" arrangements only. At that time, only "leverage leasing" arrangements involving machinery or plants used outside Hong Kong by other persons were restricted by section 39E. However, the Administration noticed that many companies could technically circumvent the definition of "leverage leasing" and made arrangements which were in substance similar to "leverage leasing" arrangements, whereby machinery or plants (mainly involving ships and aircrafts) were made available for use by other persons outside Hong Kong. Such arrangements were not caught by section 39E and tax avoidance was achieved. To plug the loophole, the Administration amended section 39E in 1992. The amendment was mainly to replace the word "and" which separated sub-paragraphs (i) and (ii) of both sections 39E(1)(b) and (1)(c) by "or". After the amendment, so long as the machinery or plants (including ships and aircrafts) under a leasing arrangement is principally used by another person outside Hong Kong, section 39E will apply. Thus the scope of application of section 39E has been extended beyond "sale and leaseback" and "leverage leasing" arrangements to cover all kinds of leasing arrangements.

- (d) As pointed out above, section 39E was amended in 1992 to target those companies which technically circumvented the definition of "leverage leasing". "Leasing arrangement" in my replies refers to any arrangement within the definition of "lease" under the IRO, and is not limited to "leverage leasing".
- (e) Section 39E of the IRO is a specific anti-avoidance provision. It is applicable to any commercial arrangement falling within the specific scope of the provision. As pointed out in my replies of 21 October and 4 November, there are practical difficulties in relaxing the restriction on "being used outside Hong Kong". Thus, if the relevant restriction is relaxed, the specific anti-avoidance provision can easily be exploited, resulting in tax deferral or loss and a large number of cases in dispute.
- (f) Upon resumption of the Second Reading debate on the Inland Revenue (Amendment) Bill 1986, a legislator mentioned such assurance by the Commissioner of Inland Revenue. However, it was a general assurance in respect of the Bill as a whole rather than a specific assurance in respect of section 39E. In fact, apart from section 39E, the Bill contained many anti-avoidance provisions, including sections 61A and 61B. Sections 61A and 61B specifically provided that they applied to transactions with tax avoidance purposes. During the Second Reading debate, the former Financial Secretary stated that sections 61A and 61B would only be used to strike down tax avoidance schemes. The Commissioner of Inland Revenue also made similar assurance in respect of sections 61A and 61B in his Departmental Interpretation and Practice Notes (DIPN) No. 15.
- (g) The definition of "lease" was provided in the IRO when section 39E was enacted in 1986. The IRD updated DIPN No. 15 in 2006 to include detailed explanations and examples so that it could more clearly reflect the real situation and the principles laid down by court cases. The said DIPN has not changed the definition of "lease".
- (h) Neither the statutory power of section 39E nor the 6-year time limit for raising additional assessments under the IRO will be affected by any DIPN. The DIPNs have no legal binding force.

- (i) As mentioned in the reply to question (e) above, section 39E of the IRO is a specific anti-avoidance provision. It is applicable to any commercial arrangement falling within the specific scope of the provision. Under the provisions of section 39E, it is not a factor for consideration whether the machinery or plants are solely used for producing profits for the Hong Kong enterprise. As long as the machinery or plants are wholly or principally used by another person outside Hong Kong, the Hong Kong enterprise owning them will not be granted depreciation allowance.
- (j) We consider that the implementation of section 39E by the IRD is in accordance with the legislation and is supported by case law. For example, the Board of Review made a decision on a case (D61/08, 24 IRBRD 184) relating to depreciation allowance in March 2009. In the written decision, the Board pointed out that section 39E had not stipulated that there should be "an intention to avoid tax" for the application of the provision.
- (k) The IRD does not keep such data.

Bid for Hosting 2019 Asian Games

17. **MISS TANYA CHAN** (in Chinese): *President, in 2000, the Government supported the Sports Federation and Olympic Committee of Hong Kong, China in bidding for hosting the 2006 Asian Games (AG), but the bid ended in failure. In response to a recent proposal by some members of the community for Hong Kong to consider making a bid to host the 2019 AG, the Government has indicated its support and its willingness to provide assistance. In this connection, will the Government inform this Council:*

- (a) *given that the 2010 AG will be held in Guangzhou, and the 2014 AG in Incheon, South Korea, whether the Government has assessed the probability of the 2019 AG continuing to be held in the East Asian region, and whether Hong Kong still stands a good chance to succeed in its bid to host the AG;*
- (b) *whether the Government will consider adopting more measures to enhance the degree of participation of members of the public so as to*

ensure that the degree of participation in sports by members of the public in various forms are high enough to support Hong Kong's bid for hosting the AG; if it will, of the details; and

- (c) *whether it will allocate additional resources to assist in the development of a wider variety of sports in Hong Kong, and include more sports that are promising and well received by Hong Kong people in the category of elite sports, with a view to improving the standard of Hong Kong athletes and attracting more participation of members of the public so that Hong Kong will be in a more advantageous position in future to bid for hosting large-scale sports events such as the AG; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, my reply to the three parts of the question is as follows:

- (a) The Olympic Council of Asia (OCA) requires that any bid to host the AG should be submitted by the National Olympic Committee (NOC) of the relevant member state or territory and that the award of the right to host the games should be decided by a ballot of all Member NOCs at its Annual General Assembly. In selecting the host city of an AG, Member NOCs will consider the capacity and experience of the bidding cities with regard to hosting multi-sports events. Relevant considerations include the standard of the competition venues and the athletes' village for participating teams, as well as factors such as the local climate, transport facilities, and the law and order situation. If the Sports Federation and Olympic Committee of Hong Kong, China considers that Hong Kong has the capacity to host the 2019 AG and makes a formal request to the SAR Government to support a bid to the OCA, the SAR Government will carefully consider such a request and assess all relevant factors, including the strengths of other states or territories which may also bid to host the 2019 AG.
- (b) To achieve its policy objective of providing "Sport for All", the SAR Government has in place various programmes to encourage the public to participate in sports. Specifically, the Leisure and

Cultural Services Department (LCSD) provides sports venues and training programmes for the public. It also administers the Sports Subvention Scheme, which provides subventions to National Sports Associations (NSAs) and other sports organizations for the promotion of sport in schools and in the community. The SAR Government also seeks to nurture more major sports events locally through the "M" Mark System, thereby giving the public more opportunities to enjoy high quality sports events in Hong Kong. If Hong Kong decides to bid for the 2019 AG, the support of the general public will be crucial. The Government will implement suitable measures to encourage the public to participate in sport and to support Hong Kong's bid for the AG. The detailed measures will be carefully considered having regard to the requirements at the time.

- (c) Under the current policy framework for sports development, the NSAs play a leading role in setting the direction for the development of their respective sports whilst the Government plays a supporting role by providing funding and venues, and by implementing other relevant measures. Through the Sports Subvention Scheme administered by the LCSD, the NSAs receive subventions for organizing sports promotional activities and for other operational needs. The annual subvention provided by the Government to the NSAs under the Scheme has increased in recent years. The subvention in 2009-2010 is close to \$180 million.

As regards support for elite sports, the aim is to focus resources on sports with good potential or strong track records, or on individual athletes who have performed particularly well, with a view to raising Hong Kong athletes' chances of winning medals in international competitions. The Hong Kong Sports Institute (HKSI) is responsible for supporting elite sports and the development of athletes in Hong Kong. From 2005 onwards, the Sports Commission has adopted a set of criteria for the selection of sports for HKSI support. Under this selection mechanism, billiard sports, athletics and karatedo have recently been selected as elite sports and, together with another 11 sports, will receive elite sports subvention for a four-year cycle starting from 2009. Furthermore, the

Commission has recently selected judo as an "up-and-coming" sport, which will receive additional subvention starting from 2009. Under the selection mechanism, other sports can also become elite sports and receive additional subvention if they reach the standards specified in the criteria.

Incidents of Objects Being Thrown from a Height

18. **MS STARRY LEE** (in Chinese): *President, recently, incidents of objects being thrown from a height have occurred one after another in Hong Kong, endangering the safety of pedestrians. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of reports, received in each of the past three years by the authorities, on objects being thrown from a height in the 18 District Council districts in Hong Kong; what the objects being thrown were; the respective numbers of persons who were injured, killed, arrested and convicted as a result; the penalties imposed on the convicted persons and the heaviest penalty imposed;*
- (b) *of the number of reports, received in each of the past three years by the authorities concerned, on objects being thrown from a height in public rental housing (PRH) estates as well as the number of tenants who were thus allotted penalty points/convicted and the details, broken down by housing estate;*
- (c) *whether the authorities will conduct another review of the effectiveness of the Falling Object Monitoring System in PRH estates; if they will, of the details; if not, the reasons for that;*
- (d) *whether the authorities will review and amend the existing Marking Scheme for Estate Management Enforcement in Public Housing Estates (Marking Scheme) so as to enhance the deterrent effect on misdeeds of throwing objects from a height; if they will, of the details; and*

- (e) *what measures were adopted in the past three years by the authorities to enhance deterrence against throwing objects from a height in areas outside public housing estates?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the police and the Housing Department (HD) are deeply concerned about recent incidents of objects being dropped from height in built-up areas and PRH estates. My reply, which incorporates the information provided by this bureau, the Security Bureau and the Home Affairs Department, is as follows:

- (a) Dropping objects from height is a serious offence. Under Section 4B of the Summary Offences Ordinance (Chapter 228), if anything is dropped from any building to the danger or injury of any person in or near a public place, the person who drops that thing commits an offence and is liable to a fine of \$10,000 and imprisonment for six months. If the incident involves more serious offences, such as the throwing of corrosive fluid or manslaughter, the police may initiate prosecution according to other ordinances.

Between 2007 and September 2009, the police received 3 001 reports on objects being dropped from height. A breakdown of the cases by police district is at Annex 1. The cases resulted in 212, 241 and 208 persons being injured in 2007, 2008 and 2009 (from January to September) respectively. No one was killed in these cases. The police have not kept statistics on the types of objects being dropped from height. In general, the objects include rubbish, leftovers, household articles, aluminium windows, and so on.

Between 2007 and September 2009, 885 persons were arrested for dropping objects from height. Among them, 289 were convicted, with immediate imprisonment for two months as the heaviest penalty, and 580 were handled by binding over to keep the peace or cautioned under the Police Superintendent's Discretion Scheme. A breakdown of the figures is at Annex 2.

- (b) Over the past three years, the HD received 335 reports of objects being dropped from height in PRH estates under its management. The number of tenants who were allotted penalty points under the

Marking Scheme and/or convicted under the relevant legislation are 207 and 75 respectively. A breakdown is at Annex 3.

- (c) To deter and prevent incidents of objects being dropped from height, the HD has since 1998 installed Falling Object Monitoring Systems, commonly called the "eyes in the sky", at various locations in PRH estates in the territory. The HD also reviews regularly the effectiveness of the monitoring systems in order to step up efforts in combating the irresponsible behaviour of dropping objects from height. For example, the HD acquired in 2004 10 sets of mobile Digital Falling Object Monitoring Systems so as to enhance monitoring, and has recently procured 10 more sets of such monitoring systems. In complementing the work of the "eyes in the sky", a special team of former police officers employed by the HD on contract terms has been deployed since early 2004 to detect cases of dropping objects from height in PRH estates. The HD also maintains close contact with other law enforcement departments to crack down on such offences.
- (d) Since the introduction of the Marking Scheme in 2003, the incidents of objects being dropped from height have significantly reduced. To enhance the deterrent effect on the unscrupulous and dangerous act of dropping objects from height in PRH estates, different levels of penalty based on the direct risk of the act to personal safety has been adopted under the Marking Scheme. Those who commit the misdeed of "throwing objects from height that jeopardise environmental hygiene" and "throwing objects from height that may cause danger or personal injury" will be allotted 7 and 15 penalty points respectively. If a tenant accrues 16 penalty points within two years, the HD will issue a Notice-to-Quit to terminate his tenancy. If the tenant contravenes legislation related to the dropping of objects from height at the same time, the HD will institute prosecution against him under the Public Cleansing and Prevention of Nuisances Regulation once the misdeed is substantiated. For cases that may cause serious danger or personal injury, the HD will refer them to the police irrespective of whether any casualties have been caused.

Upon the implementation of the Marking Scheme, there were tenants served with Notices-to-Quit and had to surrender their flats to the HD after accruing 16 penalty points for throwing objects from height. The existing penalty has already had a deterrent effect on such misdeeds and there is no immediate need to revise the Marking Scheme.

From time to time, the HD advises and educates tenants on the importance of civic-mindedness and law-abiding behavior through its notices, estate newsletters, Estate Management Advisory Committees, the Housing Channel and various publicity and educational activities. The HD also draws their attention to the grave consequences of throwing objects from height, which include termination of PRH tenancies and prosecution.

- (e) On the law enforcement front, the police will assign their criminal investigation teams to follow-up on cases of objects being dropped from height that cause greater hazards to the public. To collect information related to the case during the investigation, the police will take the initiative to contact caretakers of buildings near the crime scenes and, depending on the circumstances of the case, conduct door-to-door visits to residents and shop operators in the buildings concerned as well as to view the video images captured by the CCTV systems installed nearby. Depending on the post-event situation, the police would also step up patrols in the district concerned and remind the patrolling officers to watch out for any suspicious persons to safeguard public safety.

The police also implement on-going publicity and public education campaigns, including joining hands with the District Councils, owners' corporations and property management agents to distribute leaflets educating the tenants against dropping objects from height. They also arrange for Police School Liaison Officers to alert students to the harmful and serious consequences of dropping objects from height, and call on the public and students not to commit such an offence.

Moreover, to prevent offenders from entering buildings to commit the crime, the District Offices (DOs), in collaboration with the

District Councils and the District Fight Crime Committees, have been organizing publicity and public education activities to remind residents and business operators in their respective districts to remain vigilant and step up building security. The DOs also actively co-operate with the District Councils and relevant organizations to conduct various building management courses and seminars to promote good and effective building management among owners. The DOs will continue their efforts in encouraging and assisting owners in their districts to adopt good and effective building management practices and to enhance building management (including building security). Apart from assisting owners to set up owners' corporations, the DOs encourage owners to form residents' organizations (such as owners' committees and mutual aid committees) or to engage management companies or personnel. The police also encourage owners to install metal gates for their buildings, so as to improve the security and promote effective management of the buildings.

Annex 1

Numbers of Reports ^{Note} Received by the Police on
Objects Dropping from a Height

<i>Police District</i>	<i>2007</i>	<i>2008</i>	<i>2009 (January to September)</i>
Central	28	26	13
Wan Chai	52	43	24
Western	49	48	52
Eastern	40	34	24
Wong Tai Sin	146	138	112
Sau Mau Ping	156	143	94
Kwun Tong	167	98	80
Yau Tsim	19	18	19
Mong Kok	15	28	50
Sham Shui Po	53	79	54
Kowloon City	25	44	46

<i>Police District</i>	<i>2007</i>	<i>2008</i>	<i>2009 (January to September)</i>
Yuen Long	37	37	22
Tuen Mun	47	40	38
Tai Po	42	51	71
Tsuen Wan	74	39	44
Sha Tin	36	21	38
Kwai Tsing	125	96	48
Lantau Island	8	42	28
Total	1 119	1 025	857

Note:

Scenes of crimes reported include streets, building podiums, parks, car parks, lobbies in buildings, and so on.

Annex 2

Breakdown of the Punishment Awarded to the Arrested Persons

	<i>2007</i>	<i>2008</i>	<i>2009 (Jan-Sep)</i>
1. Number of persons arrested	326	312	247
2. Bind over to keep the peace (applicable to persons over 18 years of age)	181	171	175
3. Caution under the Police Superintendent's Discretion Scheme (applicable to persons under 18 years of age)	30	20	3
4. Number of persons prosecuted	115	121	69
a. Acquitted	7	6	3
b. Convicted	108	115	66
(i) Immediate imprisonment	6	8	5
(ii) Fine	85	90	50
(iii) Others	17	17	11

Number of Reports Received on Objects Dropping
from a Height in PRH Estates

<i>Year</i>	<i>2007</i>	<i>2008</i>	<i>2009 (as at end of October)</i>	<i>Total</i>
Reports received on objects dropping from height	106	117	112	335

<i>Year</i>	<i>2007</i>	<i>2008</i>	<i>2009 (as at end of October)</i>	<i>Total</i>
Cases of allotment of penalty points under the Marking Scheme	78	65	64	207

<i>Year</i>	<i>2007</i>	<i>2008</i>	<i>2009 (as at end of October)</i>	<i>Total</i>
Convicted Cases	42	25	8	75

Disposal of Fluorescent Tubes and Compact Fluorescent Lamps Which Contain Mercury

19. **MS AUDREY EU** (in Chinese): *President, fluorescent tubes and compact fluorescent lamps (CFLs) have been more commonly used by the public in recent years, but such products contain mercury and may cause pollution if they are not properly disposed of. In this connection, will the Government inform this Council:*

- (a) *whether it knows the respective quantities of fluorescent tubes and CFLs disposed of in Hong Kong in each of the past three years as well as the amount of mercury involved (set out in the table below);*

<i>Year</i>	<i>Quantity of fluorescent tubes disposed of</i>	<i>Quantity of CFLs disposed of</i>	<i>Amount of mercury involved</i>
2006			
2007			
2008			

- (b) *of the quantity of mercury-containing waste treated by the Chemical Waste Treatment Centre (CWTC) on Tsing Yi Island in each of the past three years, and its capacity for treating such waste each year;*
- (c) *whether it has forecast the quantities of fluorescent tubes and CFLs to be disposed of in Hong Kong in the next three years; and*
- (d) *whether it has assessed the quantities of fluorescent tubes and CFLs to be directly dumped at the landfills in the next three years, as well as the impact of the mercury content of such waste on the impermeable liners of the landfills?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President,

- (a) The quantities of used fluorescent tubes and CFLs disposed of at the CWTC on Tsing Yi Island under the fluorescent tubes and CFLs recycling programme are set out in the table below:

<i>Year</i>	<i>Quantity of used fluorescent tubes disposed of at the CWTC</i>		<i>Quantity of used CFLs disposed of at the CWTC</i>		<i>Amount of mercury involved</i>
	<i>(No.)</i>	<i>(Tonnes)</i>	<i>(No.)</i>	<i>(Tonnes)</i>	<i>(Kilograms)</i>
2006	243 000	38.9	132 000	13.2	1.50
2007	457 000	73.2	88 000	8.8	2.18
2008	618 000	98.9	177 000	17.7	3.18

We have no statistics on used fluorescent tubes and CFLs disposed of at landfills.

- (b) From 2006 to 2008, 59, 87 and 123 tonnes of mercury-containing waste were treated at the CWTC respectively. At present, the annual capacity of the CWTC's mercury waste treatment facility is about 1 million used fluorescent tubes/CFLs. Taking the mercury content of each used fluorescent tube or CFL as 4 milligrams, the amount of mercury to be recycled is about 4 kilograms. We have launched a plan to upgrade the capacity of the CWTC's mercury waste treatment facility. Upon completion of the upgrading works, which is expected to be in 2010, its treatment capacity will be increased to about 3 million used fluorescent tubes/CFLs a year. We will study the need for further upgrading of the CWTC's mercury waste treatment facility in the light of the recycling of used fluorescent tubes and CFLs in future.

- (c) and (d)

The Government's aim is to collect as many used fluorescent tubes and CFLs as possible for proper disposal at the CWTC. Upon the completion of the upgrading works in 2010, 3 million used fluorescent tubes/CFLs could be treated at CWTC a year.

The Government is actively encouraging the public to use energy efficient lighting. Although a rise in the use of energy efficient lighting such as CFLs is expected, the quantities to be disposed of depend on a number of factors, such as a probably longer service life of future lighting installations, development of alternative energy saving products, and enhanced public awareness of energy conservation and environmental protection. We therefore, are unable to make a precise estimate at this stage of the quantities of fluorescent tubes and CFLs to be disposed of in the next few years.

As for the strategic landfills in the territory, their bases and sides are sealed with impermeable liners to prevent the contamination of groundwater by waste and leachate. The impermeable liners are made of high-density polyethylene, an inert material which can withstand the erosive chemicals or metallic substances in leachate. Through an effective collection system of the impermeable liners, leachate generated in waste degradation is first carried to sewage

treatment facilities in the landfill for treatment and then to a public sewage treatment plant for further treatment and final discharge.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Two proposed resolutions under the Interpretation and General Clauses Ordinance.

First motion: Extending the period for amending the Dumping at Sea (Exemption) (Amendment) Order 2009.

PRESIDENT (in Cantonese): I now call upon Mr Albert HO to speak and move his motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR ALBERT HO (in Cantonese): President, I now move that the motion under my name be passed.

I move a motion in my capacity as Chairman of the Subcommittee on Dumping at Sea (Exemption) (Amendment) Order 2009 to extend the scrutiny period of the subsidiary legislation to 6 January 2010. At the House Committee meeting on 6 November 2009, Members decided to form a Subcommittee to study the Dumping at Sea (Exemption) (Amendment) Order 2009. To allow sufficient time for the Subcommittee to deliberate on it, I urge Members to support the motion to extend the scrutiny period of the subsidiary legislation to 6 January 2010.

Thank you, President.

Mr Albert HO moved the following motion:

"RESOLVED that in relation to the Dumping at Sea (Exemption) (Amendment) Order 2009, published in the Gazette as Legal Notice No. 203 of 2009 and laid on the table of the Legislative Council on

4 November 2009, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 6 January 2010."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

PRESIDENT (in Cantonese): Second motion: Extending the period for amending the Energy Efficiency (Labelling of Products) Ordinance (Amendment of Schedules) Order 2009.

PRESIDENT (in Cantonese): I now call upon Ms Audrey EU to speak and move her motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MS AUDREY EU (in Cantonese): President, I move that the motion under my name, as printed on the Agenda, be passed.

At the House Committee meeting on 6 November 2009, Members agreed to form a Subcommittee to study the Energy Efficiency (Labelling of Products) Ordinance (Amendment of Schedules) Order 2009 tabled before the Legislative Council on 4 November 2009. To allow sufficient time for the Subcommittee to deliberate on it and report its deliberations to the House Committee, I move a motion in my capacity as Chairman of the Subcommittee to extend the scrutiny period of the subsidiary legislation to 6 January 2010.

President, I urge Members to support the motion.

Ms Audrey EU moved the following motion:

"RESOLVED that in relation to the Energy Efficiency (Labelling of Products) Ordinance (Amendment of Schedules) Order 2009, published in the Gazette as Legal Notice No. 204 of 2009 and laid on the table of the Legislative Council on 4 November 2009, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 6 January 2010."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Audrey EU be passed.

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

PRESIDENT (in Cantonese): Two motions with no legislative effect. I have accepted the recommendations of the House Committee: that is, the movers of these motions each may speak, including reply, for up to 15 minutes, and have another five minutes to speak on the amendments; the movers of amendments each may speak for up to 10 minutes; and the mover of amendment to an amendment and other Members each may speak for up to seven minutes. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

PRESIDENT (in Cantonese): First motion: Enhancing employment support and creating employment opportunities.

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

I now call upon Mr WONG Kwok-kin to speak and move his motion.

ENHANCING EMPLOYMENT SUPPORT AND CREATING EMPLOYMENT OPPORTUNITIES

MR WONG KWOK-KIN (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, the unemployment rate has recently dropped to 5.2% and the number of people unemployed is finally fewer than 200 000. If we merely consider these figures, the unemployment situation has seemed to become better. However, even though the workers in Hong Kong have jobs for the time being, the existing poverty situation can still not be changed. The local workers are now facing the problem of unstable employment. The labour market is full of short-term, temporary and fake self-employed workers. Most of them have low wages and the problem of working poverty is quite serious.

Nylonkong has frequently been emphasized by the SAR Government and it subjectively hopes that Hong Kong would keep up with New York and London. Perhaps, in respect of the financial business, Hong Kong can surpass the United Kingdom and catch up with the United States. But, Hong Kong ranks first in the world in terms of the disparity between the rich and the poor. According to a report published by the United Nations Development Programme, Hong Kong has the most serious disparity between the rich and the poor in the world and our Gini Coefficient reaches 0.533. Even if we accept the Government's explanation that housing and welfare subsidies have been given to the grassroots, the disparity between the rich and the poor in Hong Kong still exceeds the 0.4 warning level.

The disparity between the rich and the poor in Hong Kong has not become so very serious overnight but there has been a process of accumulation over a long period of time. We think that is the result of the Government's neglecting the plight of workers for a long time. President, since the mid-1980s, the manufacturing industries in Hong Kong have been declining and non-skilled jobs

have been decreasing year after year. In the past, the middle-aged and the youth could find jobs and make a living even though they did not have good academic results. For example, they could make money by working in factories or working as hawkers; and they could earn a living as long as they worked hard. As Honourable colleagues would recall, in the 1970s and 1980s, many people supported their families and allowed their children to receive education by engaging in the handicraft industries, working at the sewing machines and selling towels on the street.

After the 1990s, there were no factory jobs and people were even deprived of the opportunities to work as hawkers. Non-skilled workers, including young people, middle-aged people and women, competing for limited jobs in the market could only take up such jobs as security guards, cleaners, cashiers, construction workers and delivery workers. Since there was not enough to go round, the wages became lower and lower and the disparity between the rich and the poor became increasingly serious.

(THE PRESIDENT'S DEPUTY, MR FRED LI, took the Chair)

Since the early 1990s, the Hong Kong Federation of Trade Unions (FTU) has always reflected to the Government that grass-roots workers have difficulties seeking employment and they have reduced incomes, and it has suggested that the Government should offer assistance to the labour-intensive industries. For instance, Legislative Council Members from the FTU proposed in the Legislative Council for the first time since 1999 offering assistance to the recycling sector.

However, the Government has always had blind faith in an omnipotent market. It believes that a favourable economic situation will naturally create more employment opportunities for the grassroots, and it has always treated the loss of grass-roots jobs with indifference. What is the outcome of more than 10 years of arguments over this attitude of the Government? Hong Kong ranks first in the world in terms of the disparity between the rich and the poor.

Today, the SAR Government is eventually ready to intervene and it has started promoting the development of the six industries. Certainly, the FTU

supports industrial diversification, but, this involves two issues: first, can the six industries provide enough grass-roots jobs? Second, can the human resources in Hong Kong meet the demands of these industries? If not, should we provide suitable training to enhance the workers' skills and enable them to meet such demands? Otherwise, despite promoting the development of the six industries, there will be a lack of workers to take up the newly-created jobs in these industries; thus, foreign workers have to be imported. If that is the case, the six industries will become the objects of public denunciation and attack.

For this reason, the first point I made in my motion is that, while developing the six industries, the Government is urged to target at labour-intensive industries, and the provision of low-qualification and non-skilled jobs, such as the recycling industry.

The second point is that the Government is urged to provide manpower training. We know that some jobs in the certification, health care, education, environmental protection, innovation and technology and creative and cultural industries are at the middle ranking or supporting levels, for example, laboratory technicians, laboratory assistants and computer programmers. In Hong Kong, quite a number of young people, even those who have completed professional diploma courses in the Institutes of Vocational Education or overseas universities, cannot apply what they have learnt. When they look for jobs, they often choose to become office assistants and salespersons, and so on. The situation where the new arrivals from the Mainland cannot apply what they have learnt is even more serious. Many of them have completed senior secondary or university education; however, as their academic qualifications are not recognized in Hong Kong, they can only take up jobs at the lower levels. If we can provide training for these young people and the new arrivals to tie in with the development of the six industries, we will be able to alleviate the unemployment and job mismatch problems, and provide manpower to match the development of the new industries. I think we will then be able to kill two birds with one stone.

Deputy President, my colleagues from the FTU would speak on the other proposals in my motion and I will give a response again later. Thank you, Deputy President.

Mr WONG Kwok-kin moved the following motion: (Translation)

"That, since the reunification, Hong Kong's growth in Gross Domestic Product has exceeded 40% but the population of the poor has increased persistently to over one million, and according to a report published by the United Nations Development Programme, Hong Kong even ranks first in the world in terms of disparity between the rich and the poor, the problem is attributed to the mismatch between manpower supply and job positions, the Government should allocate more resources to expand various employment services as well as continuing education and training, and create jobs to assist the grassroots in securing employment, thereby alleviating the disparity between the rich and the poor; in this connection, this Council urges the Government to adopt the following measures:

- (a) while developing the six industries, to provide various concessionary measures particularly targeting at labour-intensive industries, such as the recycling industry, in order to encourage and support the development of these industries;
- (b) to provide avenues to continuing education to enable young people, new arrivals, etc to equip themselves for taking up professional positions in the six industries at the middle ranking or supporting levels;
- (c) to introduce a territory-wide transport subsidy scheme to subsidize the costs of low-income employees in working across districts, so as to enable them to have more choices in jobs;
- (d) to provide re-employment support allowance and employment counselling, etc for the unemployed;
- (e) to establish a start-up fund to provide the unemployed with capital to set up their own businesses, and invite professionals to provide support on setting up and operating businesses;
- (f) to promote local community culture economy, issue licences to people engaged in arts and cultural performances and activities, and relax the restrictions on on-street arts and cultural activities; and

- (g) to consider allowing regulated hawking activities in specific areas or during specific periods, so as to provide opportunities for running small businesses."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr WONG Kwok-kin be passed.

DEPUTY PRESIDENT (in Cantonese): Mr WONG Sing-chi, Mr Tommy CHEUNG, Mr LEUNG Yiu-chung, Ms Cyd HO, Ms LI Fung-ying, Dr Priscilla LEUNG, Mr LEUNG Kwok-hung, Mr LEE Cheuk-yan and Ms Audrey EU intend to move amendments to this motion. Dr Raymond HO also intends to move an amendment to Ms LI Fung-ying's amendment. This Council will now proceed to a joint debate on the motion and the amendments.

I will call upon the Members who intend to move amendments to speak one by one; but no amendments are to be moved at this stage.

MR WONG SING-CHI (in Cantonese): Deputy President, the Democratic Party basically supports all the amendments. Concerning Ms Cyd HO's amendment, we actually have no objection to its contents. However, Ms HO's amendment substitutes "reunification" with "handover of sovereignty", to which the Democratic Party explicitly objects because we have all along considered that China has the sovereignty of Hong Kong. The Democratic Party never recognizes the three unequal treaties imposed as a result of the invasion of China by the United Kingdom. Therefore, I must say specifically that the United Kingdom never had the sovereignty of Hong Kong. Thus, the expression of "the reunification of Hong Kong with China" tallies with the historical and political reality while the handover of sovereignty from the United Kingdom to China implies that the United Kingdom once had the sovereignty of Hong Kong, which is unacceptable to the Democratic Party. Hence, the Democratic Party must indicate that it does not accept the expression but we will continue to support other parts of the amendment.

Deputy President, we have discussed the issue of the disparity between the rich and the poor for a long time. The fact that nine Honourable Members have already spoken on Mr WONG Kwok-kin's amendment today reflects that Legislative Council Members are basically concerned about the issue. During

our debate on the motion of thanks on the policy address this year, I have also touched upon the Government's indifference and neglect of poverty and labour issues, which is an indisputable fact.

Not long ago, a United Nations report even stated that Hong Kong had "the honour" of ranking first in the world in terms of the disparity between the rich and the poor. Having said that, I am very curious about the Government's thoughts on being ranked first. In the past when Hong Kong ranked first in a certain area, the Government would immediately make it known to the public that it had made a lot of efforts. Nevertheless, it appears that it has not given any response this time. If the Government has not given a response because it feels good about itself, we really have nothing to say. Yet, if it is so abashed that it opts to remain silent for the moment to weaken the effects of some negative news, I am going to give the Government a piece of advice: "Evasion is no way out." Now that Hong Kong already ranked first in this connection, the Government should step forward and positively face up to the problem of disparity between the rich and the poor and suggest more methods to alleviate the problem. How many decades can a person spend throughout his life? The Government has spent decades slowly studying the alleviation proposals and the Central Policy Unit is still studying the retirement proposal to be adopted in the future. Nonetheless, the study has been carried out for so many years without any results and the Secretary is left helpless with the delayed submission of the report. It seems that the government officials have failed to undertake any commitment.

Hong Kong can no longer wait for decades because the public have encountered lots of problems. Insofar as industrial accidents are concerned, the Chief Executive has loudly stated that one accident is too many. Nonetheless, as regards the disparity between the rich and the poor, I believe all Hong Kong people will tell the SAR Government loudly that we really do not want the "honour" of being the first in the world in terms of the disparity between the rich and the poor because it has really humiliated us.

Deputy President, in the original motion today, Mr WONG Kwok-kin has mentioned that the problem of disparity between the rich and the poor is attributed to the mismatch between manpower supply and job positions after all, and I think this point is open to question. The manpower mismatch has undoubtedly given rise to the present high unemployment rate and the serious

disparity between the rich and the poor, but, I think that it is just one of the causes and it is not the fundamental cause after all. Continuous social and economic development brings about the loss of many existing trades and job positions. Corresponding changes should be made in respect of the knowledge and skills required in the employment market. After the financial tsunami, there have been structural changes in the pattern of our future economic development. Yet, the Government does not have enough measures that can keep abreast of the times to help affected individuals and trades. As a result, the labour market remains weak and serious problems such as a manpower mismatch, the loss of job positions and a constant increase in CSSA cases have emerged one after another. Hence, the rich get richer and the poor get poorer and our Gini Coefficient (which reflects the disparity between the rich and the poor) has the "honour" to rank first in the world. Deputy President, I trust that these are the fundamental causes of the disparity between the rich and the poor in Hong Kong while the manpower mismatch problem is not the only cause. After all, the Government should have more forward-looking strategies, for example, one-stop continuing education and training, employment services or creating jobs, coupled with timely and effective measures, to put in more new ideas and resources to help the grassroots tide over difficulties and genuinely alleviate the problem of disparity between the rich and the poor. This is really the key.

Deputy President, in the policy address this year, the Chief Executive has emphatically promoted six key industries. He thinks that these industries play crucial roles in our future economic development and will propel our progress towards a knowledge-based economy. Nevertheless, the Democratic Party queries the Government's ability to choose on behalf of the market. In developing these industries, the authorities should not overlook the existing economic pillars and they must stick to the principles of fairness, openness and non-monopolization. They should make fuller use of the market mechanism and avoid implementing a planned economy to prevent the recurrence of unfair incidents such as in the case of the Cyberport. As such, in view of the evidently high unemployment rates of young people and the new arrivals at present, I think the Government should give them more opportunities for continuing education, and it must provide pinpointed job training to enable them to take up suitable positions in various trades and industries and give play to their strong points. The Government should do so instead of restricting their promising prospects to the supporting positions in the so-called six industries where results have not yet

been seen, thus, in a way crippling their potentials for development in these industries. These points deserve pondering upon by Honourable colleagues.

Deputy President, regarding transport allowances, the Democratic Party has all along insisted that the Government should extend the Transport Support Scheme to allow applications by all Hong Kong people who meet the requirements. I urge the Government to enhance the flexibility of the application procedures to benefit more low-income and unemployed persons. Deputy President, the Government once considered it inappropriate to provide travel subsidies on a permanent basis because it believed that this was tantamount to providing employees with long-term income subsidies. Yet, the unemployment situation has been grim since the financial tsunami. Excepting property prices, it is very unlikely that our economy will bounce back within a short time from the bottom to the level before the financial tsunami. Thus, if the Government is unwilling to consider the possibility of providing long-term subsidies, I am afraid many people would be forced to stop looking for jobs across districts because of the travelling expenses involved, and they would even give up job opportunities that are hard to come by. In my opinion, if the Secretary continues to convince the public at large this way, and continues to say that transport allowances should not be provided, his decision would in a way deal a blow to people's determination and opportunities to work across districts. I think the Government should definitely stop paying lip service to tell people how it will help them while taking no practical actions to encourage people to go out to work in the wake of the repercussions of the financial tsunami.

Deputy President, lastly, I would like to discuss point (f) of the motion. I fully agree with the objective of Mr WONG Kwok-kin's motion, that is, to relax the restrictions on on-street arts and performing activities. In recent years, there have been an increasing number of on-street activities and we have found many performances staged at Women's Street and other pedestrian precincts. It is very meaningful to have such entertainment for the public.

Yet, Deputy President, I have to stress that, in relaxing the restrictions, we should understand what relaxing the restrictions is about. In fact, there is an interesting phenomenon: It is not expressly provided in Hong Kong that on-street arts performances are prohibited. In other words, on-street performers can freely carry out such activities or perform on the street. Nonetheless, upon careful observations, we will find that on-street performers cannot easily and freely stage

performances on the street because people frequently complain about the noises they create, the disturbance on the passers-by and obstruction. Hence, the law-enforcement officers can stop them from staging on-street performances in accordance with the Summary Offences Ordinance. This is the origin of the restrictions, which has nothing to do with whether licences should be issued.

For this reason, Deputy President, the significance of relaxing the restrictions is that on-street performers will be given greater flexibility in performing in public places such that there will not be conflicts between these performers and the law-enforcement officers because of such problems as road encroachment and noise nuisances. After all, it will be too bad if licences are to be issued to people engaged in arts and cultural performances and activities on the street as Mr WONG Kwok-kin has suggested. The first reason is that we are not sure about how street art should be defined and how licences should be issued. If my son is singing and dancing on the street with an MP3 in hand, attracting a crowd of onlookers, he may be arrested. If licences need to be issued for people who do so, many people will be at risk. Hence, we hope that the Government would help these street art performers and make it easier for them to perform on the street instead of imposing restrictions on them through issuing licences.

I so submit. Thank you, Deputy President.

MR TOMMY CHEUNG (in Cantonese): Deputy President, the Liberal Party opines that the major problem encountered in the course of economic development these few years is how we should face the challenge of the development into a knowledge-based economy. "Knowledge changes fate", especially if we are to develop new industries, we need even more to equip ourselves well in order to add values to ourselves, or "more to a higher level", a frequently-used expression these days. That is the only way in which we can hopefully create more job opportunities in Hong Kong, and that is also the reason why I propose this amendment on behalf of the Liberal Party today.

Taking, for example, the middle-aged. I originally thought that, as they had accumulated social experiences and interpersonal skills, they should have certain career achievements. However, in the powerful currents of the development towards a knowledge-based economy, if the middle-aged cannot get a grasp of basic knowledge in languages or computer operation, they cannot

move up the career ladder and it will not be an easy task for them to make more money.

If the basic knowledge they have does not enable them to keep abreast of the times, they may even become the working poor or they may lose their jobs, and have to rely on CSSA payments to support their living. Therefore, the Liberal Party thinks that we should make every effort to help the grassroots strive for progress, and equip themselves through training so that they can support themselves by their own labour and regain dignity.

Thus, the Liberal Party suggests providing free medium-term and short-term training places for middle-aged people with low educational attainment and low income, and provide an allowance for value-adding to attract those people to pursue further studies after work, thereby enhancing their competitiveness.

On the other hand, though the Liberal Party agrees that the Government can develop the six key industries in which Hong Kong has an edge, thereby finding a new way-out for our economy and creating more job opportunities, we think that software and hardware development is necessary in the course of developing these industries. Hence, the Government should work out at the same time clearly-defined blueprints for manpower training; otherwise, the industries can hardly be developed when there is a lack of suitable talents.

Taking the testing and certification industry as an example, the industry players have estimated that 5 000 more workers will have to be recruited in the next two years. The Task Force on Economic Challenges has even estimated that there is a shortage of 15 000 workers in the industry, which shows that the industry has an eager demand for talents. Furthermore, the industry players have told us that, some positions such as technicians and testing technicians can also be taken up by Secondary Five graduates. However, the Liberal Party has noticed that the Government has just talked about developing these industries, failing to work out clearly-defined manpower training blueprints for the six key industries in which Hong Kong has an edge. The situation is not very satisfactory and it should be rectified as quickly as possible.

Deputy President, the Chief Executive often emphasizes "supporting enterprises and preserving employment", but, there is not any plan for manpower training and the effectiveness of "supporting enterprises" is open to question.

For example, the recycling industry mentioned in the original motion has always been restrained by the high land prices in Hong Kong. Also, as there is only recovery but not recycling, the recovery prices are easily affected by external factors, thus, the industry has been "on saline drip" for years.

Nevertheless, the Government has not practically supported the industry players. Instead, it has recently granted the site at EcoPark Phase II to two non-profit-making charity organizations and given them tens of millions of dollars of subsidies. The Liberal Party is very worried that the Government may have gone astray in doing so because this will create unfair competition for the tenants of EcoPark Phase I who have to meet the expenses on the infrastructure themselves; this will also make the entire concept of the industry confused. It is not at all helpful to the development of the industry, not to mention creating job opportunities.

In addition, quite a number of young people or unemployed people actually intend to set up their own businesses despite the shortage of capital. So, the Liberal Party suggests establishing a start-up fund to provide them with capital to set up their own businesses, giving those with the intentions opportunities to display their capabilities. Through share holding, the fund can provide them with capital for setting up companies, and provide "through train" follow-up services, such as assisting them in formulating business plans. After the companies get onto the right track and make profits, the Government as a shareholder will be paid dividends, or, it may even sell its shares for cash at the right moment. The Liberal Party believes that this mode conforms better to the principle of developing the industry.

Deputy President, the Liberal Party has all along supported creating more job opportunities, especially for the grassroots, through developing the diversified local community economy. Nonetheless, the Government has just paid lip service very often. It has often talked about bureaucratic procedures without paying any attention to people's livelihood.

Let me take the "dai pai dong" as an example. A few years ago, the licence holder of Man Yuen Noodles in Central passed away, but, the Government declined to allow his family members to inherit the "dai pai dong" licence, thus, this "dai pai dong" closed down. Although the famous food critic, CHOI Lan, applied earlier to the Government for the establishment of a "dai pai dong village" with distinguishing features in Tin Shui Wai, which would employ

a few hundred people, the Government unexpectedly considered it as unfeasible because it was being asked in the proposal to meet the expenses on the construction of the superstructure, and the plan was thus aborted. The site may eventually be restored as an outdoor carpark.

I would like to quote the termination of this development plan as an example to illustrate that, if the Government is willing to make flexible arrangements, and to sit down and discuss unhurriedly with the proponents, instead of saying that nothing can be done once problems are found, or not hesitating to drop the development plan, the district will not be deprived of opportunities for development for no reason.

For this reason, I think the Government should change its inflexible practice to avoid crippling the creation of job opportunities. Besides, it should take the initiative to consult the District Councils to explore if suitable sites can be identified for the operation of "dai pai dongs" so that we can make the most of and hand down this culinary culture with local features.

Also, the Liberal Party hopes that the Government would try its best to retain the existing open air bazaars and consider shelving the scheme for the surrender of itinerant hawker licences. Of course, we are not asking the Government to follow the example of what was done in the 1950s and issue licences without restraint, or encourage hawking by illegal itinerant hawkers on the street. Yet, merely demolishing and regulating will only wipe out these rarely remaining cultural features.

About the amendments, Dr Priscilla LEUNG proposes studying the establishment of a switch-occupation loan fund for the unemployed, of which the rationale is exactly the same as the Liberal Party's earlier proposal on establishing a \$500 million fund to add value for the unemployed middle-class. Another example is that the community has largely reached a consensus about extending the Transport Support Scheme to all districts of the territory. I hope the Government would take this into consideration.

An Honourable Member has asked the Government to establish a standard poverty line, but we are worried that this will not help address the problem of disparity between the rich and the poor and will conversely create a labelling effect. Furthermore, to include "elimination of working poverty" as one of the objectives for the setting of a minimum wage runs counter to the Government's

aim to establish a minimum wage for the protection of low-income workers. Hence, it is open to question. The Liberal Party therefore cannot support the relevant proposal.

The amendment of Mr LEUNG Kwok-hung proposes deleting the words "while developing the six industries," and suggests merely relying on the construction of public facilities such as public housing estates and hospitals to create employment opportunities. These proposals have violated the major principle of developing the industries to create jobs, thus, the Liberal Party cannot support them. Nonetheless, the Liberal Party supports Dr Raymond HO's amendment because if we stop talking about free market and economic development, Hong Kong will no longer be Hong Kong, let alone alleviating poverty.

I so submit, Deputy President.

MR LEUNG YIU-CHUNG (in Cantonese): Deputy President, there are very serious social conflicts in Hong Kong at present and the grassroots are living in extreme difficulties. In the past year, or more recently, in the past month or so, although the Government has said that the unemployment rate has begun to stabilize, on the whole, the unemployment rate has increased by more than 2% and there are nearly 100 000 more unemployed people (excluding the underemployed). In the meantime, the situation of low-income workers is grim. A rough estimation tells us that there are almost 300 000 full-time and part-time workers with incomes lower than \$5,000. Therefore, Hong Kong has had "the honour" of ranking first in terms of the disparity between the rich and the poor. In our view, the problem is really very serious and it must be solved. Recently, the Government has constantly told us that the financial tsunami crisis is over, and the livelihood and poverty of the grassroots will be slowly improved. However, what the Government says is different from what it actually does. Until now, we cannot see any obvious improvements. Conversely, the grassroots worry even more about the recurrence of inflation. If inflation recurs while wages do not increase, the poverty problem will deteriorate further. So, during this period, we think that the Government can no longer be indifferent and it can no longer tell us that it has to wait until the economy recovers to solve the problem. We must have practical measures for assistance and solving the problem.

As regards "enhancing employment support" and "creating employment opportunities", I am sure the Government will say that relevant work has been

carried out. Nevertheless, for many years, the so-called "employment support measures" of the Government, in my view, are actually short-term measures putting the workers "on saline drip", and the Government has not assisted workers in solving the unemployment, employment and underemployment problems on a permanent basis from a long-term point of view. That is precisely why we have noticed that, under favourable or unfavourable economic circumstances alike, the grass-roots wage earners in Hong Kong are in a grim situation, and improvements should really be made by the Government.

As a matter of fact, even if the measures for enhancing employment support and creating employment opportunities are effective, they are just stopgap measures rather than permanent cures. To get at the root of the problem, I think the Government must make improvements policy-wise; otherwise, the poverty situation cannot be improved.

In fact, the result of a survey released by the Hong Kong Council of Social Service in September this year shows that the size of the population living in poverty exceeds 1.23 million, and the figure is the highest in the last 10 years. In other words, nearly 20% of Hong Kong people are living below the poverty line as recognized by the international community. While we experience pauperization, the disparity between the rich and the poor in Hong Kong makes us feel ashamed. As mentioned earlier, the Gini Coefficient reaches a high level of 0.53, which reflects that, among developed regions, Hong Kong's grim situation is deteriorating. I think that we cannot accept the present situation and we must consider further how to solve the problem. It is inappropriate for the Government to treat the problem with indifference.

Although local non-government organizations and international human rights bodies have always asked the Government to set the lowest poverty line standard to reflect where the problem is and to make improvements, it is a great pity that the Government has all along been reluctant to do so. As Mr Tommy CHEUNG has just said, setting a poverty line may create a labelling effect. Actually, the most important point is not a labelling effect but how the problem can be solved. Actually, as a poverty line has never been set in the past, the poverty problem has been deteriorating without any improvement, which is an issue that we must address squarely. Hence, we cannot just cover up the actual problem with fine words. On the contrary, it is most important for us to tackle the problem genuinely.

Deputy President, why should a poverty line be set? Most importantly, when a country has a clear and explicit poverty line, it can compile an indicator about how the size of the population living in poverty can be reduced in the future. There will then be a yardstick, or else, nothing can be done and there will not be any standard for examining whether the past policies are successes or failures. Thus, a poverty line must be established and the Government can no longer stall the issue. Also, it cannot deceive itself, assuming that poverty does not exist when there is not any poverty line. I think this is inappropriate.

Hence, I restate the ways to effect a permanent cure: First, a standard poverty line must be established; second, a widely representative committee on poverty alleviation and employment must be established to formulate comprehensive strategies for alleviating poverty and supporting employment; and third, a specific timetable and roadmap must be worked out to gradually reduce the proportion of the population living in poverty.

Certainly, Deputy President, in today's debate, it is most important to talk about how to take the various employment support measures and ways to create job positions, which have my support. In particular, I want to express that providing transport support to low-income workers is a pressing task which must be accomplished as soon as possible. In fact, the Government only implemented the Transport Support Scheme in four districts, making workers in the other districts discontented. In the past few weeks, I visited various districts and had meetings with the workers there. They questioned why the low-income workers in Tin Shui Wai working across districts were given support while the low-income workers in Kwai Chung working in other districts were not given any support. Why was there such a phenomenon? Was this regional discrimination or what?

This measure has been implemented for a long time and the Government has kept saying that it is conducting a review. I once asked the Secretary what the objective of the review was. Had the objective of the review really taken a territory-wide implementation into account? If the review is just a technical review on some side issues, I think it will be meaningless. In particular, a survey conducted on the workers in the four districts in connection with transport support shows that the actual problems in the other districts have not been reflected. For this reason, if the Government is really willing to implement the Transport Support Scheme, it should not focus the surveys and reviews on the

workers living in these four districts only. Instead, it should expand the target group and consider if the workers in the other districts in the territory also have the needs. If so, the scope of the Transport Support Scheme should be extended and expanded. In doing so, I believe the Government will basically render some assistance to the low-income workers.

Deputy President, it is time for me to touch upon another area. Mr Tommy CHEUNG has just said that he does not support establishing a poverty line, I understand that very well and I also believe that the Government will not support establishing a poverty line. We have fought for it continuously for many years. Even so, I still continue to insist on that in this Council. We cannot do without a poverty line because it is the most effective way to reflect the actual situation, and the Government can thereby formulate policies to improve the situation. As a matter of fact, a poverty line has been established in many countries. To be sure, the principal difference lies in the fact that those countries have governments returned by democratic elections, unlike the Government of Hong Kong. Since our Government is not returned by a democratic election, it is not duty-bound to compile an indicator to solve the poverty problem. Hence, I have no choice but to say here that we must have a democratic system before we can solve the problem. Otherwise, we can just adhere to what we have been doing for so many years, that is, casually talking about solving the poverty problem instead of genuinely solving the problem.

Thus, in discussing the constitutional reform today, we must fight all around for dual universal suffrage to enable our Government to solve the poverty problem under an accountability system that is open and responsible. In fact, without a democratic political reform, we cannot effectively improve people's livelihood. Hence, this problem can only be solved under a democratic system with dual universal suffrage.

I so submit, Deputy President.

MS CYD HO (in Cantonese): Deputy President, I respect the Democratic Party's expression of their political sentiments. In this connection, I do not want to make any argument but I will discuss the issue of sovereignty basing on Mr LEUNG Yiu-chung's comment on the rights of the people to deal with daily life.

The Democratic Party has also chanted the slogan that "sovereignty is in the people". However, according to the history of Hong Kong, the sovereignty of Hong Kong people was handed from a government — a genuine colonial government — to another government wishing to maintain colonial governance. As sovereignty was never handed to Hong Kong people, many livelihood policies in Hong Kong have been tilted towards consortia and the problem of disparity between the rich and the poor has been deteriorating, as though the colonial exploitation in the past still exists, at which people are very indignant.

Deputy President, the issue of enhancing employment support and taking complementary measures is widely supported and it should not attract such a number of amendments. Nevertheless, I have noticed that the original motion mainly puts the blame for the problem of disparity between the rich and the poor on one point, that is, the mismatch between manpower supply and job positions. I think this is only one of the causes. The real cause of poverty is tilted policies and power structures. As such, many diligent workers are still living below the poverty line. Indeed, we should discuss working poverty. Therefore, my discussion about my amendment will be focused on working poverty and this point must be taken into account when setting a minimum wage. I hope Honourable colleagues would discuss the fundamentals of the issue of poverty, that is, alleviating the disparity between the rich and the poor in respect of governing concepts, getting a grasp of the problem and straightening out the power structure.

In fact, poverty, including absolute poverty and relative poverty, has been defined in many articles by academics from various international organizations. Those in absolute poverty cannot even have enough food and clothing. In Hong Kong, there is a Comprehensive Social Security Assistance system to protect people and emergency relief assistance is provided. If people are able to come under this social welfare system, their basic needs of food and clothing will be met. Nevertheless, the real problem lies in the fact that the officials handling and implementing this system adopt the attitudes of "goal keepers". They reject all those who approach them instead of trying to help those in need with a sense of fairness and sympathy in mind. Thus, in solving the problem of absolute poverty, we must review the handling of the matter by bureaucrats.

Moreover, if we merely rely on welfare to "keep people alive" and give them basic food and clothing, we will not be able to eradicate poverty. If we are to eliminate inter-generational poverty, we must consider if the poor households

have enough incomes for continuing studies and employment, and for their children to enjoy equal opportunities in receiving education, thus, enabling them to become competitive enough in the future to help their households shake off poverty. To achieve this objective, we must adopt the relative poverty standard to help those in need. To explain relative poverty in numerical terms, the household income should be lower than a half of the median wage. But, it is not enough to calculate merely on the basis of incomes as it is assumed that there is a cause and effect relationship between household incomes and living expenses. Assuming that there is a free market, if living expenses increase, the workers will be able to find higher-paying jobs to make ends meet. Yet, this is not the case in Hong Kong because our workers do not have collective bargaining rights and they cannot bargain with their employers. Besides, the two most important daily expenses, that is, housing and travelling expenses, are not determined according to the free market equilibrium prices. These two expenses have maintained at high levels as a result of formulated policies tilted towards the interest of consortia. Workers are still poor even after receiving training, continuing education or securing jobs, and they still fail to make ends meet.

Let us discuss the housing issue first. It is stated in the recently-released Third Quarter Economic Report 2009 that the rental index in the third quarter this year was 102.9 while the index was 100 in 1999 before the substantial economic slide. Let us consider again whether the wages of grass-roots workers have increased by 2.9% or still remain at the -29% level. Evidently, it is unrealistic if we consider the poverty issue on the basis of median household incomes. About housing supply, there was a supply of 15 863 public housing flats in the first three quarters this year. With the suspension of the sale of Home Ownership Scheme (HOS) flats, there was nil supply of subsidized housing. As compared with the situation in 2000, there was a supply of 40 944 public housing flats and 22 768 HOS flats. There was also a supply of 47 590 public housing flats in 2001. Taking a look at these figures, we will understand why there are still 120 000 people on the Waiting List, remaining at the "struggling" stage. As urban renewal and hot capital inflows have pushed up property prices, people have to bear heavy housing expenses, and that is also the result of government policies.

In addition, regarding the travelling expenses just mentioned by Mr LEUNG Yiu-chung, as there were franchise agreements, the then Secretary Sarah LIAO already advised that travelling expenses should be lowered. However, this met with no success. It could only rely on the cross-district

travelling subsidies provided by the Government to a limited extent. For many grass-roots households, the cross-district travelling expenses very often take up 12% of their household incomes. In light of the way they live, how can we solve the working poverty problem?

Deputy President, we have a very simple request that all those who labour and are hardworking must have reasonable returns to help them meet reasonable living expenses. If the economic situation is unfavourable and jobs are only available in one to two areas, the problem of unemployed low-skilled workers can be solved through supporting industries and training workers. Yet, if it is a structural problem, low-cost workers working continuously will still fail to make ends meet as a result of tilted policies. When there is structural injustice, we cannot just solve the problem by patching up.

Wage protection is essential to solving the working poverty problem. As Hong Kong workers do not have collective bargaining rights, they must be protected by the introduction of legislation for a minimum wage. Nonetheless, the legislation we have waited for 20 years does not contain a formula for calculating the minimum wage. It just empowers the Minimum Wage Commission to set a minimum wage. Nevertheless, when it takes a minimum wage into account, the Commission only has two major factors for consideration: First, striking a suitable balance between the objectives of avoiding excessively low wages and reducing as far as possible the loss of low-wage jobs; and second, maintaining our economic development and competitiveness. A lot of Honourable Members, parties and groups have strong views on this point. Hence, I propose an amendment to include the "elimination of working poverty" as one of the work objectives of the Minimum Wage Commission. .

Deputy President, I would like to raise another point, and that is, the economy is now entering a new mode. After the outbreak of the financial tsunami in 2009, we are facing a new problem. The unemployment problem does not refer to the unemployment of low-skilled workers. As stated in the Third Quarter Economic Report this year, in respect of the unemployment problem, the high-paid financial practitioners were hardest hit. There was a most evident drop in the unemployment rate of low-skilled workers aged between 35 and 54. Their situation turned better and they found jobs although securing jobs failed to help them. Another group of figures in the Economic Report indicated that, taking the financial sector as an example, the salaries of high-skilled workers, that is, the higher-paid workers were -20% during the crisis but +40% after the rebound. The wages of low-skilled white collar workers,

receptionists and clerks were -5% during the crisis but only +4% after the rebound.

Hence, Deputy President, in light of the new economic situation, challenges and mode, we should seek new solutions. I ask Honourable Members to further consider, apart from training low-skilled workers and supporting industries, if we can work out together a proposal under the power structure to solve in a fair manner the problem of disparity between the rich and the poor. Thank you, Deputy President.

MS LI FUNG-YING (in Cantonese): Deputy President, the subject of the motion today is enhancing employment support and creating employment opportunities. If we purely discuss how to enhance employment support and express our views on the topic, matters of principle will not be involved. However, the motion today touches on two major issues by which our society has always been troubled and to which we need to respond. One of these issues is: Why has the population of the poor persistently increases whilst there is economic growth? Second, what are the reasons for an extremely serious disparity between the rich and the poor? These two issues have not been directly raised in the motion and only the causes of the two issues have been explained in the motion. Nevertheless, it is regrettable that as the original motion discusses employment training, the amendments cannot reflect measures that are not associated with employment. As a result, the amendments are restricted to a very large extent and they have failed to echo the issues raised in the original motion.

Now that the population of the poor persistently increases in Hong Kong, what are the fundamental causes of the deteriorating disparity between the rich and the poor? It is stated in the original motion that the problem is attributed to the mismatch of manpower resources, but, I do not think so. Nevertheless, the original motion proposes that the Government should allocate more resources to enhance employment support and create job opportunities to alleviate the disparity between the rich and the poor, I support this proposal in principle because any measures for enhancing employment support and creating job opportunities have positive effects in improving the disparity between the rich and the poor. Yet, to effect a radical cure, we need more than patching-up measures. Actually, for more than a decade after the reunification, we could not say that the Government had not introduced measures to enhance employment support and create job opportunities, and we could casually give many examples,

for example, the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme pinpointing young people; the Employment Programme for the Middle-aged pinpointing the middle-aged; and the Government even introduced the Internship Programme for University Graduates pinpointing university graduates. Furthermore, the Employees Retraining Board organized various courses and the Labour Department provided various employment services.

If Honourable colleagues are interested, they can go through the report published by the Commission on Poverty dissolved more than two years ago. The measures for enhancing employability in the report include a comprehensive review of training, retraining and skill upgrading initiatives. In respect of employment support, it is suggested that more pinpointed assistance should be provided to people facing employment difficulties. Insofar as job opportunities are concerned, it has touched upon promoting economic development and paid particular attention to sectors that can create job opportunities for low-skilled workers. Yet, all these measures have failed to change the situation where the population of the poor in Hong Kong increases rather than decreasing and there is deteriorating disparity between the rich and the poor in Hong Kong.

Comparing the above measures to the proposals in the original motion, I do not think that the two are in any way different in essence and that they can fundamentally change the situation of a continuous increase in the population of the poor in Hong Kong and the deteriorating disparity between the rich and the poor in Hong Kong.

To solve the problems of a continuous increase in the population of the poor in Hong Kong and the disparity between the rich and the poor in Hong Kong, the Government should change its governance mindset after all. When this Council had a debate on the policy address last month, I already explained my position very clearly. I pointed out that, in solving the employment and poverty problems thorough promoting economic growth, we were heading towards the wrong direction. On this basis, I think the Government's willingness to legislate on a minimum wage is highly significant, possibly representing a change in its governance mindset. If it legislates on a minimum wage properly, I believe it will be able to effectively alleviate the working poverty problem in Hong Kong. Nonetheless, in respect of the scrutiny of the Bill so far, I am not optimistic about whether the Bill can really protect grass-roots workers

effectively. The Government may have only changed its governance strategies but not its governance mindset.

As I have said at the very beginning, Honourable colleagues can express their views on the measures to enhance employment and there is no divergence in principle. Yet, I still want to make two points of amendment: First, the Government should establish an unemployment loan fund because employment support and financial support for the unemployed are two sides of the same coin and both are indispensable. Moreover, the employment assistance schemes for young people, new arrivals and ethnic minorities have been proposed in response to the scheme for university graduates. A more effective way to alleviate the disparity between the rich and the poor is to review the tax regime to enable it to play the wealth redistribution role effectively. Originally, I intended to include a review of the tax regime in my amendment, but, as this was not directly related to enhancing employment support and creating employment opportunities, I was compelled to give up the idea.

Among the various amendments today, my train of thought is more similar to that in the respective amendment of Mr LEUNG Yiu-chung and Ms Cyd HO. Mr WONG Sing-chi's amendment has deleted the causes of the persistent increase in the population of the poor and of the disparity between the rich and the poor in Hong Kong in the original motion, restoring the motion debate to one purely about the measures for enhancing employment. So, his amendment may after all be accepted as an amendment that deserves support.

Deputy President, the poverty problem in Hong Kong is not to be evaded. For more than a decade after the reunification, Hong Kong has tided over crises one after another and maintained the sustained development of the economy. At the same time, it has paid heavy prices. The grassroots' life has become harder and harder, and discontentment, has persistently been accumulated in the community. As the saying goes, "The man who is fond of daring and is dissatisfied with poverty will proceed to insubordination. So will the man who is not virtuous, when you carry your dislike of him to an extreme." The general idea is that the intensified dissatisfaction of the community with poverty and the heartless rich is the source of upheaval. This teaching by Confucius to the world some 2 500 years ago still has practical significance for us.

Deputy President, I so submit.

DR PRISCILLA LEUNG (in Cantonese): Deputy President, in Mr WONG Kwok-kin's motion about enhancing employment support today, there are a number of proposals worth discussing.

A short while ago, several Honourable colleagues brought up some points. First of all, Mr WONG Sing-chi referred to Ms Cyd HO's proposal in her amendment to change "since the reunification" to "since the handover of sovereignty", I agree with it. Therefore, I have already indicated that I will withdraw my amendment if Ms Cyd HO's amendment is passed.

Second, I think Ms LI Fung-ying's amendment is acceptable. Since there is a serious disparity between the rich and the poor in Hong Kong, we should comprehensively review the policy on alleviating poverty. However, it is stated in the amendment that the Government should not have excessive blind faith in free markets and over-emphasis on economic development. I believe this is a topic for academic discussion and subjective judgments should not be made during a motion debate in the Legislative Council. Thus, I support Dr Raymond HO's amendment.

Deputy President, among various amendments and the original motion today, as I have noticed, only my amendment makes the point that middle-class people still need assistance.

Deputy President, the Japanese scholar Dr KENICHI Ohmae and Japanese writer MIURA Atsushi respectively introduced the concepts of M society and downstream society (the downstream process of strata). They have also said that, social wealth is redistributed in the wake of globalization. Some middle-class people who were the mainstay of society in the past have found new directions in a knowledge-based economy. Nevertheless, a larger number of middle-class people have lost competitiveness as a result of work mode changes, and they have kept moving downstream in society. The population that was originally at the middle of the income structure chart has moved towards both ends and the size of the population with middle income continuously decreases while there are relative increases in the poor and well-to-do classes, thereby creating an M phenomenon of income polarization. Dr KENICHI Ohmae considers that the Japanese society today is in such an M condition.

An M society and M society theories have become issues of wide concern in Hong Kong. As pointed out by a number of academics, our society also has

M characteristics just like Japan. Although there is still quite a lot of arguments in the academic sector about whether Hong Kong has become an M society, after the outbreak of the financial tsunami last year, the finance and investment sectors have been hardest hit insofar as unemployment is concerned. Some professional service sectors have also been affected and quite a number of middle-class people have been laid off or sacked as a result of company closures. They have so far failed to find jobs offering salaries similar to those they previously received given the professional training they have received. Thus, they have been moving downstream towards the grass-roots level.

Information from the Census and Statistics Department on the period at the beginning of this year showed that there was an obvious shrinkage of the middle class. In the fourth quarter of 2008 after the outbreak of the financial tsunami, the households with monthly incomes below \$10,000 increased by 6 200 as compared with the third quarter; and the households with monthly incomes between \$10,000 and \$40,000 also increased by 4 000. Nonetheless, the households with monthly incomes above \$40,000 decreased by 8 600.

According to the Salary Indices for Managerial and Professional Employees for June 2009 released on 29 October, the average monthly salaries for middle-level managerial and professional employees decreased by 2.6% in June 2009 compared with the same period last year. Another figure shows that, from January to March this year, the number of wage earners with monthly salaries above \$30,000 decreased by 15 200 compared with the same period last year.

My amendment is the only amendment today that touches upon the employment difficulties of the middle class once again. The current economic recovery in Hong Kong may give us an impression that many middle-class people have shaken off poverty and the situation today is different than it was last year. Yet, as far as I understand, the situation has not really improved much.

It is mentioned in a news report in *Ming Pao* earlier on that a 45-year-old man, who had a monthly salary above \$20,000 before the financial tsunami, has been unemployed for more than a year since last year. He cannot even secure a permanent job with less than \$10,000 a month, and he is now working as an extra at the filming sites. Evidently, many middle-class people have continuously moved downstream after losing their jobs.

Notwithstanding the fact that the unemployment rate between August and October this year has fallen for two consecutive months to 5.2%, the total employment size has decreased by 7 200 while the total transient population has decreased by 26 000. Since the size of the working population has considerably reduced, and the Government has introduced quite a few employment assistance schemes earlier on, the unemployment size has superficially become smaller. Nonetheless, the unemployment problem in Hong Kong still deserves concern. In particular, the unemployment problem of many middle-class people, that is, people in the sandwich class, who originally supported our society is really worth addressing squarely.

In my opinion, developing the six key industries is an opportunity for increasing social mobility. But, as an Honourable colleague has just said, the thresholds of joining these industries are too high. For example, those joining such industries as health care, environmental protection, and testing and certification must possess expertise; thus, not every unemployed person and even those who were professionals before may be capable of switching operation and jumping onto the express train of the six industries. For instance, Norway has earlier developed power generation by osmotic pressure of sea water. If this cutting-edge technology is a success, it will create unlimited business opportunities. Yet, only those who have received specialized training can jump onto this express train to financial viability.

Deputy President, for this purpose, I repeatedly proposed as early as late last year that the Government should allocate \$1 billion for setting up a loan fund for occupation switching for unemployed persons to allow them to grasp the opportunity to switch occupations and join new industries, especially the six industries promoted by the Government. They can join the emerging industries in society through taking higher education or professional courses and even diploma courses.

Providing interest-free loans for occupation switching for unemployed persons will actually not incur a lot of public expenditures. As the success and failure of the six industries hinge upon talents, the Government should make good use of talents from various sectors who have become unemployed after the financial tsunami and give them training so that they will become relevant professionals. The Government should make the best use of human resources in developing the emerging industries to alleviate the downstream movement of the middle class.

On the other hand, a start-up fund is mentioned in the original motion to provide the unemployed with capital to set up their own businesses. In this respect, Mr WONG Kwok-kin has not explained in detail the particulars of the start-up fund. Nevertheless, if capital is purely given as a gift to the unemployed for setting up their own businesses, I have reservations about this proposal. Therefore, I have amended it to an interest-free loan scheme which is not restricted to unemployed people. Actually, young people have greater needs for setting up their own businesses and our encouragement. It is most likely for the youth to utilize their creative ideas and set up their own businesses with our support. Yet, even though we are willing to offer interest-free loans, there must be a prudent vetting process. Not long ago, an expert remarked that one of the causes of the financial tsunami in the United States was the offer of large numbers of loans to people who were unemployed or unable to make repayments. As a result, chain effects were created once they were unable to make repayments, wreaking havoc on the financial system. For this reason, we should also be very cautious in setting up this kind of interest-free start-up funds.

Deputy President, the original motion and the amendments today have shown that enhancing employment support is an issue that all Legislative Council Members are very much concerned about. I hope that the major objective of the Government in proposing the six industries or the objective of our scrutiny is employment, employment and employment.

Thank you, Deputy President.

MR LEUNG KWOK-HUNG (in Cantonese): I move the amendment with only one objective, hoping that the creation of employment opportunities can be linked with the improvement of the grassroots' living.

Many people say that if the Government aims to promote employment, it has to spend a great deal of money on infrastructure projects. With such an understanding, they may come up with a wrong assumption that whenever infrastructure projects are launched, the public will be benefited, and thus, such works should be continued. Let me cite a concrete example here. Regarding the Guangzhou-Shenzhen-Hong Kong Express Rail Link, an expensive rail to be constructed for others, the Government has put much emphasis on what benefits it will bring about in future — I let you hold a senior official post in future,

buddy. The most important thing is how it is at present. The Government is determined to construct these grand, giant and hollow infrastructure facilities. But as far as the current level of technology is concerned, the tenders for most of the works will be won by international consortia that will have the works carried out with advanced and innovative technologies.

When new policies were implemented in the United States in accordance with the predecessor of the Keynesian theory, that is, during the administration of President ROOSEVELT, there was no international consortia which could push something ahead in this way. As for the infrastructure projects in the United States, would they ask the British consortia to take charge of them? This was impossible in the past. From this perspective, the new policies in the United States at that time did improve the highway networks and construct dams, which would in turn, first of all, lay a stronger foundation for its modernization; and second, promote employment.

However, will there be the so-called multiplying effect in our investment of billions or tens of billions dollars in such projects today? The answer is yes. But it is not a multiplying effect on internal consumption. Rather, it is a multiplying effect on those international consortia. Therefore, if we blindly think that in order to create employment opportunities, huge investments are required for the construction of infrastructures, this is really a blind assumption as the results cannot be calculated. Exactly how many employment opportunities are created? The number of immediate employment opportunities is unknown to us, or the number will not be made public even if it is known.

My way of doing it is very simple. At present, Hong Kong is not in lack of infrastructures. The fact is not like this. Only that in the past, as Anson CHAN considered it unnecessary for us to construct so many roads to link with the Mainland, there was no such construction at all. And now, we swarm to construct them. So many control points have been constructed, but how many users do we have? It is in fact an unknown up till now. What is my way of doing it? We should be provided with clothing, food, housing and transport. Hospitals are of course a place where we were born and will die. Hong Kong, being a region with a gross domestic product comparable to advanced countries in Europe and the United States, our medical industries Perhaps, we can put it this way. The medical protection that an ordinary person can enjoy is lagging far behind.

There are people demonstrating in my constituency, Tseung Kwan O, every day, alleging that the Tseung Kwan O Hospital can hardly cope with their demand. The hospital, being the only one in the district, can only serve a window-dressing purpose. Residents have to travel to other districts even for the delivery of their babies. And for those who want to seek medical consultation, they have to make special efforts to travel to other districts as well. The wife of my driver has provided another address intentionally, so as to give birth to her baby in other districts. The Government has simply turned a blind eye to these cases. Tin Shui Wai does not have a district hospital either. Worse still, a clinic will not be in place until a decade later.

In order to solve the employment problem of Hong Kong people today, we should proceed with the construction of these facilities rather than civil engineering works. Building construction is not the same. Prof Patrick LAU, will you conduct any fitting-out works for flyovers? No, you will not. Only buildings need fitting-out works. Am I right, buddy? What we need is building construction. We want neither white elephant projects nor image projects. By the same token, will it be better for us to build a community centre, an educational centre, a university, a residential home for the elderly or a nursery? From building these facilities to putting the overall social function into play, especially when measuring the distribution of wealth, we are most concerned about the so-called social wage. That is to say, after an ordinary person has contributed his labour, he should at least get certain protection in respect of clothing, food, housing and transport through the governance of our Government, so that he can lead a dignified life. Or assistance should be provided to enable him to give full play to his talents, so as to achieve social and wealth mobility. This is indeed important.

Has our Government done so? Let me read it out to you all. Donald TSANG said that he was a representative of people in Hong Kong. I read out what he has mentioned in the policy address (I have yet flung a banana to him at that time): "If we were to maintain welfare-based relief measures on a long-term basis, we would have to overhaul our tax system and increase tax rates. I believe the public would not agree with this approach." In the first place, we can only maintain something which has already existed. Otherwise, what can we maintain? At present, there are no welfare-based relief measures at all. What can he maintain? Regarding "we would have to overhaul our tax system",

to what extent would we have to overhaul it? 2%? 3%? As for "I believe the public would not agree with this approach", which member of the public has he consulted?

I have talked with John TSANG, Donald TSANG's sworn brother, telling him that "Financial Secretary, there is overheated speculation in the equity market at present, and those fund managers have conducted a lot of leveraged transactions. Can we charge them an extra 0.02% of stamp duty for each transaction?" I have raised this point five times, before and after the slump of the market, and when the market surged later again. But he simply turned a deaf ear to me. I would like to ask the Government, such activities are necessary for these fund managers to conduct leveraged transactions. What they have earned is the money of those losers. Why can they not pay an extra 0.02% for implementing the projects I have just mentioned? Why not? Why will the public object to it?

Buddy, it is inexplicable. John TSANG is either laughing like an idiot or making a statement to blame me for being so naive to fling objects to him. But if I have not done so, I will be ashamed of myself. How come the Financial Secretary can ignore a Member's question after being asked five times? As for the 0.02% I have just mentioned, in view of the market value at present, it is possible for us to fetch 100 billion dollars or at least several ten billion dollars a year. Why is it not possible to use several ten billion dollars to implement these projects? The Government has to build a high, giant and hollow Today, many compatriots are listening to us in the Mainland. You have to spend 10-odd billion dollars for constructing a rail, while we have to spend 60-odd billion dollars. But your rail is longer than ours. This is really the case. Our Government is handling matters in this way. I propose that the Government should use these \$65 billion to buy back private shares of the two tunnels, the Link and the Mass Transit Railway Corporation Limited, so that we can have a flexible adjustment mechanism for our transport system and the ticket price. As such, the public need not pay so much. But the Government has said no.

Honourable Members, what are we debating here today? Can a government, through the imposition of taxes, the policies on taxation and the theory of levers, redistribute the wealth to the majority of those who have been subject to suppression or exploitation during the first round of distribution? We, the League of Social Democrats, certainly push for this. But it is not necessary for the Government to concur with us. Fellow compatriots, our Chief Executive is returned by 800 people, but Hong Kong has a population of 6.9 million. With

such a system, it is inevitable to have a Chief Executive who only favours the 800 consortia selected. Fellow compatriots, I welcome you all to learn about the reality in Hong Kong.

MR LEE CHEUK-YAN (in Cantonese): Deputy President, "the SAR Government is gravely concerned about the employment problem. A number of measures had been implemented in the past to relieve the problem and achievements were made. At present, the unemployment rate has dropped to 5.3%, showing that measures put forth by the SAR Government are recognized by the public". I believe that the Secretary will definitely give us such a reply later. This is not some remarks of mine. But, he will definitely make such comments, that is, rehashing the same old stuff. I believe the Secretary will make these remarks later at the outset, saying the Government is very concerned about this problem.

But let us take a look, what measures on employment have been taken by the Government over the past six months? Nothing has been proposed in the entire policy address. The Government only keeps on touring us around the garden. For example, it talked about the policy on compact fluorescent lamps earlier on and the constitutional reform package recently, while it focused on the scheme on drug testing for some time. As for the employment problem, which is an issue of the utmost concern to the public, the Government has not paid any attention to it at all. Later, the Secretary will definitely say that he does not concur with me. However, will the Secretary please put forth some measures, rather than rehashing the same old stuff? The Secretary may be really very concerned about this problem. But at least, I can see neither Donald TSANG's concern nor measures put forth in this regard. Perhaps, it is not fair to the Secretary as he has really done his utmost, only that the top level fails to do anything. I wonder if the case is that the Secretary has not put forth any proposal, or his proposal has been banned by the top level. I do not know what happens. As a matter of fact, nothing has been done at all. This is the fact, which is really a great discrepancy with the issue of concern to the public.

The Government is really very ridiculous. During the discussion on constitutional reform, it will advise that according to public opinion polls, constitutional reform and universal suffrage rank below the twentieth place, whilst economy and employment rank number one. And now, I am talking about the economy and employment, which is of the utmost concern to the public.

But what has the Government done? As for an issue of public concern, the Government has done nothing, either. Therefore, what we need is a government with a firm commitment. In meeting with Donald TSANG in Singapore, President HU Jintao instructed him to improve people's livelihood in Hong Kong. I really feel ashamed. Buddy — Oh, no, I have followed "Long Hair" to use the word "buddy" — he, being the Chief Executive of Hong Kong, has to be instructed by others to improve people's livelihood. I am really very ashamed for having such a Chief Executive. It is unacceptable that he not only fails to put forth any measures to address the issue of the utmost concern to the public, but also has to be alerted by others. I think it is really necessary for the people of Hong Kong to find a place to hide ourselves.

I sincerely urge the Government to put forth some new ideas and measures to assist the public to secure employment. What is the present situation in Hong Kong? As we all know, the disparity between the rich and the poor ranks number one in the world now. In fact, the reasons for having such a situation are very simple. There are three major reasons: First, whenever there is a crisis in Hong Kong, the unemployment rate will surge immediately. During the SARS incident, the unemployment rate surged up to above 8%, while this time, it has surged up to above 5%. On the other hand, Hong Kong does not have any protection policies or unemployment assistance. Once the public are unemployed, they have to face up to the most miserable situation. Neither protection nor assistance is available to them. Therefore, once they are unemployed, they will definitely become poor and use up all their savings.

The second reason for our serious disparity between the rich and the poor is that the wealth in Hong Kong has been "shuffled" during this decade. However, I do not mean that the wealth of the consortia has been transferred to the poor. Rather, it is the wealth of the poor which has been transferred to the consortia. Whenever there is a financial crisis, companies will sack employees and cut their salaries, benefits and bonuses at once. After the crisis, the consortia will recover immediately, but the income of the public is far lagging behind. When our labour union thinks that the economy has recovered and wants to strive for a pay rise, another crisis is approaching, triggering another round of the sack and pay cut. Upon the completion of each cycle, workers are bound to suffer greatly. They have to wait for a very long time for recovery. However, after the recovery, they will experience another crisis. Such a vicious cycle never ends. This is the second major problem. With the absence of collective bargaining in

Hong Kong, the situation of quick-in-reducing and slow-in-raising in pay is common.

The third major problem is a newly-emerged phenomenon that frightens as now, and that is, the downward mobility of high-skilled and middle-skilled workers. Let us take a look at the figures shown in the economic report. In the third quarter of 2009, the wastage rate of high-skilled posts was 3.5% while in the second quarter, the wastage rate was 1.5%. As for relatively low-skilled posts, the rates have, on the contrary, increased 0.8% and 0.2% respectively. Why is there such a phenomenon? There is an explanation which is in fact very simple. High-skilled workers have to take up low-skilled jobs. That is to say, there is a downward mobility of posts. I am so scared to see such figures. Why? Secretary, the whole world is moving towards a knowledge-based economy. But this is not the case in Hong Kong. There is a downward mobility among those knowledgeable people. What will happen to the economy of Hong Kong? It has turned out that Hong Kong is moving in the opposite direction. It is useless for people to have knowledge as they have to move downward. What can we do? We really have to think about it. This is in fact an economic crisis. Secretary, I desperately hope that you will put forth some remedial solutions later.

We have proposed a number of recommendations. First of all, we have to create employment opportunities. The Secretary can review the policies put forth by him in the past. Actually, there are a lot of employment opportunities. For example, regarding residential homes for the elderly, apart from increasing the number to be constructed, we can also increase the manpower ratio. In doing so, a lot of employment opportunities can be created. It is in fact necessary to increase the manpower ratio, as they are working very hard while the situation of the elderly is deteriorating. However, the manpower has not been enhanced. The Secretary can make some efforts in this regard. Moreover, he can do something for the green industries as well.

On the other hand, it should "stop the bleeding". The Buildings Department will sack 700 employees soon. All the non-contract civil servants have to be sacked as the Government will no longer carry out demolition works of unauthorized building structures. Why does it end such a scheme? If the scheme continues, these 700 posts can be retained. Therefore, it should "stop

the bleeding". At the same time, it should not take the lead to outsource its services because posts will have to be cut as a result.

Second, employment measures should be enhanced. This is also a very important part of my amendment, that is, the provision of one-stop services and a monthly job seeking allowance of \$1,000 for job seekers, so as to attract the unemployed to receive such an allowance and further assess the needs of their families. If they have financial difficulties in paying tuition fees or rentals of public housing, assistance should be offered to them. They should be provided with more one-stop counselling services and training afterwards. A package of services schemes should be launched to serve the unemployed. In overseas countries, agencies such as Job Centre and Job Plus are providing these one-stop services. Later, the Secretary will definitely advise that services will be launched in Tin Shui Wai. But why should such services only be provided in Tin Shui Wai? In fact, they should be provided in the whole territory simultaneously. Even for the people in Tin Shui Wai, the Government has yet provided any job seeking allowance. It is not adequate unless job seeking allowance is provided.

Third, it is the youth problem, which is an issue of my utmost concern. At present, there is an iron-clad law that the unemployment rate of young people aged between 15 to 19 must be five-fold that of the average unemployment rate in the territory. That is to say, the average unemployment rate in the territory is 5.4% now whilst the unemployment rate of young people is as high as 25%. If the former rises to 6% in future, the latter will be 30%; and if the former is 4%, the latter will be 20%. The ratio will always stay like this. Why is the unemployment problem of young people so serious? Later, the Government will definitely respond that the Youth Work Experience and Training Scheme (YWETS) and the Youth Pre-employment Training Programme (YPTP) are already in place. In fact, this is also exactly what I have proposed today. The YPTP is very ridiculous in that: What skills does the Government expect young people can acquire after attending courses for ten-odd days? Recently, I met a young girl who has enrolled in a 15-day course in performing arts. Can she take up jobs in performing arts after completing this 15-day course? I am really puzzled. As such, what is the point for her to enrol on this 15-day course?

If the Government really wants to assist young people, it should help them secure employment. If there are employers who request them to enrol on a

half-year course in performing arts and offer them jobs afterwards, it is all right. However, for a course lasts for only ten-odd days, does it really help? I hope the Government can extend courses under the YPTP to at least six months, whilst training under the YWETS should be enhanced. At present, the weakness of the YWETS is that the proportion of training is very small. Employers only submit training reports casually. The Government should request them to give details of the training and follow up the learning progress of the trainees. Otherwise, they are in a way just cheap labour. The YPTP and the YWETS can be combined together, so that young people can start their placement upon the completion of the half-year course. I believe only in this way can the youth problem be resolved.

Fourth, Deputy President, lastly, I wish to spend some more time I have proposed time and again that transport allowance should be provided for low-income workers. The Government always says that the review will be completed by the end of December. I wonder why the review should take such a long time. Please act expeditiously, so that low-income workers can receive some relief when facing low wages and high transportation fees.

Thank you, Deputy President.

MS AUDREY EU (in Cantonese): Dr Priscilla LEUNG has mentioned in her speech just now that today's topic is about employment, employment and employment. What I wish to say is that employment is not merely an issue relating to people's livelihood or welfare. In fact, it is also an economic issue. As pointed out by the economist, KEYNES, people's income and spending are broadly moving in the same direction. The more they earn, the stronger their confidence in spending. The more the spending, the greater the demand. Orders placed with factories will naturally increase. In this way, the trading volume and economic growth will be boosted, eventually allowing more people to secure employment.

Therefore, lowering the unemployment rate will not only improve people's livelihood, but also lay a very important foundation for continuous economic development. However, some colleagues have mentioned just now that as we all notice, globalization has enabled the relocation of the production line of the manufacturing industry to some developing countries with lower costs. The hollowing out of industries has been present in many developed regions. For

instance, the labour problems in the United States and Japan have also been seriously affected because of such a trend.

Looking back at Hong Kong, as it is located just by the side of the world factory (China) — we are of course part of China — a lot of job positions are lost due to the relocation of the production line northwards, and the living of many people is affected as a result.

At the same time, the Government is indeed the chief culprit to lead to the deterioration of this problem. The Asian financial turmoil a decade ago and years of deflation have put the Government in fiscal deficit. In order to cut expenses, the Government has employed staff on contract terms rather than on pensionable terms, thus affecting people working in public organizations and the subvented sector, including teachers and social workers. As many job positions in the Civil Service and public organizations are contracted out, and the term of such contracts is only around one or two years, employment has turned unstable.

In the 1970s and 1980s, labour-intensive industries were in boom. As long as one wanted to work and worked hard, he could earn more if he worked harder. As such, he could improve his living and enable his whole family to lead a contented life. However, the situation is different now, in which the social ladder is becoming narrower and the social mobility is weakening. It is more and more difficult for the lower class and young people to climb upwards. And the size of the middle class is also shrinking.

Moreover, we also notice a situation that wealth creation must be backed up by an abundant capital. Rich people can make use of their own wealth to create more wealth, making rich people richer. For the poor, who are not confined to the grassroots as in the past but spreading to the middle class, no matter how hard they work, there is seemingly no way for them to improve their living. As mentioned by many colleagues just now, this is an M-shaped society with the rich becoming richer and the poor becoming poorer.

Of course, the Government has to consider developing some new industries as an economic driver, with a view to creating a stable employment environment to raise people's income. Otherwise, Hong Kong will repeat the mistakes made

by the United States in the 1980s and 1990s, which led to a serious disparity between the rich and the poor. Eventually, the country has experienced the vicious cycle of economic stagflation, high inflation, reduced spending, loss of economic vitality and recession.

Undoubtedly, the Government cannot create many job positions directly as our public money is limited. Neither can it act like the Communist Party, the USSR nor MAO Zedong in the past to give all people work. What the Government can do is to foster an environment to boost economic vitality resulting in an increase in the number of job positions. But regrettably, the six industries proposed by the Government now only put emphasis on the knowledge-based economy. Although it can boost the gross domestic product successfully, it cannot alleviate the employment problem of low-skilled workers.

In the 1990s, the information technology industry was all the rage in the United States. However, it could hardly improve the unemployment situation of low-skilled workers and increase their income. Therefore, I hope the SAR Government can take special note of learning a lesson from the United States. In promoting the development of industries, it should pay extra attention to the situation of low-skilled workers. In this regard, the Civic Party has in fact proposed the green economy earlier on. Apart from considering from the perspective of environmental protection, we have also addressed the challenges to the community brought about by the serious unemployment of low-skilled workers.

As we all notice, the green industry is among the six industries promoted by the Government. However, we see that public officers only put emphasis on scientific research. Recently, Secretary YAU has made a visit to Israel, focusing only on the local scientific research on environmental protection. We seldom see public officers touch upon the creation of employment opportunities for low-skilled workers in their discussion on the green industry. Therefore, Deputy President, I have particularly mentioned the recycling industry in my amendment today, as the industry can best create opportunities for low-skilled workers to join the workforce.

First of all, I wish to stress that the Civic Party is absolutely not in opposition to the Government's efforts in enhancing scientific research on environmental protection. However, we cannot just focus on scientific researches on environmental protection. Rather, we should also examine how

the environmental industries or the green industries can help people who are desperately in need of employment in Hong Kong.

At present, more than 40% of the wastes in Hong Kong has been recovered. Why are we having such an achievement? It is not because we have an excellent recovery system. Rather, it is attributed to the fact that those papers, metals, used clothing and plastic materials are worth money. Therefore, we can see many people with low educational attainment make a living as scavengers. Ironically, it is these low-skilled people who make a living as scavengers contribute most to the recycling industry, but not the development or promotion of the green industry by the Government.

For many years, the Government has failed to provide adequate support and regulation for the recycling industry. We can even say that the Government is adopting an attitude of letting the industry stew in its own juice. Indeed, it is extremely hard to upgrade the recycling industry simply by market demand and actions initiated among the public. On one hand, the recycling industry is in lack of sound policy support; on the other hand, it has to bear high transportation cost. Its room for survival is very fragile. In case of occasional fluctuations in market prices or changes in policies on imports and exports in the neighbouring regions, the industry will be greatly affected. It explains why we always read reports on the closure of some recycling traders in the newspaper.

Moreover, we notice that there are many other problems. For example, adding water to waste papers collected will in fact affect the development of the recycling industry. If the Government only relies on the EcoPark and the grant of some short-term land leases as supportive measures, such efforts are severely inadequate, which can hardly assist in promoting the recycling industry.

What the Government has to do is, first of all, to assist the recycling industry to open up the Mainland market. At present, the Mainland is concerned about the import of pollution, that is, the so-called "foreign refuse", resulting that many recyclable materials in Hong Kong cannot be exported to the Mainland for processing. We have learnt from some reports that the Government is liaising with the Mainland authorities to set up a mutually-recognized certification system, under which designated organizations will be assigned to confirm that waste materials are in compliance with a certain standard. Arrangements on waste identification and clearance can then be made and recovered materials can

be delivered to the Pearl River Delta. As such arrangements are of significant importance to the development of the local recycling industry, I hope the Government can fully consult the Legislative Council and the industry and should never work behind closed doors.

Secondly, the Government should also expedite the legislative work on the producer responsibility schemes, so as to create economic incentives for the recovery of materials. At the same time, the Government cannot solely rely on the three-coloured bins for waste recovery. Rather, it should set up a comprehensive recovery system. For example, it can make reference to the overseas experiences and set up designated fleets for collecting waste materials and delivering them to specified locations for separation and processing, so as to enable those who are interested in waste recovery to save transportation costs for waste collection. Moreover, the Government should also consider setting up a licensing system for waste collectors. Deputy President, what I mean is not asking scavengers to apply for licences. Rather, if we issue licences to the operators in this industry, they can then be regulated and many problems related to recycling can be avoided.

Moreover, the Government should properly guide our social resources. For example, at present, investment migrants, as we can see from the figures, have injected most of their capital into the equity and real estate markets, which are speculative activities after all. Therefore, we hope the Government can make reference to the practices adopted by other places, such as Canada, to require that inbound investors should employ local people, so as to create more employment opportunities.

Deputy President, I hope Members can consider my special amendment and support the recycling industry, so as to create more employment opportunities for the lower stratum.

Thank you, Deputy President.

(THE PRESIDENT resumed the Chair)

DR RAYMOND HO (in Cantonese): President, during the 70s and 80s in the last century, Hong Kong had focused on economic development and become one of

the four little dragons in Asia by capitalizing on the flexibility and dynamics of a free market. Riding on the momentum of economic development, the manufacturing and construction industries in particular had achieved robust development. Members of the public in general were able to secure jobs and the quality of living could thus be improved. At that time, the general public believed in one thing and that is, to work hard — which is the very spirit of Hong Kong people — with the aim of improving their living. In this connection, Hong Kong should strive to fully bring its economic potentials into play and create employment opportunities to enable more people to benefit from economic growth. With these considerations in mind, I propose to amend Ms LI Fung-ying's amendment, mainly seeking to delete the part of "excessive blind faith in free markets and over-emphasis on economic development; in this connection, the Government should comprehensively review its policy objectives".

The predicament now faced by Hong Kong is not in the least due to over-emphasis on economic development, but stagnant economic development, as we can see that while industries are relocating to the north, reliance is still being put on the service industries, particularly the financial services and real estate industries, which can only provide limited employment opportunities, and to people with a low level of education and skills, it is downright impossible for them to join these industries.

The Government of the Hong Kong Special Administrative Region (SAR) has missed many opportunities for development over the past decade or so. First of all, during the early years after the reunification, the SAR Government was neither keen nor enthusiastic about pursuing closer economic ties with the Mainland, neglecting the importance of Hong Kong's integration with the Mainland. It is only in recent years that the SAR Government has truly realized the importance of the Mainland to Hong Kong and the fact that the huge Mainland market is what other people have longed for. The Government then started to strengthen communication and co-operation with the Mainland only at that time, and this is why importance is attached only in recent years to some cross-boundary infrastructure projects which should have been commenced long ago. However, it takes time to develop these major facilities and this has to a certain extent impeded the economic integration between Hong Kong and the Mainland and greatly undermined the opportunity for Hong Kong's economic potentials to be brought into play. It is also because of the long delays in the construction of these large-scale projects that the construction industry of Hong

Kong is in dire straits. In fact, the unemployment rate in the construction industry had, for some rather long periods of time, stood high at a double-digit level. The unemployment rate in the industry has come down to 7.9% only recently following the commencement of some large-scale infrastructure projects, while the overall unemployment rate in Hong Kong is around 5.2% at the moment.

It is for this reason that I have continuously called on the SAR over the years to pay attention to the serious unemployment problem in the construction industry. This problem has affected more than 300 000 members of the industry, of whom over 200 000 are construction workers. If their family members are also counted, for instance, if we calculate on the basis of a family consisting of 3.5 members, over 1 million people are affected. The downturn of the construction industry has also greatly undermined the spending power of people working in the construction industry, taking a toll on the local economy of Hong Kong and rendering other industries affected. A thriving construction industry will definitely benefit other industries, such as the catering, retail, and clothing industries, because these industries will follow to thrive. Drawing the poverty line at half of the overall median income in Hong Kong, that is, below \$5,000 monthly, the Hong Kong Council of Social Service estimated some time ago that the population of the poor in Hong Kong reached 1.23 million. This estimate is absolutely not surprising at all.

In this connection, the SAR Government should continue to increase its investment on infrastructure development. This can, on the one hand, enhance the overall competitiveness of Hong Kong and on the other hand, launching these projects, especially small and medium labour-intensive projects, can propel the development of the construction industry and hence stimulate the overall economy of Hong Kong and create more employment opportunities to benefit more people who are out of job. It is only through economic development and creation of more job opportunities will the livelihood of more people be improved and the quality of their living be upgraded.

The Government is now actively promoting the development of the six industries and this does merit greater support from us. I have on various occasions before called on the Government to increase the strength of the measures to promote education services, the environmental industry and the innovation and technology industry of Hong Kong. Insofar as the development of these industries is concerned, Hong Kong does have advantages in respect of

talents and technologies. If Hong Kong is able to forge stronger co-operation with the Mainland to achieve the greater synergy, it will bring considerable benefits to both places.

Certainly, in developing technology or knowledge-based industries, we must also have regard to the employment needs of workers with low education and skills. The Government can consider promoting the development of various labour-intensive industries. The recycling industry, as suggested by many colleagues, is a good choice after all. One of the reasons why the disposal of solid waste in Hong Kong still mainly relies on landfills is that the recycling industry is not developed effectively. If the Government can successfully promote the development of the recycling industry, this will not only create more employment opportunities in Hong Kong, but also provide a more environmentally-friendly and sustainable option for the disposal of solid waste, thus killing two birds with one stone.

Moreover, the Government should provide more support to the development of the local community culture economy and allow on-street arts and cultural activities through licensing and regulation. This will enable the people concerned to give play to their talents while at the same time enriching the characteristics of Hong Kong which will be conducive to tourism development.

In many countries, apart from on-street arts and cultural performances, flea markets have also become an attraction to tourists. Hong Kong can consider setting up similar hawking areas for people who are interested to run and develop small businesses. Of course, apart from providing the venues, suitable arrangements should also be made to provide the relevant support, including the layout of stalls and their management, in order to ensure order and tidiness of the market.*(The buzzer sounded)* Similar hawking areas can also be found in other places.

Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, first of all, I thank Mr WONG Kwok-kin for proposing this motion debate on "Enhancing employment support and creating employment opportunities".

Nine Members have proposed respective amendments to the original motion today, and one Member has proposed to amend the amendment of a Member. I think it is quite rare recently to see so many amendments being proposed, and this shows Members' concern about the employment situation in Hong Kong. Following the gradual improvement of the economic activities and business environment, the seasonally adjusted unemployment rate for the latest quarter is 5.2% — Mr LEE Cheuk-yan said earlier that it was 5.3%, but it is actually 5.2% — and despite that the figure has dropped 0.2% compared to the peak of this year, we will not loose guard because the economic outlook has remained uncertain. We will, therefore, continue to remain vigilant, with a view to facilitating employment while keeping a watch on the labour market.

The disparity between the rich and the poor is an issue of concern to both Members and the Government. Hong Kong is an open cosmopolitan economy. Given Hong Kong's continued transformation towards a knowledge-based economy, the demand for professional and managerial personnel with higher education and skills has consistently increased in society. This has created a lot of higher-paid jobs, resulting in the further widening of the income gap among workers at different levels. However, such a phenomenon is common in the course of development towards a high value-added, knowledge-based economy. This is also a trend faced by many major economies.

Another important factor causing a widening gap in household income in Hong Kong is persistent population ageing and smaller household size, resulting in more elderly households and singleton elderly households. As many elders do not have any income, they rely on their own savings and financial support from their children for their living and as a result, the number of low-income households has increased.

Population ageing is an irreversible trend, and the resultant problems of poverty and disparity between the rich and the poor cannot be resolved solely by the creation of jobs. In this connection, the Government has provided various free and heavily-subsidized services in education, health care, housing, and so on. These services, together with the "social safety net" of the Comprehensive Social Security Assistance Scheme, are all specifically targetting people in need in the community. These services and the Scheme are conducive to upgrading the standard of living of the disadvantaged groups.

The Government has consistently adopted a pragmatic attitude and holistic strategy in tackling poverty. We believe the role of the Government should be to create a suitable environment and adopt a multi-pronged policy to assist the low-income workers, including the provision of employment support and more employment opportunities, expanding continuing education and training schemes to help workers with lower employability to achieve self-enhancement and skill-upgrade, thereby enhancing their competitiveness in the ever-changing job market, and also encouraging co-operation among the Government, the community and the business sector through social enterprises. Simply put, the Government will continuously position itself to create an environment and facilitate employment, while keeping a close watch on the changes in poverty and employment. In the meantime, we will continue to adopt a multi-pronged approach to help improve the living of the poor.

Steady economic recovery is most important to the employment market. The policy address this year has proposed the development of six industries, in the hope that new energy can be injected into the economy of Hong Kong. In these six industries, at present, private enterprises have directly contributed about 7% to 8% to the Gross Domestic Product, employing a workforce of about 350 000, which accounts for around 10% of the total working population. The development of these six industries is a recognition of the unremitting perseverance and efforts of these industries, and provides new momentum of growth for the four major economic pillars. This will in turn upgrade the overall competitiveness of Hong Kong, facilitate the training of talents and attract the world's top talents to work and live in Hong Kong, thus creating favourable conditions for Hong Kong's development towards a knowledge-based economy.

Market force is, after all, the key to the success of these six industries. We have just taken the first step and in the future, ongoing efforts still have to be made to examine and introduce more measures to support and optimize the policy. This will include the training of the talents required, in order to take forward the development of various industries. Relevant initiatives will be launched one after another.

An example is the Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme (YPTP • YWETS) administered by the Labour Department. In the 2009-2010 Programme Year, the job-specific skills training courses have covered training courses relating to the six industries, such as clinic assistant training and health care assistant training relating to medical

services, performing arts training and professional arts training in drama relating to the cultural and creative industries, and the school general affairs and administrative assistant training course relating to education services. This shows that we are forward-looking in this respect.

The Government understands that many low-skilled jobs are likely to be eliminated in the course of economic restructuring and this is why we have been committed to providing low-skilled workers with the opportunities of continuing studies, training and retraining, with a view to upgrading their quality and skills and enhancing their competitiveness, so that they can cope with the changes in the demand for different job skills in the process of economic restructuring. In response to the needs in society, the Employees Retraining Board has planned to provide 123 000 training places in 2009-2010, while earmarking resources for providing an additional 20 000 training places to meet the demand which may possibly increase continuously. With regard to the Continuing Education Fund which provides direct subsidies to people who aspire to pursuing continuing education, a one-off special arrangement was made in July this year in view of the slowdown of the economy, with an injection of \$1.2 billion government funding into the Fund.

On the other hand, in respect of job matching service, the Government has all along injected a huge amount of resources to help people from different strata, especially workers from the disadvantaged groups, to find suitable jobs. The 12 Job Centers, Telephone Employment Service Centre, Job Vacancy Processing Centre, the Interactive Employment Service website and the Recruitment Centre for the Catering Industry of the Labour Department have provided a comprehensive and free range of employment services for job-seekers. Targetting the difficulties faced by job-seekers with different backgrounds and needs, the Labour Department has been pressing ahead with various employment schemes in full steam. Members should know these schemes very well, which include the "YPTP • YWETS", the Job Matching Programme, the Employment Programme for the Middle-aged and the Work Trial Scheme, with a view to upgrading the employability of job-seekers and helping them secure suitable jobs.

In the 2009-2010 Policy Address the Chief Executive proposed a series of new initiatives to strengthen employment support. For example, we will set up on a pilot basis a one-stop employment and training centre in Tin Shui Wai, establish a recruitment centre for the retail industry, broaden the employer

network of the Labour Department to expand its job vacancy database, and also disseminate information on job vacancies and job fairs to job-seekers through a greater use of such communications technology as the Short Message Service.

Moreover, the Government will continue to implement the "Enhancing Self-Reliance Through District Partnership Programme" which provides seed money to support non-governmental organizations in their initial operation of social enterprises. Since the launching of this Programme in June 2006, a grant of \$94 million has been made to 94 social enterprise projects, providing about 1 500 employment opportunities to the disadvantaged groups. We certainly need to step up our efforts in respect of social enterprises. We will increase the strength of the various measures to promote the development of social enterprises to benefit more people from the grassroots and local districts.

The six industries aside, Mr WONG Kwok-kin is also concerned about the operation of the recycling industry. In respect of waste recovery, the Government has all along adopted various support measures and policies, which include promoting the territory-wide programme on source separation of waste and providing waste-separation facilities, with the objective of encouraging and supporting the development of the recycling trade. The programme encourages source separation of waste by the public to increase the recovery rate, so that more waste can be recycled while ensuring a stable and reliable source of recyclable materials for the recycling industry. We have also enforced the Building (Refuse Storage and Material Recovery Chambers and Refuse Chutes) Regulations, under which all new domestic buildings are required to provide a refuse storage and material recovery room on every floor, in order to support the implementation of source separation of waste.

The Government has also provided hardware support by, among other things, continuously identifying suitable sites to be leased by tender to recyclers on short-term tenancies and continuously developing the EcoPark at Tuen Mun Area 38, in order to provide permanent sites at affordable rental to the recycling and environmental industries to encourage them to invest in the development of advanced and value-added recycling technologies. Besides, two non-profit-making organizations, Yan Oi Tong and St James Settlement, have been selected for running the waste processing centre in the EcoPark in Tuen Mun, and some 100 low-skilled jobs are expected to be created. Ms Audrey EU is not in the Chamber at the moment. This is to address her concern.

Moreover, the Government will promote the green procurement policy in government departments. This will include procuring recycled products or products containing recycled materials as far as possible in the procedures of procurement of certain products. This will expand the market for these products and hence facilitate the development of the recovery and recycling industry.

On the promotion of the local community culture economy, the Government has since 2002 promoted the development of local community culture economy with the objectives of stimulating local consumer spending, injecting more dynamics into society, promoting local community characteristics and creating jobs. To facilitate the development of local community economy, the Government will continue to provide suitable support and adopt measures to promote the cultural features of the districts, while encouraging the private sector to suggest ideas on, invest in and operate local community economy projects.

In September 2009, the Financial Secretary announced that the Government will provide a one-off funding of \$180 million to the 18 districts to further foster community building, enhance social cohesion, promote cultural, arts and sports activities, stimulate consumption and domestic demand, and create business opportunities for local tourism. The Government plans to apply for funding approval from the Legislative Council Finance Committee next month (in December) for this purpose. This funding allocation, if approved, will be helpful to the promotion of local community culture economy.

In fact, President, it has been the cultural policy of Hong Kong to create an environment conducive to arts creation. We have all along attached great importance to training talents in arts, so that they can help bring about robust development of the arts and cultural industries in Hong Kong. To support the development of the cultural and creative industries and realize the vision of the West Kowloon Cultural District, we will continuously channel resources for promoting cultural and arts development, with a view to opening up the local and overseas cultural markets and providing more opportunities for people engaging in the arts sector. We are committed to working with our partners in fostering the development of local cultural software in three aspects, including the development of arts programmes, the expansion of the audience base, and the provision of arts education and manpower training. We will, among other things, continue to inject resources to support arts groups and develop quality programmes and public arts projects. Efforts will also be made to enhance opportunities for internship as arts administrators and curators. We will also

step up co-operation with the cultural and arts sector as well as community organizations to popularize cultural and arts activities in various districts in the territory, with a view to creating a more vibrant cultural and arts market.

Under the existing laws, there is no clearly written provision prohibiting on-street performances; nor is there a definition of "on-street performance" or "on-street performer". We welcome on-street performances as a form of arts performance to further enrich the characteristics of our city on the principle that such performances do not affect public safety or cause nuisance or obstruction to the public, and we do appreciate the expectations of members of the community in this respect.

On the proposal of considering allowing regulated hawking activities in specific areas or during specific periods, in fact, members of the community have from time to time in recent years proposed the setting up of open-air bazaars with rich local flavours at suitable places. This can, on the one hand, revitalize the community and on the other, create business and job opportunities. The Food and Health Bureau takes a positive and open attitude towards this proposal. If the proposers can identify suitable venues located in public places with the support of members of the district and the District Council and these venues can at the same time meet the requirements in respect of food safety and environmental hygiene, the Bureau and the relevant departments will provide suitable assistance.

Summing up what I have said, the Government has attached great importance to enhancing employment support, creating employment opportunities and alleviating poverty, and I hold the same views as those of Members.

President, I so submit. After listening to Members' views, I will respond in greater detail to Members' opinions as well as the various measures proposed by them.

Thank you, President.

MR IP KWOK-HIM (in Cantonese): President, according to the results of the General Household Survey for the second quarter of 2009 published by the Census and Statistics Department, poverty in Hong Kong has continued to deteriorate. During this period of time, the number of households making an

income of less than \$6,000 reached 318 000, representing a year-on-year increase of 3.4%, and among them, over 180 000 households earned a monthly income of less than \$4,000, showing an increase of 7 000 households over the last quarter and accounting for nearly 8% of the total number of households in Hong Kong.

As all countries in the world are persistently shifting in the direction of a knowledge-based economy, the demand for highly-educated and high-skilled professional and managerial personnel has increased continuously and many higher-paid jobs have been created, whereas the demand for low-skilled workers has relatively dropped. This has further widened the income disparity between the higher-skilled and the lower-skilled workers. On the one hand, the mainstream workforce with knowledge and skills enjoys a higher status due to the economic development and gets richer. On the other hand, the grassroots labourers are excluded by society due to their lack of competitiveness and some of them are not even able to survive in the market. This has often resulted in the poor getting poorer and the rich getting richer.

At a rough estimate, the wealthy people who take up a mere 5% of the population in Hong Kong are in possession of 90% of the wealth in society. There are luxurious apartments sold at sky-high prices in Hong Kong, but the demand for caged homes and cubicle apartments has been on the rise and their price per square foot is even on a par with that of the super-luxurious residential apartments. According to a report of the Bauhinia Foundation Research Centre, the income disparity between the rich and the poor in Hong Kong increased from 13 times in 1993 to 23 times in 2005, and I think the gap is even bigger now. Therefore, disregarding whether the population of the poor in Hong Kong is 720 000 or 1.23 million, the disparity between the rich and the poor is set to worsen continuously. This is an indisputable fact.

Certainly, we hope that the Government will continuously step up employees training and retraining while at the same time introducing a minimum wage system expeditiously to alleviate the problem of working poverty. In the meantime, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) also attaches great importance to the promotion of economic development by the Government to create more employment opportunities. We welcome the development of the six industries by the Government, but the relevant support measures must be furthered step by step. The authorities

should step up the training of talents for the six industries by, among other things, giving consideration to formulating industry-specific qualification frameworks in collaboration with the industries concerned, so as to enlarge the pool of talents for the industries and attracting more aspiring young people to join these industries, thereby promoting the long-term development of the six industries.

In respect of the recycling industry, the DAB considers that the Government must expedite the development of the EcoPark and impose stringent restrictions on land use in the EcoPark. A labelling and certification system for recycled products should be introduced to help develop a market for genuine recycled products. Meanwhile, efforts should be made to expand the scope of green procurement and formulate clear measures and guidelines for green procurement in government departments, with a view to taking forward the green procurement policy and facilitating the employment of the grassroots.

Besides, given that it is one of the development strategies of the State to further strengthen the integration between Hong Kong and Shenzhen, the DAB urges the SAR Government to adjust the degree of focus on environmental conservation in the planning of the Frontier Closed Area, so as to further link up the Frontier Closed Area of the two places, which is a legacy of history, and vigorously develop the Frontier Closed Area, with a view to creating more business and job opportunities.

President, the young people in Hong Kong are immensely creative. To promote the development of the local community culture economy and creative industry, the DAB proposes that the authorities can refer to overseas practices in formulating a system to facilitate on-street performances. Consideration can be given to issuing licences to performers to allow them to perform on the street at designated public places.

To address the problems of unstable income and under-employment faced by low-skilled workers in Hong Kong, the DAB proposes that the Government should expeditiously review the requirement of "a continuous period of four weeks, each week with 18 hours of work" under the Employment Ordinance, in order to provide greater labour protection to part-time and casual workers. For example, we can follow the practices of the European Union of providing part-time workers with employment benefits on a pro-rata basis. Coupled with

the parallel implementation of a minimum wage system, a multi-pronged approach can be adopted to improve the remuneration package of low-income workers.

President, the DAB supports the original motion and most of the amendments. However, as Mr LEUNG Kwok-hung's amendment has negated the six industries, the DAB will not support his amendment. Besides, Ms Cyd HO's amendment has deleted the word "reunification" and substituted it with "handover of sovereignty". Such an expression is contrary to the fact that China resumes the exercise of sovereignty over Hong Kong. For this reason, the DAB will not support this amendment as well.

I so submit.

MR WONG KWOK-HING (in Cantonese): President, Mr WONG Kwok-kin called for the enhancement of employment support today. I hope the Government will accept our proposals. Regrettably, only Secretary Matthew CHEUNG is here in this meeting today. In fact, the six industries involve a number of Policy Bureaux. The absence of the other Directors of Bureaux, except Secretary CHEUNG, means they cannot listen to our views directly but through Secretary CHEUNG, and a lot of things may be left out. So, I am rather disappointed.

The Government has proposed to promote the six industries. How sincere and committed is it? I hope that Secretary CHEUNG will give us more assurances and a more detailed response later. But I would like to talk about a more important issue now. The Government said that it was going to promote the six industries. However, after the delivery of the policy address, can the Government tell us categorically how many jobs will be created by each of the six industries in a year, and how many jobs will be created in three years? So far, the basis of calculation and the timetable are actually not clearly-defined. Not a single Director of Bureau or a more senior official in the Government can give us a full and thorough explanation. I would like to see whether Secretary CHEUNG can give us a response in this regard today. This is the first point that I wish to make.

The second point is directly related to the Labour and Welfare Bureau and that is, transport subsidy. At the meeting of the Panel on Manpower this month, the Government submitted a paper saying that a review would be conducted.

But the paper was about the possible ways for conducting the review, rather than the substance of the review. The Government said that the results of the review would not be released until next month. The transport support scheme already ended at the end of June. There are now over 30 000 workers living in remote new towns — mainly in Yuen Long, Tuen Mun, Tin Shui Wai and Tung Chung — and waiting for the Government to reach a final decision to save them. If the Government puts an end to this transport subsidy, they will have to pay an extra \$1,000 or so for transport fares, which is a tantamount to a pay cut to them. Such being the case, how can they support the living of their family? Faced with this situation, should they continue to work or turn to the Comprehensive Social Security Assistance (CSSA)? If the Government is really so hard-hearted to discontinue this subsidy and hence drive these 30 000-odd workers to apply for the CSSA, I think that the Government is totally unwise and totally unsympathetic towards the difficulties of grass-roots workers.

Although the Government said that this subsidy could not be made permanent, I think the way or the name are not important, it is most important to continuously provide a concrete support to this group of hardworking wage earners living in remote new towns who wish to be self-reliant and support their family by themselves. I hope that the Secretary can hear this appeal that I am making again today. I do not care the name or the way the Secretary can think of, as long as concrete funding will be allocated to help them. I think this is our minimum request.

Third, in order to create jobs, I hope the Government can take on a leading role. During the past decade or so after the reunification, the biggest fault of the Government is that it has kept on outsourcing its services. Many unskilled labour-oriented services are, therefore, sub-contracted from one tier to another, resulting in the income of grass-roots workers becoming lower and lower. In the past, a hardworking and frugal street cleaner in the Government could at least earn some \$8,000 or \$9,000. As his years of service increased, his wages could go up to over \$10,000, making them very happy. But let us look at these street cleaners or toilet cleaners nowadays. Their wages are only some \$4,000 to \$5,000 or some \$5,000 or \$6,000 a month, and I may even overstate the amount. Under such a situation, how can it not be the rich getting richer while the poor getting poorer? How can the public live in peace and work in contentment? Worse still, there are phenomena which are even more distressing and appalling than what I have just said. In recent years, it has been revealed that government

departments have hired recruitment agencies to act as an intermediary to provide labour services. This is so undesirable and yet, they have adopted this approach to the effect that the employer is no longer the SAR Government, and the workers are neither contract workers nor temporary workers. The agency is just an intermediary providing the number of workers required. It is revealed that their wages are no more than \$5,000. Secretary, do you hear that? The monthly wages are some \$4,800 or \$4,900. How can this happen? So, Secretary, if the Government is really committed to creating jobs, I hope that the Government, being the biggest employer in Hong Kong, can set an example and stop engaging contractors to continue with these unscrupulous practices.

Lastly, I would like to talk about providing assistance for small businesses and individual business starters. WONG Kwok-kin also mentioned this point in item (g) of the motion. But since the delivery of the policy address, what have we done? Nothing has been achieved at all. There is not one market in the urban area or the New Territories where there are active on-street economic activities or regionalized economic activities. Is this not a big failure? I hope the Secretary can respond to the points that I have made. If Secretary CHEUNG cannot give us a response, will he please ask other Directors of Bureaux to respond and provide supplementary information, so that we can see that the development of the six industries promoted by the Government will really create job opportunities? Thank you, President.

MR IP WAI-MING (in Cantonese): President, good afternoon.

My colleague, WONG Kwok-kin, proposed this motion on "Enhancing employment support and creating employment opportunities" today mainly to highlight that the Government has not been doing enough in creating jobs, hoping to urge the Government to pay more attention to this problem. The Secretary said earlier that the unemployment rate seemed to have been slightly dropped. But, we do not hope that the Government would feel complacent about it or lose sight of the problem. Despite a drop in the unemployment rate, it does not mean that the living of grassroots workers has been improved. As WONG Kwok-hing said earlier, even though grassroots workers may have a job, their wages are actually pathetically low. The problem of working poverty is precisely an issue of our concern. The Federation of Trade Unions proposed this motion for debate today not only to express concern about employment, but also provide

solutions to the problem of working poverty, hoping that the Government can give comprehensive consideration and put measures to practice, rather than just patching things up and taking stop gap measures.

In this respect, I will focus on a number of aspects in my discussion today. Firstly, I would like to talk about youth unemployment. We have seen some figures. From May to July, the unemployment rate of youngsters aged between 15 and 19 was at a peak of 28.7% and went down to 22.7% from August to October. Despite that the figure has dropped, does it mean any improvement at all? We always have misgivings about this. Why has it always been difficult for young people to land a job? Many colleagues in this Council have given different explanations. In our view, one of the reasons is that young people lack working experience. This is why young people who have graduated, especially those with lower education or skills, do not have too strong a bargaining power and may even find it difficult to land a full-time job.

Besides, young people are still at a crossroads at this stage. They do not know what kind of job they should look for, and require guidance from other people. But in some cases, even though a youngster has landed a job, say, if he wants to be a hair stylist, what channels are there for him to learn the skills and then really become a hair stylist through accumulating experience and hard work? There are at present some training courses, or the youngster can take the initiative to work as an apprentice at a hair salon. But if the child is made to perform the duty of a hair washer all the time, not knowing when or through what channels or progression ladder he can become the kind of hair stylist that he wants to be, and if he is made to perform only some unskilled tasks, I think he will eventually feel unsatisfied and quit the job in the end. This is why when we go for a hair cut, the boss there will tell us that the hair washer has again resigned. They may have worked there for less than six months, or we may always see a different hair washer at the hair salon. In fact, does it mean that there are inadequacies in our system?

I always ask one question: Is it a must for young people nowadays to go to university? Particularly as the new "3+3+4" academic structure is implemented, it is still the case that, whether intentionally or unintentionally, a youngster's future will be decided by the results in one single examination, even though this is not what we wish to see. What about those students who cannot go to university? Let us not always complain that the quality of each generation is

worse than the last. Apart from complaining, we should actually ask what the Government and society have done for them. Therefore, we hope that the Government can reconsider the existing apprenticeship schemes. I am not suggesting that these schemes have to be like those in the past, but can we reintroduce some apprenticeship schemes in the light of the current social development, so that young people can acquire at the same time the skills and theories at work and benefit from both, rather than just working all the time? We hope that a progression ladder can be created for them, so that they can do what they wish to do.

Why do we say that it is not a must for young people to go to university? In the six industries, there must be many technical posts at the middle level. If the Government does not have long-term manpower training measures to provide support, I think the development of the six industries would eventually become nothing but empty talk, and our young people might have to face unemployment continuously. I hope the Government can give more consideration to this.

Lastly, I hope that in respect of employment counselling and employment support, the Government can introduce a re-employment support scheme to help unemployed workers seek employment. We hope that the Government can provide them with a monthly job-seeking subsidy of \$1,000 for a maximum of six months to help unemployed workers to find jobs. If unemployed workers cannot rejoin the labour market as soon as possible, we are afraid they may eventually fall into the CSSA net. Once they fall into the CSSA net, it would be difficult for them to rejoin the labour market, and this is not something that society would wish to see. I hope the Government can address the problem squarely and take on board our views.

President, I so submit.

MRS REGINA IP (in Cantonese): President, I am very grateful to Mr WONG Kwok-kin for moving this important motion on "Enhancing employment support and creating employment opportunities", and I am very grateful to Members for moving the various amendments.

I fully support the spirit of Mr WONG Kwok-kin's original motion. I think the Government must give regard not just to providing more opportunities to enterprises but also to creating more employment opportunities, both in

developing the six industries and in engaging in co-operation with Guangdong or the Mainland. We can see that many social problems, such as the problems of youth drug abuse and drug trafficking, which are a big headache to the Government, the problem of non-engaged youth, the problem of young night drifters and the problem of compensated dating, cannot be resolved only by law enforcement. Take drug abuse as an example, this is definitely not simply a crime which can be resolved by law enforcement, nor can enhanced deterrent effect be achieved by investigating these crimes or introducing relevant measures.

I have come into contact with many young people and discussed with people in the district. I have the impression that the problems of youth drug abuse and drug trafficking emerge often because young people have limited exit pathways after receiving nine years of free education. When they can only receive low pay in their jobs, which may not give them any sense of satisfaction, many of them would rather giving up their jobs and staying at home and become non-engaged youth or young night drifters, and they abuse drug because of peer influence. Therefore, it is vitally important to provide more employment opportunities to young people and local people, especially young people, or else it would be tantamount to burying a time bomb in the community of Hong Kong.

Second, on creating employment opportunities, the authorities often adopt a quantitative approach. The Secretary takes great joy in announcing good news to us from time to time, informing us of the decrease in the unemployment rate. However, I would like to draw the Government's attention to the fact that employment opportunities do not only involve the increase or decrease in the unemployment rate. It is not only the quantity but also the quality that count. It does not matter whether the Government is making great efforts to boost the number of job positions or suppress the figures on unemployment, if the job positions are of poor quality, that is, if the job positions offer low pay and also fail to offer any satisfaction, chance of upward mobility and sense of dignity to people taking the positions, making it impossible for them to attain a reasonable standard of living, the problem of working poverty would emerge, as pointed out by various Members. If that is the case, the employment opportunities are of poor quality.

Actually, as far as employment is concerned, many governments of western countries attach importance to not only quantity but also quality. A good employment opportunity would not only offer employees a reasonable level of remuneration but would also offer them a sense of satisfaction, learning and

upward mobility opportunities and also enable them to add value to themselves. These are the elements of a good employment opportunity.

The third point I would like to make is that in developing manufacturing industries or engaging in co-operation with Guangdong or Shanghai, the Government should be mindful of avoiding attaching too much importance to certain industries. For example, it is not enough to rely only on infrastructure development or the construction of bridges, roads and schools because employment opportunities are required not only in the construction industry, and the community of Hong Kong does not only consist of construction workers, architects or engineers. There are many people in Hong Kong who have other talents, such as talents in culture, creative industries or arts and design. We have to pursue development on various fronts. Therefore, the authorities should adopt a more comprehensive approach in promoting the development of industries, which will in turn be able to expand the industrial structure of Hong Kong, thereby providing the people of Hong Kong, especially young people, with more exit pathways.

Besides, we have noticed a point made by Mr WONG Sing-chi in the amendment, stating that complementary vocational training is required for the creative industries because a problem faced by many societies undergoing transformation is the mismatch between human resources and job positions. In other words, the financial industry and high-end professional financial services specifically pursued by the Hong Kong Special Administrative Region Government are all located in the central business district, and job positions in the district require high educational attainment. Many people with relatively low educational attainment are thus left with no employment alternatives. Therefore, in promoting industries, we must provide local people with learning opportunities and enable them to move upwards through continuous studies or in-service training.

On these premises, I hold more positive views towards the testing and certification industry among the six industries because, as pointed out by members of the industry, the primary objective of the industry is to nurture a large number of talents for testing and certification. As talents of different levels are required by the industry, opportunities are available to not only university graduates but also to associate degree graduates or IVE graduates, who may also engage in continuous learning.

Besides, I have pointed out to the Government that apart from the testing and certification of drugs and food products, consideration may also be given to electronic certification. As pointed out by the Computer Society, the Government should promote the certification of IT professionals, that is, it should assess their level of professionalism, in order to create the career ladder often mentioned by the Secretary and further achieve mutual recognition between Hong Kong and the Mainland, so that there will be professionals of different levels and more people with professional qualifications in Hong Kong, who may also develop their careers in markets outside Hong Kong.

In other words, in promoting the six industries, the authorities must be mindful of the employment opportunities in areas south of the Shenzhen River. If the Government only enables enterprises to benefit from pursuing their development outside Hong Kong in developing the six industries, the hollowing-out and marginalization of Hong Kong will be expedited, which is a cause of concern for us. Thank you, President.

MR JEFFREY LAM (in Cantonese): President, it seems that the property market, the stock market, the tourist industry and the retail trade have begun to pick up recently, and many people take this an early sign of economic recovery. However, according to the latest statistics released by the Government, the gross domestic product has only recorded an increase of 0.4% compared with that of the second quarter, and the latest unemployment rate still stands high at 5.2%, with the unemployment rate of young people aged between 15 and 19 even amounting to 22.7%. Many people have pointed out that these figures have revealed an inadequate rebound of our economy or arguably a horizontal movement in the trough, with real recovery nowhere in sight.

I have actually pointed out plenty of times that in order to revive the economy of Hong Kong, it is necessary to promote employment. In the policy address this year, the Chief Executive proposed the broad direction of developing the six industries. The initiatives involved are mainly long-term land supply initiatives and policy initiatives, such as changing the use of industrial buildings and abolishing unnecessary regulations and restrictions to facilitate the promotion of the creative industries. However, limited coverage was devoted to how employment in the six industries and other industries could be promoted within a short time, neither was there any short-term measure to stimulate and create employment. Actually, the six industries only account for 7% to 8% of the gross

domestic product at present and they are employing about 350 000 workers, representing about 10% of the employed population. There is definitely much room for improvement in the employment situation, and the Government should make additional provisions to promote employment in the six industries.

Take the recycling industry as an example. According to the statistics provided by the Census and Statistics Department, at present only 2 307 people from 245 organizations are engaged in industries relating to the collection, handling and disposal of wastes and the recovery and handling of materials. Compared with the employed population of over 2.44 million, this figure is indeed negligible. Although the Government will make a commitment of about \$3.5 million in the coming three years to subsidize two non-profit making organizations, namely the Yan Oi Tong and the St. James' Settlement, in operating the plastics and waste electrical equipment recovery programmes, which is estimated to create about 100 job positions, the plastics recovery operator will only be able to recover 20 tonnes of plastic wastes per day, representing only 1% of the plastic wastes generated in Hong Kong per day.

As the profit margin of the recycling industry is not appealing, coupled with the high investment costs, not many enterprises have invested and engaged in this industry all along. If the Government intends to promote the recycling industry and create relevant employment opportunities, it has to provide more subsidies in support of enterprise start-ups, and I believe the provision of subsidies in this respect is unavoidable. Some members of the industry have reflected that as a network of channels for waste recovery is lacking, the recycling industry still has to rely on the elderly and scavengers to supply the wastes for recovery. Besides, sites for temporary waste storage are inadequate, and relevant support by the Government is absolutely necessary.

The Government should consider introducing various concessionary measures to encourage enterprises to develop the environmental industry. For example, since MyCar, the first electric vehicle manufactured in Hong Kong, has been put on the market, the authorities should grasp this opportunity and make early preparation for developing Hong Kong into a regional centre of automotive parts and accessory systems because the use of electric vehicles is not only the future trend but may also create demand for services on scientific research, testing and certification, design and environmental technology, which may in turn bring numerous benefits to the market. The Government may assist relevant enterprises to acquire new facilities through different assistance or concessionary

measures and provide comprehensive repair and maintenance services for electric vehicles.

President, besides the provision of subsidies, the training of talents is also very important in promoting the development of the six industries and employment in relevant areas. As pointed out by the professor of the Hong Kong Polytechnic University in charge of the project of MyCar, one of the reasons why electric vehicles are unable to enter the mainstream market is that a lot of people are required in developing electric vehicles. However, there are not many graduates from the electrical engineering departments in Hong Kong. Therefore, it is necessary for the Government to make vigorous effort to nurture these talents and encourage them to join this industry.

There is also the shortage of talents in the testing and certification industry, particularly in the area of the testing of Chinese medicine and food. Now, the industry is employing about 12 000 practitioners, but the industry has estimated that an additional 5 000 practitioners will be needed in the coming two years. The Vocational Training Council is currently running four testing-related programmes with about 250 graduates each year, which is actually unable to meet the industry's demand. Therefore, it is necessary for the Government to increase the number of places for these programmes or else it would be difficult to achieve any success in developing the testing industry.

President, to promote the cultural and creative industries, the Government has to provide the cultural software apart from setting up the hardware of cultural facilities. Although there are quite a number of on-street arts performers in Hong Kong, they lack public performance venues. I propose that the Government should draw reference from the licensing regimes for on-street performers in Taiwan and Singapore and allow licensees to stage performances at specified time and in specified locations. The Government may also designate a performance zone in Central or Tsim Sha Tsui in order to organize annual on-street arts festival. These on-street performances and activities will not only be able to promote the development of relevant industries but can also promote the catering, retail and tourist industries in the vicinity, which is tantamount to promoting the economy of Hong Kong as a whole.

President, I so submit.

MR CHAN HAK-KAN (in Cantonese): President, I would like to express my views on two areas of the motion today, namely environmental protection and youth employment.

When it comes to the recycling industry, the business sector may think the profit margin of this industry is very low, and the public may think it is not a means to create employment. The Government has only developed some high-technology, environmental-friendly products rather than making effort in developing the recycling industry. However, I would say that the recycling industry actually has great potential and it is able to create quite a number of job positions.

The Democratic Alliance for the Betterment and Progress of Hong Kong paid a visit to Taiwan a few months ago. We observed the operation of their local recycling industry and found out that the industry can not only make profits but also bring huge economic benefits and create job positions. This may serve as a useful reference for Hong Kong. In the waste recovery process, the Taiwan authorities require residents to separate the wastes into three categories, namely, food waste, recyclables and non-recyclables. These three types of wastes will then be transported to recovery yards for detailed classification. As the wastes have to undergo detailed classification upon transportation to recycling yards, recyclers have to employ a large number of workers. For example, they have to further classify plastics or glass bottles into 20 to 30 different types of recyclables before transporting them for recycling. It can be imagined that the classification process of these recyclables is actually a labour-intensive process, and workers do not need to have high academic attainment. Therefore, it may attract a group of low-skilled workers, thereby creating job opportunities for them. Besides, as this industry involves a large amount of waste recovery work, it will employ a few dozens or even a few hundred staff instead of a dozen of staff or so. If transport workers are also counted, the entire industry may employ over 1 000 or even 10 000 workers. Therefore, from the perspectives of starting up businesses and the economy, the recycling industry is definitely worthy of the Government's support. The Government should encourage the development of a recycling industry with a mode of operation similar to that of Taiwan because this can create many employment opportunities for our low-skilled workers.

From the perspective of environmental protection, Hong Kong should make vigorous effort to develop the recycling industry because it is seriously

lagging behind now. One of the main reasons is that there is little public participation in Hong Kong. Many residents in the district told me that either they did not know how to separate the wastes into different categories or they did not want to do so because the process was too complicated. Besides having to bear in mind the different objects to be put into the tri-colour recycling bins, sometimes when they dispose the used batteries or cartridge cases, they do not know where to put them for recycling. Should they be put into the tri-colour recycling bins? The answer is actually in the negative. Batteries should be put into batteries recycling bins, and there are specified recycling bins for the batteries of mobile phones. As the process is so complicated, members of the public in the end would simply put the wastes in the waste bins at home and give up the idea of recycling. Under such circumstances, there will be ever-increasing pressure on the landfills. This will make it necessary for the Environment Bureau to designate some areas of the country parks to expand the landfills, which will cause displeasure among the public.

Besides issuing verbal advice on waste reduction to members of the public, the authorities may also draw reference from the experience of Taiwan and carry out simple waste classification before transporting the wastes to recycling yards for detailed classification by recyclers. This will not only be able to increase the waste recovery rate and develop channels for the recovery of materials but will also be able to turn wastes into useful materials and create employment opportunities, which is killing four birds with one stone.

President, I will now talk about the youth unemployment problem. According to the statistics just released by the Government, the unemployment rate of young people aged between 15 and 19 is 22.7%, representing a drop of 3%. However, after searching through the records, I found that the unemployment rate of young people aged between 15 and 19 over the same period, that is, from August to October, last year was only 16.9%. With the weakening of the economy over the past year, the youth unemployment rate has not decreased but increased, and the figure has remained at double digits for a long period of time. Therefore, I think the youth unemployment problem has remained severe, irrespective of the economic situation, and it has turned into a structural problem. Although the Government has recently proposed developing the six industries in the hope of bringing employment opportunities to young people, for young people aged between 15 and 19, the results to be achieved would be very limited because most of the young people aged between 15 and 19 are still at school, and if they give up their studies to join the labour market now,

they would not be very competitive because they would have only attained around Secondary three to Secondary Five education. I guess developing the six industries is not the right measure for alleviating the youth unemployment problem.

The Government has recently consolidated different training programmes in the hope of helping young people equip themselves, but the major problem is there are not enough job vacancies in the market to meet these young people's need, and even if there are job vacancies, they may not be suitable for them. Therefore, the Government should implement measures to assist young people to secure employment, such as encouraging the business sector to provide internship opportunities for young people with low academic attainment by making reference to the Internship Programme for University Graduate, so that they will be able to acquire more work experience before formally engaging in employment. Alternatively, the Government may take the lead to create some short-term vacancies, such as the position of tourist ambassador mentioned before, and the position of environmental ambassador proposed by us to assist the Government to enhance its environmental protection and green efforts at district level.

Finally, President, I hope the Government will provide incentives, such as cross-district transport allowance or job search allowance, for this group of young people so that they will not remain unemployed over a long period of time and easily give up the idea of finding a job, thereby helping these young people and giving them a helping hand when they are in difficulties. Thank you, President.

DR PAN PEY-CHYOU (in Cantonese): President, although the economic growth of Hong Kong had been robust since 2004, the economy has seen a rapid slowdown under the impact of the financial tsunami last year. While the gross domestic product has recorded a growth of 40% over the past 12 years, the economy last year has obviously slowed down. There was a drop of 2.4% and 3.6% in economic growth in the third quarter and the second quarter respectively compared with the same period last year. These figures show that the downward trend of the Hong Kong economy will persist, and one should not causally comment that the economy has rebound from the trough.

Recently, the Hong Kong Council of Social Service (HKCSS) has announced that the population of the poor in Hong Kong is 1.23 million, representing 17% of the total population of Hong Kong. I find it hard to

imagine that in this apparently affluent society of Hong Kong, so many people are facing such difficulties in life and living below the poverty line, with one in six people being the poor. What is most striking is that according to the report on Gini Coefficient recently released by the United Nations, Hong Kong has ranked first in the world again among advanced economies around the world and become the area with the most serious problem of the disparity between the rich and the poor. The problem of the disparity between the rich and the poor has been deteriorating over the past decade. Take the figure of 1991 as an example, the Gini Coefficient of Hong Kong was 0.47, but it has reached a historic high of 0.53 in 2009. This has actually gone beyond the danger line, indicating that the problem of the disparity between the rich and the poor in Hong Kong is deteriorating and the life of the poor has become more and more difficult.

I think it is necessary for the Government to put in more resources to develop various employment services, continuing education and related training. We from the Hong Kong Federation of Trade Unions (FTU) greatly support the Government's proposal of developing the six industries. We think this is a very good opportunity to change the fate of the poor, especially young people who grew up in poor families. Take the medical services industry as an example, medical services are actually a highly labour-intensive industry. A large number of professionals, technicians and other supporting personnel are needed in medical divisions such as hospitals, clinics and laboratories. In other words, people with professional knowledge, including doctors, nurses and laboratory staff, or even cleaning workers, may be involved. Even now, the medical services industry is facing the shortage of talents, and there is a shortage of various professionals and technicians. In recent years, the Government has increased the number of places in medical and nursing programmes to meet the current demand. If the Government intends to further develop the medical services industry, it should increase the job positions and places in programmes for training dentists, Chinese medical practitioners, chiropractors, pharmacists, medical laboratory technologists, physiotherapists, occupational therapists, optometrists, radiotherapists and midwives, and provide more in-service training for them.

In recent years, with the rising expectation of different places around the world on environmental protection and safety, the export sector's demand for internationally recognized test reports on products has also increased. At the same time, given the increasing local concern on food and drug safety, the development of testing and certification can brook no delay. However, there are reports that talents in this industry are hard to come by, and some people have

even pointed out that an additional 5 000 personnel are required to support its development into an excellent industry. I think as relevant diploma programmes on testing and certification are only offered by a small number of tertiary institutions now, which provide training to about 250 technical personnel per year, the demand of the industry can hardly be met. I propose that the authorities give consideration to providing additional resources and encouraging local universities to offer more tertiary education programmes to support the long-term development of this industry.

President, while developing the above industry, we should not neglect providing avenues to continuing education to young people and new arrivals to help them take up positions at the middle and paraprofessional levels. According to the analysis of the HKCSS, the poverty rate of young people aged between 15 and 24 in Hong Kong has increased from 15.4% in 1999 to 20% in the first half of this year, which represents an increase of 30%. I think the community should not allow poverty to hinder the development of young people, thereby undermining their competitiveness and in turn triggering more social problems. Although the proposal for the Government to take the lead to create short-term job positions can alleviate the unemployment problem, it can only address the symptoms rather than solving the problem at root. In parallel with pursuing development, we should also actively encourage young people to further their studies by operating paraprofessional programmes to train up relevant local talents.

President, I agree that promoting local community culture economy is important to the development of local arts and cultural performances. All along, people have the impression that Hong Kong is a cultural desert, with almost all its developments being economy-oriented. Many people would say that as making money has the top priority in Hong Kong, local arts and culture are often given little weight. I propose that the authorities issue licences to people engaged in arts and cultural performances and relax the restrictions on on-street arts and cultural performances and activities to encourage active involvement of members of the cultural sector. The authorities may also draw reference from overseas practices and conduct regular assessment of on-street performance licensees to ensure the quality of their performances.

President, I strongly propose that the Government should put in more resources to assist the grassroots to secure employment and enhance their

opportunity for upward mobility, thereby narrowing the disparity between the rich and the poor.

I so submit.

DR LEUNG KA-LAU (in Cantonese): This motion is on "Enhancing employment support and creating employment opportunities". Let us take a look at the current situation of Hong Kong to find out why everyone is so anxious. The current unemployment rate is 5.2% and it is gradually decreasing. However, if I remember correctly, many developed countries often have an unemployment rate of 8% or 9% or sometimes even 10% without giving rise to any problem. What exactly is the biggest problem faced by Hong Kong now? Why are people so anxious when the unemployment rate is only 5.2%? It is no big deal having one in 20 people taking a break from work, right? The reason behind is Hong Kong cannot cope well with unemployment. Given the inadequate social support, people can only live from hand to mouth, and their lives would become very difficult once they are unemployed.

We always talk about a knowledge-based economy and technological development, but the reality is they may reduce our reliance on manpower. Take the octopus card as an example. We can enter a car park simply by touching the octopus card on the reader, and neither any cashier nor any security guard is required. This has actually given rise to the deletion of many positions. To put it simply, I have noticed that with technological development, the productivity of a small number of people, such as some 10% to 20% of the people in society, can already provide for the living of the entire society. If the Government is unable to introduce policies to enable equal distribution of wealth, some 10% to 20% of the people will be very rich while the remaining 80% will be starved to death. This shows that the Government's macro policy is very important in resolving these employment problems.

To put it simply, the Government must spend a large amount of money. Many Honourable colleagues have just mentioned the provision of transport allowances and unemployment loans, and the creation of short-term job positions, all of which will require funding provisions. Then, what problems are faced by our Government? The Government adopts a low tax regime, and its expenditure accounts for some 20% of its overall gross domestic product. However, it is very common for government expenditure to account for 40% of the gross

domestic product in many developed countries, and in some Scandinavian countries, the government expenditure even accounts for as much as 60% because their tax rates are very high. Given our low tax regime, the Government is posed with a big problem whenever there is any request for funding. Therefore, in order to resolve these social problems in the long run, it can be argued that there are problems with our current social structure. To resolve these problems in the long run, there is no alternative but to raise taxes. Imposing tax increases is the only means to solve these problems. Members may say that tax increases may create an adverse impact on our competitive edge. It is indeed a deadlock because on the one hand, tax increases will have an adverse impact on our competitive edge, resulting in everyone going hungry, and on the other, it is impossible not to raise taxes. That is to say Hong Kong is hopeless. But this comment is ridiculous.

With regard to government policies, what can be done to protect workers? Based on my experience during my study leave in the United States a decade ago I lived in Manhattan Midtown at that time. As I wanted to go to Chinatown, I asked the staff at the management office where I could take a bus there. When he said he had no idea, I asked him how he would go to Chinatown, and he said he would take a cab. I thought I had to take a bus when I was a tenant there, but he could take a cab, which was good for him. Later, I noticed that some cleaning workers in the laundry were young men in their twenties and thirties rather than ladies in their forties and fifties. From these experiences, I realized that the economic prosperity of the United States back then was somehow attributable to its social policies. Their labour unions were so strong that people who had not joined the relevant labour union were unable to get certain jobs. Since labour unions had very strong bargaining power as a result of government policies, employers or owners' incorporations had to employ workers who were members of the labour unions and offer them steady incomes and protection. Members may ask whether property owners would then be in an unfavourable position. Those property owners also had a handsome income. It is vitally important that they had a decent income as well.

In Hong Kong, how can we enable employers to have a better income? Actually, there is one thing in the Government's hands and that is the land policy. It all boils down to the issue of land. Let me cite a very simple example. Take the shopping malls under The Link as an example, and I would like to refer to shops rented by doctors. The rental of these shops used to be \$16,000 per month but it is now \$60,000 per month. Then, the case is very straightforward. As the doctors' incomes would definitely reduce significantly, they would certainly

lay off a couple of their staff, which would naturally aggravate the unemployment problem. Actually, this would affect the business of not only the doctors but also the catering industry. Restaurants in overseas countries are able to survive with only a few tables of customers per evening. In Hong Kong, however, it does not help even restaurants are full house. When making reservation at a restaurant, customers would be allocated to either the 7 o'clock slot or the 9 o'clock slot, otherwise the restaurant would not be able to sustain its business. Why? Because the rental is exorbitant. Actually, there is quite a lot of land in Hong Kong which can be granted to business operators at reasonable prices. If the business environment is good, more workers will naturally be employed. Just now, Members mentioned the six industries, and I would like to talk about the medical services industry. If the price of land granted by the Government to operators is excessively high, their operation cost would naturally be very high. In that case, how can they afford employing other health care personnel? I can tell Members that, as far as the medical services industry is concerned, the demand for health care personnel is very great. I am not talking about professionals or trained nurses. Let me cite a very simple example. When I treated a chubby old lady yesterday, I had to mobilize five cleaning ladies to help lift her onto the bed. I did not dare to ask the nurses for assistance just in case they would hurt their backs and apply for sick leave right away. I had to mobilize five cleaning ladies before that lady could be successfully lifted onto the bed. Actually, sound land policies can facilitate the development of the six industries and create many employment opportunities. Thank you, President.

MR LEE WING-TAT (in Cantonese): President, in my speech on the motion today, I would only like to discuss the concern about on-street arts and cultural performances, which I have discussed plenty of times in this Council.

Actually, it is strange that on-street arts performances are a rare sight in this international city of Hong Kong. I think Honourable colleagues have visited London, Paris, New York or San Francisco. These cities encourage arts performances by on-street cultural workers, which will not only enrich the arts and cultural life of the cities but also improve their employment and economic situations.

Hong Kong, however, is weird. Besides hospital sterilization, street sterilization is also very effective here. Whenever people are found to be

staging cultural performances or engaging in graffiti, they would be driven away by staff of the Food and Environmental Hygiene Department and the police. This has made on-street arts performances impossible in Hong Kong.

I think the most widely-known example is the theatrical troupe known as FM Theatre Power — I have taken part in their performances before — which used to stage on-street performances in the Mong Kok Pedestrian Precinct and attract the support as well as opposition of many netizens. In the end, I do not know whether it was because of the dissuasion by the District Council or for other reasons, it was dissuasion not to stage performances there any more.

I certainly agree that crowd control is necessary, but we should offer encouragement rather than conducting "sterilization" or raids, thereby making application necessary for the staging of on-street performances, which is indeed ridiculous.

President, I think there are still many areas in which improvement is needed in Hong Kong, especially for people who enjoy on-street performances, and it is a matter of the overall policy. I remember when I discussed this issue with Chief Secretary Henry TANG early this year, he undertook to implement a pilot scheme in at least a few districts, it seems to be five districts, at the end of this year to allow on-street arts and cultural performers to stage their performances as an encouragement for them. It is already 25 November now, and there is only a month or so to go in 2009. I do not know whether or not this policy I certainly do not hope that this policy would be aborted and I hope it can be implemented as planned. I am wondering whether spending \$20 billion to build a spectacular, magnificent and grand performance venue in the Western Kowloon Cultural District on the one hand and showing the international community that restrictions are imposed on on-street performances in Hong Kong on the other would be contrary to the overall policy direction.

Therefore, I do not agree very much with the point on licence application proposed in the original motion because a lot of judgment is involved. First, the licence application procedure would be very complicated; second, is it really necessary to assess their performance standard? I know some countries actually do so but it is not easy to put this into practice in Hong Kong. Besides, I think people engaged in this area of work in Hong Kong are generally very co-operative. The authorities may only need to require them to comply with a

registration or notification regime, not to produce excessive noise while using amplifiers, to co-operate with the police and to avoid gathering an excessively big crowd. Actually, the most important thing is site selection. Hong Kong is a bit crowded, but there are still places in which these performances can be staged, and the broad promenade in Central Ferry Piers is one of them. It is unreasonable not to be able to designate even a corner for on-street performances. We do not see any reason for this at all.

Therefore, President, I think generally speaking, the Government should revise its policy and encourage rather than prohibiting on-street performances. I have met with many departments and found that all of them would not allow such performances. The response of the police was that they would not allow the gathering of crowd which would obstruct the flow of people and vehicles. They also queried whether these performances were for making money because performers were not supposed to make any money, not even \$1 or \$10. The Food and Environmental Hygiene Department said that litter would be left in the site after such performances, which would require cleaning by them. The Environmental Protection Department was concerned that the amplifiers would produce excessive noise and cause nuisances. I do not understand why countries all over the world are able to solve all these minor problems but our Civil Service, which is commended as the most sophisticated team by the Chief Executive, is unable to solve such trivial problems as these.

Therefore, I hope the Civil Service would not use any excuse to prohibit these performances any more. I think these performances are not only able to enrich the public cultural activities in Hong Kong as a whole but can actually provide more opportunities of creativity and employment for many people.

For some time, I used to visit the Jockey Club Creative Arts Centre in Shek Kip Mei frequently. Most of the people there had their own jobs. I also told the young people there it was indeed difficult for people to engage in the arts sector in Hong Kong because they might not even be able to make ends meet. However, they were so dedicated that some of them might teach art in school in the afternoon or work as freelance creative artists to earn a meagre income and then worked in Shek Kip Mei from the evening until very late at night. The Government should show appreciation to these people. Therefore, I hope the Government will formulate policies on on-street arts and cultural performances as soon as possible. My view is that the overall policy should be relaxed and there

is no need to introduce any administrative measure, licensing requirement or prohibition.

Colleagues in government departments should not be too concerned that people would act in a deviant manner during their on-street performances. Do we see lots of deviant behaviour in Hong Kong? The most deviant behaviour is probably found in this Council, so what is there to worry about? Would people throw flying swords? Would people do bungy jumps from the Jardine House? They would not do so. Therefore, I hope the authorities would not view this matter too negatively and impose various requirements on it, thereby depriving young people of the opportunities, especially young on-street performers who have yet to make themselves known. Actually, there is a chance that they may become another Yo-yo MA or somebody else in future. Thank you, President.

DR LAM TAI-FAI (in Cantonese): President, since the outbreak of the financial tsunami last year, this Council has repeatedly debated the subject of preserving employment and creating employment, but not much has been achieved so far. The root problem is the Government has failed to resolve problems relating to supporting enterprises, and thus preserving employment has been reiterated all along. If employment has been preserved, there would not have been 10 amendments to Mr WONG Kwok-kin's motion today like a Christmas tree dangling with decorations, which fits the occasion perfectly.

Today, Secretary CHEUNG is present in this meeting. However, I believe he is also unable to solve this problem because supporting enterprises is under the ambit of other Secretaries instead of his. However, I still hope the Secretary would reflect my views to his colleagues so that they would try every means to support enterprises. Then, the Secretary would not have to be bothered with finding ways to preserve employment all the time.

Actually, although the overall unemployment rate in Hong Kong has improved recently and is standing at 5.2% now, it is still on the high end. In particular, the unemployment rate of young people is high, with one out of four young people being unemployed. Besides, many professionals are unemployed, and their unemployment rate is 3.6%, which is even higher than the figure before the outbreak of the financial tsunami. I understand many people in the middle and lower strata are still in great plight. The problem of the disparity between

the rich and the poor is becoming more and more serious, and the number of poor people is ever increasing. On the other hand, the middle-class people are also in great agony. Quite a number of professionals have to bear huge financial burden. When they are unemployed, they may not be able to get a new job at once. Therefore, the authorities should not only provide employment support for the lower strata, but should also enhance the support for the "white-collar" workers, the middle class and professionals. Actually, the measures which can best tackle the problem at root are to improve the business environment, encourage investment and facilitate business operation of small and medium enterprises (SMEs). This way, they will have the capability and the need to employ workers, which will in turn create more employment opportunities and enable the unemployment rate to drop.

Back to the topic on how the Government should support enterprises. Recently, the Government has extended the Special Loan Guarantee Scheme for Small and Medium Enterprises for half a year. SMEs certainly welcome such an effort, but it is not vigorous enough. We have repeatedly urged the Government to further extend the Scheme for one year, which will then be able to give enterprises confidence to continue to develop their business. When they have confidence, they will naturally employ staff rather than laying them off. Regarding this, I hope the Secretary will relay our views to his colleagues, so that enterprises will be able to operate their business.

Besides, I would also like to talk about another approach. To create job positions, the Government has to formulate policies to ensure that there is a sound business environment to enable the sustainable development of enterprises. Let me cite an example, with which the President should be very familiar. It is Section 39E. Why is it Section 39E? Because the Government's present enforcement of Section 39E has created considerable impact on enterprises. We are now undergoing transformation from processing with supplied materials to processing with imported materials, and all machinery has been moved to the Mainland. Under Section 39E, the Government has adopted an "across-the-board" approach to the effect that once all the machinery is moved to the Mainland and is outside Hong Kong, it can no longer enjoy the depreciation allowance. This does not only stifle the upgrading and transformation as well as development of enterprises, but is also contrary to the Central Authorities' policy of encouraging upgrading and transformation among enterprises. If the Government does not amend the taxation legislation in the light of the actual situation to facilitate the development of enterprises, they will not be able to develop. When they are not able to expand, why will they have the need to

employ workers? In that case, there will naturally be job loss, which will in turn push up the unemployment rate. I would like to reiterate my hope for the Secretary to relay these views to his colleagues concerned, in the hope that they will be able to create a better business environment and assist enterprises to undergo upgrading and transformation.

Besides, we always mention the "50:50 taxation regulation". The Government should accord equal taxation status to enterprises which have transformed from engaging in processing with supplied materials to engaging in processing with imported materials, or else no enterprise would go for upgrading or transformation. If enterprises do not undergo upgrading or transformation, they would not be welcomed by the Mainland authorities. When they are unable to develop their business, they would naturally have no need to employ workers, and the unemployment rate would continue to rise. Here, I would like to reiterate my hope for the Secretary to follow up the matter closely and relay to his colleagues that they must make every effort to create a favourable business environment.

The Government is committed to promoting co-operation with the Pearl River Delta and economic integration with Guangdong, and creating a one-hour quality living circle. Actually, it is most important to introduce measures to facilitate the flow of people. Even if a large number of integration programmes are launched, they would be futile if the flow of people is low. Under the existing agreements between the Mainland and Hong Kong, for Hong Kong people staying in the Mainland for more than 183 days, their incomes derived in the Mainland, Hong Kong or other parts of the world are liable to Mainland taxes. As we all know, the tax rate of the Mainland is higher than that of Hong Kong, which may probably drag Hong Kong people working, living or consuming in the Mainland into the tax net and bring a heavy tax burden to them. This will definitely have an impact on Hong Kong people's northward movement for employment. Given the rapid development of the Mainland at present and its great demand for Hong Kong workers, if the relevant policy would have an impact on Hong Kong people seeking employment in the Mainland, and Hong Kong is unable to provide the job positions required, the unemployment rate would naturally surge. Therefore, I hope the Government will examine with the Mainland authorities the revision of the taxation legislation as soon as possible to the effect that the duration of stay would at least be lengthened to 260 days, that is, five days a week in 52 consecutive weeks, which is better than 183 days. This would facilitate enterprises to send more Hong Kong people to work in the

Mainland, thereby encouraging more Hong Kong people to work in the Mainland in order to reduce the unemployment rate of Hong Kong people.

On the other hand, the policy address proposed encouraging the development of the convention and exhibition industry and the revitalization of industrial buildings, to which I give my great support. However, I hope that in examining the policy on industrial buildings, the Government would consider which redevelopment or renovation works would be helpful to employment and grant approval to such works expeditiously. Besides, it should also make more vigorous effort to boost the convention and exhibition industry because when the industry prospers, enterprises would naturally be able to expand and develop its market. In this way, more people will be employed and more people will then be benefited. Certainly, the Government also has to combat unlawful employment vigorously. Recently, I have often come across reports on illegal workers at construction sites. The increase in the number of illegal workers will create an adverse impact on the job opportunities of Hong Kong people. Therefore, I hope the Government would carry out more inspections in this regard.

Actually, there is a strange phenomenon nowadays that many young people in Hong Kong are unemployed, and it is mainly attributable to the education system. However, due to time constraint, I hope the Secretary would relay my views to the Secretary for Education and urge him to improve the education system as soon as possible so that more young people would continue their studies instead of seeking employment. This way, we will not have to be bothered by the youth employment problem.

PROF PATRICK LAU (in Cantonese): President, earlier on, the CNN of the United States, which believes in democracy, issued a report on the selection of the greatest cities in the world. Which cities are on the list? Hong Kong is surely one of them. I have read the 50 reasons set out in the report for selecting Hong Kong. They are quite amusing. For instance, Hong Kong is on the list because of its soya sauce western food, the golden toilet, freedom of speech and free economy, and so on. Hong Kong is being regarded as one of the greatest cities in the world for these 50 reasons. But employment is surely not on the list. Hence, I think the issues on "supporting enterprises and preserving employment", overcoming challenges and creating job opportunities proposed today are topics worthy of debate by Members.

In the face of a fluctuating economy, many people encounter employment difficulties. Many young people become self-withdrawn because of unemployment, while some even become addicted to drug, causing social problems and affecting the productivity of the labour market. I think these issues warrant in-depth discussion. Many Members have expressed their opinions on the policies adopted by the Government when they spoke earlier, and all of them have been heaping praise on Secretary Matthew CHEUNG. I would like to tell Members one incident. This is not a story but a real experience. I once attended a banquet with Secretary Matthew CHEUNG. Performances were staged during the banquet. I saw many young people doing magic and dancing performances. The Secretary told me that they were trained during the time when he was the Commissioner. If he is sincere in helping these young people, it is worthy of commendation. These programmes have offered alternative employment opportunities to these young people, giving them a chance to bring their strengths to full play. Most importantly, their strengths are converted into labour, and they will no longer be left at loose end. Hence, I think the Secretary should agree with the creative proposal put forth by Mr LEE Wing-tat earlier, for his proposal may be realized in Hong Kong.

President, concerning unemployment, Dr LAM Tai-fai said earlier that he did not have enough time to talk about education, and I too agree that the problem of unemployment is closely related to the education system in Hong Kong. In Hong Kong, spoon-feed education is adopted under an examination-oriented system. President, you know this full well. Content of the curriculum becomes more and more difficult. Many students thus lose the interest of learning and only know how to recite. In order to get high marks, students are fully occupied by tutorial classes, leaving no time for extra-curricular activities. Hence, I very much hope that more liberal education can be introduced in Hong Kong, so that learning levels can be adjusted flexibly and students be taught according to their ability, so as to avoid students from giving up studies because they cannot catch up with the curriculum. It is most important that we strengthen the creative mind of students, encourage them to participate in extra-curricular activities, develop their interests, and ensure whole-person development covering moral, intellectual, physical, social and aesthetic education.

In the past, the prospect of Hong Kong graduates is very limited. Their development is confined mainly to the financial industry without other alternatives. But the financial tsunami last year has made us aware that we cannot rely solely on the financial industry. We must strive for diversified

development, such as in arts, culture and sports, and so on. The Government should increase subsidies to promote arts and cultural development, and offer incentives to attract talents to join the industries. Only by doing so will this open up more channels for the people of Hong Kong to develop their career.

Since Hong Kong no longer has industries that can absorb low-skilled people with low educational attainment, these people must find other means of livelihood in Hong Kong. Now that the Government proposes the promotion of the six industries, namely, testing and certification services, medical services, innovation and technology, cultural and creative industries, environmental industries and education services, but only people with high educational attainment engaging in scientific research work are required by these six industries. I wonder in what way the six industries will be of help to these people. It will do no good unless they are trained to become technicians in the fields. Hence, I very much hope that the Government will actively provide technician training, so that more grass-roots workers may benefit from these posts.

Environmental industry is one of these six industries. Nowadays, people attach greater importance to green living. Ms Audrey EU's amendment mentions the improvement of the recycling industry. I very much believe that by promoting the recycling industry, it will greatly facilitate the employment of grass-roots workers. Many colleagues have mentioned the scarcity of land. However, Members do see that a lot of sites have not yet been utilized. Is it possible to use these sites for temporary purposes to offer them some business opportunities? I surely understand the difficulties in planning work, but if temporary sites can be fully utilized, the business environment of the industry will be improved. Certainly, we also hope to encourage the industry to convert wastes into business opportunities. Hence, in addition to the reinforcement of the recovery of kitchen wastes, used batteries, heavy metal and used high-tech electric appliances, we consider that newly-completed buildings must include space for waste recovery to facilitate the implementation of source separation of waste, which will consolidate the concept of Hong Kong being a city of sustainable development.

One of the amendments mentions the "dai pai dong" culture, which exactly explains why Hong Kong is a great city as I said earlier. Hong Kong is a pluralistic city. One can enjoy the finest cuisine at hotels on the one hand and

experience the specialties of Hong Kong at "dai pai dongs" on the other. I thus very much hope that the traditional culture, which includes open-air bazaars, shoe-polishing stalls, mobile ice-cream vans, and so on, can be conserved. Why should they be wiped out when they are rich in local characteristics?

I am very glad today that I have the opportunity to agree with the proposal put forth by LEUNG Kwok-hung. He mentions the demand for public facilities and the need for the early review of planning to build more schools, public housing estates, hospitals, clinics, community centres, roads, and so on. All these will create a lot of employment opportunities and upgrade the people's livelihood. So, I very much hope that (*The buzzer sounded*) but I do not agree to turning Hong Kong into a welfare society.

Thank you, President.

MR CHAN KIN-POR (in Cantonese): President, today, many Members have expressed their views on employment support, I would like to focus on analysing the issue of creating employment opportunities.

In fact, poverty alleviating measures have been implemented in Hong Kong for many years, but the population living in poverty is on the rise despite these relief measures. The problem involves many complicated issues, including the population policy, which cannot be easily solved. However, I think one of the fundamental and principal causes is the serious unbalanced development of industries. Before the reunification, the service industry in Hong Kong developed rapidly, among which the four pillar industries made even greater success. As a result, labour-intensive industries declined gradually. According to the information of the Census and Statistics Department, at present, the service sector has accounted for 92.3% of the GDP in Hong Kong, but it can only accommodate 86.7% of the employed population. As for the manufacturing industry, the GDP percentage it accounts for has dropped continuously from 14.5% in 1991 to 2.5% at present. For this reason, no matter how prosper Hong Kong is, many grassroots people still cannot find a job, or can only take up jobs with very low pay.

One of the reasons for the unbalanced industrial development was that production costs in Hong Kong kept increasing, which drove industries to move

north. Another reason was that the Hong Kong Government followed strictly the positive non-intervention policy, allowing industries to develop freely. As a result, industries with an edge in Hong Kong made rapid development, such as the four pillar industries. Since investors usually focused on reaping short-term profits, no one was interested in investing in industries that needed longer time for development, particularly without the promotion of the Government. As a result, there was a serious imbalance in industrial development.

After the reunification, the Government seemed to be aware that the diversified development of industries was required to provide the means of livelihood for all walks of life. The former Chief Executive, TUNG Chee-wah, had put forth a number of industrial proposals, but they all ended in failure for various reasons. Now, Chief Executive Donald TSANG has proposed the promotion of the six industries, namely, testing and certification services, medical services, innovation and technology, cultural and creative industries, environmental industries and education services. It is the golden opportunity to redress the unbalanced industrial development in Hong Kong, and the authorities have estimated that tens of thousands of new posts will be created. Some people are of the view that the six industries cannot offer a lot of jobs to the grassroots. However, new posts will naturally bring forth new demand. When new offices come into operation, new demand for matching services will arise, such as cleansing services, catering service for staff, goods transport, and so on. Actually, since it is not possible for industries to move back to Hong Kong, we can only rely on the promotion of the development of new industries to create new posts. Moreover, if Hong Kong can achieve diversified development, the next generation of the population in poverty will have a greater chance to rise out of poverty.

However, the success of the six industries depends greatly on the determination of the Government. Before the delivery of the policy address, the Government kept spreading the advantages of developing the six industries, leading the public to have high hopes for these industries. Nonetheless, it has turned out that the promotion effort made by the Government has only confined to the removal of hurdles hindering the development of these industries. It is really worrying that the Government is not making adequate effort to promote these industries. We can see from the examples of many countries in Asia that governments must undertake the role of an advocator in promoting the industrial development. Take the film industry in Korea as an example. The industry has seen rapid development in recent years. In addition to the efforts made by

members of the industry, the Korean Government has actually taken up the role of an advocator. It has rendered full support to the industry from research and development, talent training, fund raising and marketing promotion. But when we look at the case of the industry in Hong Kong, we can easily understand why the industry has been in decline. Hence, in order to right the unbalanced industrial development, the Government must give up its passive attitude, and actively take up the role of an advocator for industries.

To take up the role of an advocator, the Government has to overcome certain psychological burden. It should not remain indifferent to the industrial development in fear of attracting criticisms of collusion between the Government and the business. On the contrary, it should act boldly to introduce new mechanisms and provide ambitious tax or financial concessions to investors to attract them to invest or set up regional offices in Hong Kong. The Government may enter into investment agreements with investors. To pre-empt abuses and transfers of benefits, the Government may put in place a stringent monitoring system, so that the agreements will be vetted and approved in a fair and open manner with high transparency. The openness and transparency of the arrangement can ensure that the Government is blameless. Investment agreements should also be handled strictly. Investors should be requested to give undertakings on the scale of investment in Hong Kong and even on the number of posts to be created. The Government will provide them with concessions step by step only when their capital arrives in Hong Kong and produces actual benefits.

To create job opportunities, I believe the Government should start with improving the industrial structure and attracting investors. The approach adopted in the past will not find a way out for Hong Kong. The Government should adopt a new mindset and dare to commit in order to solve the employment problem.

President, I so submit.

MR RONNY TONG (in Cantonese): President, last weekend, I noticed that one of the newspapers carried the suicide of a postgraduate of master's degree, but not the resignation of the Civic party, as its headline and on the whole page. President, we as parents sometimes dare not read this type of news in detail, but unfortunately, these incidents occur time and again. Youth suicide is particularly common in Hong Kong. This morning, I heard a piece of more

scaring news when I was brushing my teeth. It said that a collective suicide group had now been formed on the Internet in Hong Kong, and more than 100 persons had joined the group, planning to commit collective suicide next month right at the time the mass resignation of Members from five constituencies would take place. But one female student said that she could wait no longer and would leave earlier.

President, young people are the hope of society. But when young people feel hopeless, it means society is hopeless. President, what are the "specialities" produced by the people of Hong Kong now? The "three-lows" for young people, namely, low income, low qualification and low skill. Recently, the Hong Kong Federation of Youth Groups (HKFYG) has conducted a survey. It reveals that despite the slight adjustment of the unemployment rate, the unemployment rate of young people aged between 15 and 19 has increased. At the time of the blow of the financial tsunami, the unemployment rate for this age group was 19%, but it reached the record high of 28.7% for the period between May and July this year. Though it has now decreased, it still stands at 22%. President, I mentioned earlier that many young people committed suicide, but the Government responded by saying that the suicidal rate was only 13%, which was not among the highest in the world. The figures I quoted earlier seem to be cold fact, but these figures are actually extremely heart-rending. Each figure tells a true tragic story. According to the survey of the HKFYG, 30% of the respondents have once been unemployed, 22% have even been unemployed for over six months, 50% of these young people have shown negative emotions and experienced deteriorated relationship with family members. President, these young people are now in deep water, but we do not see the Government making any effort to give them hope. We only see some perfunctory measures attempting to bury in a short time the unemployment rate of young people under all kinds of training programmes like the YPTP • YWETS for whether a month or a year. There is practically no comprehensive plan to help young people add value to themselves, hence strengthening their employability.

President, one of the themes proposed by the Chief Executive in the policy address this year is the development of the six industries. But the public may query the effectiveness of the six industries in creating job opportunities. In what way can this help the young people in particular? The Government has quoted many figures, but for the six industries proposed in the policy address this year, no estimated figure has been presented. If Hong Kong makes an all-out

effort to promote the six industries, how will it improve the unemployment rate and the unemployment rate of young people?

President, the greatest problem faced by Hong Kong is the adoption of the high land price policy all along. Everything is related to land, and everything works only with high land prices. Regarding how the people of Hong Kong upgrading themselves to take up research and development work, no progress has ever been made. President, I learn from today's newspaper that the number of people engaging in research and development in China is close to that in the United States, which means the number is increasing rapidly every year. But this is not the case in Hong Kong. President, just now, I chatted with a resident in my district, who is a professor engaging in biotechnology research in the University of Hong Kong. He is very pessimistic about the creation of job opportunities by the so-called innovation and technology industry in Hong Kong. He said it was a chicken and egg issue, for funding and talents are the two factors most needed in the biotechnology research in Hong Kong. Take the research on stem cell performed by this resident as an example. Though the Government has subsidized his research, more often than not, endless bureaucratic red tape has made the application for research fund extremely difficult. And the amount of funding approved is meagre. At one time, only \$800,000 was allocated for a year, which even had to be shared with academics of the other universities engaging in similar research. The fund allocated in the end could barely afford recruiting a young research assistant.

Moreover, the career prospect of biotechnology research was extremely limited in the past. Even if graduates completed the research work for self-enhancement, they might end up working as sales or engaging in teaching jobs. Under such circumstances, how can Hong Kong add value to itself? How can we distinguish ourselves via local research technology? President, in the promotion of the six industries, the Government has once again emphasized the reliance on land, where land is the resource for development. But, President, we have a fiscal reserve of over \$1,000 billion. I do not mean to spend it all in one day, but the Government is duty-bound to spend the money properly.

President, I mentioned earlier that we have "three-low" young people now. The Government must face this problem squarely, which is also a problem of resource matching. If the Government fails to fulfil this obligation, rendering this group of young people losing hopes for their future, our society as a whole will too lose hopes. President, this problem must not be overlooked. I hope

the Government will face this social problem squarely as soon as possible, so that young people can have a good prospect. Thank you, President.

MR FREDERICK FUNG (in Cantonese): President, at first glance, the topic of today's motion seems to be a discussion about the labour and employment issues. However, with a closer look at the preamble of the motion, it seems that the Member proposing the motion would like to continue with the debate on the policy address. I say so for the motion touches on the problem of disparity between the rich and the poor, a time-bomb worrying Hong Kong all the time. The Member even attempts to attribute this disparity between the rich and the poor only to the mismatch of manpower resources and job positions, and puts forth a series of requests in the motion.

President, before I come to the content of those requests, I would like to comment on the title of the motion. Obviously, the motion reflects a small part of the big picture on the problem of disparity between the rich and the poor, trying to bring forth the numerous requests for workers' employment of the proposer, but this makes the motion looks more like a political platform. I wonder if this approach aims at facilitating the proposer to say in future election that we have successfully fought for this and that. As a result, all the issues are included in the motion. But Members may notice the further development, for in the motion (*interrupted by some noises*) Excuse me, I have to turn off my mobile phone first, for I may have forgotten to turn it off.

The proposals in the motion include the expansion of the coverage of the transport subsidy, the six industries, the recycling industry, the promotion of local community culture economy, and so on. Actually, each of them is a major subject that warrants discussion. Moreover, each of them is a good subject of debate. But all these major subjects have now been turned into minor ones under one single subject.

This approach is also extended to Members proposing amendments. As a result, the debate on the motion has become more detailed, comprehensive and complicated. There are not only amendments to amendments and even further amendments.

President, this approach results in tens and even hundreds of proposals. Nonetheless, this approach actually makes the theme of our motion debate

ambiguous and without any focus. I think we Members, rather than the Government, will lose more than gain. Actually, this approach will put accountable officials in a favourable position, and they may be laughing stealthily. Since Members put forth so many questions and requests, Directors of Bureaux may give extremely long yet superficial replies to respond to all the questions raised by Members. Is this a good approach to debates? I hope Honourable Members will think about it.

President, I will now return to the topic of today's motion. The topic today is on the problem of disparity between the rich and the poor, employment support and job creation, issues of concern to me over the years. In a nutshell, the worsening of disparity between the rich and the poor is originated from the seriously biased policy adopted by the Government, its emphasis on mercantilism, the overriding influence of free market, and the authorities total neglect of the situation of the grassroots lagging behind the rapid changes of society and economy. However, today, the Government has still held on to the theory of the trickle-down effect as in the past, believing that with continuous economic development, wealth will naturally trickle down to the grassroots.

I do not mind taking all the troubles to repeat this again and again that: This theory can in no way stand the test, for this is not the reality. What is correct is: "Economic growth is not necessarily related to the alleviation of poverty". Members may take a look at the figures. According to the data collected in the census conducted in 2006, when all the households in Hong Kong were classified into 10 groups based on their monthly family income, the median monthly income of the lowest group (in market price in 2006) was dropping from \$2,952 in 1996 to \$2,888 in 2001, and further to \$2,400 in 2006. There was a decrease of more than \$500 in the past 10 years. Over the period, Hong Kong has experienced economic ups and downs, but the household income of the lowest group has never seen an increase, not even during the economic upturn. Instead, the medium income of this group has kept dropping. How can the Government tell me that economic growth can solve the poverty problem? In what way can economic growth solve the problem of disparity between the rich and the poor in Hong Kong? The reality speaks volume that it is not the case, and the figures indicate that it is not the case. And those figures are supplied to us by the Government itself.

Hence, I have been emphasizing over all these years that the complex problem of disparity between the rich and the poor cannot be dealt with by a single policy. The answer lies in a genuine people-based government which will establish a high-level structure to lead various bureaux and departments concerned to formulate poverty alleviation strategies and implement various programmes on different areas such as welfare, labour, education and economic policies, and so on. This body should deal with the issue from a macroscopic perspective and on the economic structure. It should make fundamental changes to the system, set specific targets on poverty alleviation, and promote and co-ordinate the alleviation efforts of various bureaux. All along, I have advocated that the Commission on Poverty led by the Chief Secretary for Administration should play such a role.

With regard to short-term relief measures, we consider that the expansion of the transport subsidy scheme and the creation of job positions for grassroots may satisfy the pressing needs. Regarding the medium- to long-term strategies, the Government must act more proactively to play the role of resource distributor. It should re-examine the impact brought about by the *laissez-faire* economy policy in the past on the problem of disparity between the rich and the poor. Has the adoption of such a policy aggravated or alleviated the disparity between the rich and the poor? It should also take the initiative to amend the seriously biased economic structure. Hence, there is no better alternative than the reinstatement of the Commission on Poverty. As I mentioned earlier, the Commission on Poverty can deal with the problem from both the macroscopic and microscopic perspectives, providing an all-round solution to the problem of disparity between the rich and the poor. Moreover, the authorities should set up a mechanism to assess the possible impact certain policies may have on the disparity between the rich and the poor before they are implemented. If there is adverse impact, please do not introduce any of them. Rather, they should be withdrawn. Given the present fluctuating economy, the authorities should all the more use the Commission on Poverty as a platform to introduce focused measures to assist the grassroots to ride over the financial difficulties they are now facing.

President, insofar as employment is concerned, in addition to promoting employment and creating conventional job opportunities under the free market, I think that in the development of large-scale infrastructure projects and the promotion of small and medium scale work projects, it may incline In fact, I should not say incline, I only ask the business sector to keep a better balance, and the Government to implement policies that can create some new economic points

and new job opportunities for the middle to lower class. Over the years, we from the Hong Kong Association for Democracy and People's Livelihood have advised repeatedly the creation of grass-root positions via developing green industries, and the vigorous promotion of social enterprises and co-operative societies. These proposals can precisely create alternative economic points that can offer job opportunities to the grassroots direct. Only in this way will the problem of disparity between the rich and the poor be addressed. People in poverty will no longer have to rely on the Government nor the Comprehensive Social Security Assistance, for they have a job to earn a living for themselves and their family, they can stand on their own and do not have to rely on the free market any more. Thank you, President.

MR CHEUNG KWOK-CHE (in Cantonese): President, in every discussion on improving unemployment, the Government will repeat endlessly the following remark: "New posts will be created when the economic picks up, and the problem of unemployment will naturally be alleviated". Honestly, this remark is a universal truth. By repeating this remark, the Government is indeed evading its responsibility, which can in no way help improve the problem of unemployment. Let me draw an analogy to illustrate this. When a bushfire breaks out, the firemen tell us: "When all the vegetation on the entire mountain is burnt down, the fire will go out naturally." Senior government officials are adopting this attitude of "positive non-intervention" in dealing with the unemployment problem.

As Hong Kong economy gradually recovers from the financial tsunami, the overall employment rate is decreasing gradually. However, there are still over 190 000 people in the army of the unemployed. The problem of unemployment faced by persons described as "two low, one high" and young people is still serious. The unemployment rate for young people aged between 15 and 19 remains at a high level and has now reached 22.7%. Hence, I believe the Government must take immediate action to "put out the fire".

I would first talk about the unemployment problem of people described as "two low, one high". Hong Kong has entered the age of a knowledge-based economy. It is now facing the problem of structural unemployment. Statistics have shown that, in the past decade, the number of professional and technical posts increased by 40% while the increase in the number of low-skilled posts was

only 2%. Hence, no matter how good our economy is, people in the "two low, one high" group can hardly secure employment in the labour market today.

Actually, a majority of these people is the breadwinner of their families, who desperately need a job. The Government should by all means help them earn their own living. The Government has proposed the development of the six industries in the policy address. I believe by adjusting the direction of the development, a lot of low-skilled employment opportunities can be created.

For the environmental industry, the authorities may encourage the development of labour-intensive recovery industries, such as waste recovery, kitchen waste recovery, and so on, for the procedures involved can absorb many low-skilled workers. Moreover, the authorities may recruit cleaners and gardeners to improve the townscape. In this way, the environment can be beautified on the one hand, and employment opportunities can be created on the other. As for the medical services, some non-professional grades, such as health care assistant and ward steward, can definitely absorb people in the "two low, one high" group.

Though the 10 major infrastructure projects have been implemented in succession, we know that distant water cannot quench present thirst. Many projects will not be commissioned until at least a few years later and the recruitment of workers will only commence at that time. In such case, how can unemployed workers wait for several years without work? To address the unemployment and under-employment situation in the construction industry, the Government should expeditiously approve some simple minor works, such as the removal of old signboards, slope maintenances and so on, to satisfy their pressing needs.

For the unemployment of young people, the Government should make more efforts to solve this problem. According to the information provided by the Census and Statistics Department, the unemployment situation of young people has not been improved over the past decade since the financial crisis in 1997. The unemployment rate for young people did drop to 16.2% in 2008, but it remained at an extremely high level of 20% or above over the past 10 years.

When compared with the single-digit unemployment rate in the 1980s and the mid-1990s, the situation we are now facing is critical.

Over these years, the Government has implemented many measures to alleviate the unemployment problem of young people. For instance, it has organized many associate degree programmes, the YPTP • YWETS programme and so on. However, I think these measures are just like pain-killers, which can only provide short-term relief to the problem but fail to tackle the problem at root. These programmes will only postpone these young people entering society to seek employment.

We understand that the reasons causing young people failing to continue with their studies and secure employment are very complicated. Actually, not all of them have lost heart to study, and we adults should not simply adopt a critical attitude towards them. Take the creative industry the Government intends to promote as an example. I think the Government may as well organize some courses tailor made for young people to provide them with the opportunities to develop their potentials in non-academic fields, and to explore a new way out. As for the low-incentive and self-withdrawn youth, since the measures and services provided are seriously inadequate at present, the Government must allocate additional resources to address the problem, with a view to encouraging these young people to reintegrate into society.

A government should take delight in the likes of the people and detest the dislikes of the people. The Government is duty-bound to enhance employment support and create employment opportunities. I really do not understand why the Government has to be pressed by this Council again and again to fulfil these fundamental duties. We agree that public money should not be spent improperly to create employment opportunities infinitely, but when the people cannot secure their means of livelihood and assailed by insecurity, the Government cannot just turn a blind eye to the present structural unemployment problem.

Many Members have put forth a lot of constructive proposals in this motion, but I will not explain them here in detail one by one. I notice that many measures proposed will not incur any additional spending of public money. These measures only require the Government to adopt a more open attitude and give up its conservative and bureaucratic mindset, such as promoting local

community culture economy and allowing regulated on-street hawking activities, for the Government only needs to vacate some space for these activities. I hope this motion will not only give a brainstorm to the Secretary but also officials from the other bureaux, so that they will arrive at a constructive direction to enable us to work together with one heart to help the public live and work happily.

President, I so submit.

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

(No other Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr WONG Kwok-kin, you may now speak on the amendments. You may speak for up to five minutes.

MR WONG KWOK-KIN (in Cantonese): President, a total of nine amendments, which is quite a large number, are proposed to the motion today, and an amendment to amendment is also added later. I think that most of the amendments are very meaningful, which have enriched the content of the original motion. They have also proved that Members of the Legislative Council are gravely concerned about the subject of the motion today: Enhancing employment support and creating employment opportunities.

With the prevalence of political issues recently, this livelihood issue can draw the attention of so many Members, in my view, because public concern has driven Members' concern, for the public really hope that the Government can help them overcome the livelihood difficulties they face. But I find another thing quite strange today. Contrary to the response of Honourable colleagues, no reporter is at the press gallery now, which shows the media has recently turned all their attention to political issues. However, this reflects that we as Members should speak for the public and fight for their interest, and we should be concerned about the difficulties faced by them.

In general, the amendments proposed today request the Government to create employment opportunities, but I think these amendments have gone up one level. Members do not only demand the creation of some general posts — such

as security guards and cleaning workers, just finding a job for a person casually — but hope that some relatively decent posts can be provided. What I mean by decent posts are those offering pay that enable the worker to support his family, and young people to move up the social ladder.

Moreover, I hope that the Government can create some alternative options other than employment, so that young people in Hong Kong can have more choices. Though many young people may fail to catch up with the formal education, or they may lose interest in studying for many reasons, they may have other potentials. They may be very creative in arts and culture and handicrafts, and they should be given the opportunities to develop in these areas. Regarding the provision of these opportunities, I think the most important point is concerning land, as mentioned by some Members in their speeches earlier. In the formulation of the land policy, has the Government given adequate consideration and support to this aspect?

On the amendments proposed today, we very much agree with Mr Tommy CHEUNG's proposal to provide free training and an allowance for value-adding to middle-aged people with low income. When this proposal is put forth by a colleague from the Liberal Party, we consider it a pleasant surprise.

Regarding the licensing policy for "dai pai dongs", the dispute on this issue has dragged on for many years. Though the Government has relaxed the requirements for the succession of the licence, it has not drawn up any specific policies for the promotion of this special culture. Actually, this is one of the characteristics of Hong Kong, which is of great advantage to our tourism industry. We may take a look at the hawker bazaars and cooked food bazaars in Singapore. They have become one of the famous features of Singapore. In fact, we may put more thought in this direction.

As for Mr LEUNG Kwok-hung's amendment, we will give it our support. And naturally, we hope that the League of Social Democrats will in return support the motion proposed by us.

I think the amendments proposed by Ms LI Fung-ying and Mr LEE Cheuk-yan worth particular mention here. We agreed with the contents of these

amendments at first, but since the re-employment support allowance proposed by us is deleted in these amendments, we cannot but abstain from voting.

Moreover, the amendment proposed by Ms Cyd HO is worth mentioning, for the word "reunification" is deleted and replaced by the phrase "handover of sovereignty". I think this is quite unacceptable, so we will vote against her amendment. Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, once again, I thank Mr WONG Kwok-kin for proposing this motion today and I am also grateful to the 10 Members who proposed their amendments and the 15 Members who took part in today's motion debate. Members have put forward many constructive and valuable views for our reference and these views can also be used in our future analyses for the purpose of administration. President, since today's topic involves many areas, please allow me to use more time to give a more detailed response. However, I will also try to be as concise as possible.

The first thing that I wish to talk about is infrastructure. The Government has always been committed to investing in infrastructure to lay the foundation for our future and facilitate economic growth and in this course, jobs will also be created. As we all know, in recent years, the Government has created a lot of employment opportunities through the launch of projects of various scales. For example, it is estimated that in the Budget of 2009-2010, the capital works expenditure will be \$39.3 billion, representing a growth of more than 60% compared with the \$23.4 billion in the year 2008-2009. With various major infrastructure projects entering their construction peaks, in the coming years, our annual capital works expenditure is expected to stay at a fairly high level, averaging some \$50 billion per year. This will also provide many job opportunities for the construction industry. In 2009-2010, together with the work projects of the Hong Kong Housing Authority, we expect that about 57 100 employment opportunities will be provided for the construction industry, an increase of 11 800 jobs over 2008-2009.

Minor works are particularly effective in creating jobs. In order to meet the objective of creating job opportunities, the block allocation for minor works will be increased to \$8.66 billion in 2009-2010, which is 40% more than the previous year. (Appendix 3)

In addition, the "Operation Building Bright", which also involves minor works, is being implemented at full steam and it is expected that repair works for 2 000 old and dilapidated buildings will be carried out in the coming two years. I have a relevant figure to share with Members. This figure is noteworthy. In the past few months, 640 eligible buildings have received approval from the Buildings Department for the commencement of works and as many as 3 240 jobs have been created.

Members can see that through various measures mentioned by me just now, the employment situation in the construction industry has seen continuous improvement in the past few months. The latest figures indicate that in the quarter from August to October, the overall unemployment rate in the construction industry has decreased from the peak of 12.7% to 7.9%. We have to note that in the decoration and maintenance sector, the unemployment rate has decreased from a high of 21.6% to 8.6% at present. This shows that the Government is speeding up major and minor works and that the measures to create employment opportunities have produced marked results, these figures being the hard evidence.

Separately, Mr LEUNG Kwok-hung mentioned issues relating to the provision of a hospital in Tin Shui Wai. Although he is not present now, I wish to give a brief response. In fact, the Government has already made a decision in this regard and Tin Shui Wai will have a district hospital. He must note that it will certainly be built.

Regarding the testing and certification industry, both Mr Tommy CHEUNG and Mrs Regina IP are concerned about the manpower in the industry. I wish to point out that there are currently over 300 organizations hiring a total of some 10 000 employees in this industry. The annual growth of the workforce in the industry in the decade from 1992 to 2002 was as high as 10%. The annual growth from 2003 to 2008 was 5%, thereby creating a significant number of posts.

In order to promote the development of this industry, the Government set up the Hong Kong Council for Testing and Certification (HKCTC) in September this year and has drawn up its work schedule. The HKCTC will look into a range of important issues, including enhancing the competitiveness of the testing and certification industry; increasing the support provided by the Hong Kong Accreditation Service to the industry; strengthening manpower training and

upgrading professional standards. Of course, the HKCTC will also formulate the development blueprint for the industry.

Regarding the licensing policy for "dai pai dongs" and the Voluntary Surrender Scheme for hawkers raised by Mr Tommy CHEUNG, I wish to talk about them in brief. Members all know that the Food and Health Bureau (FHB) has completed the review on hawker licensing policy in the first half of this year and has gained Members' support in the meeting of the Panel on Food Safety and Environment Hygiene of the Legislative Council in April.

Concerning the licensing for "dai pai dongs", it was mentioned in the policy review that when a "dai pai dong" was closing down because of the old age or death of the licensee or for other reasons, the authorities would consult District Councils on whether the "dai pai dong" should be allowed to continue to operate at the original site and a decision would be made having regard to the specific circumstances of the district and residents' aspirations. The FHB is of the view that this proposal has struck a balance among public demand for the services provided by "dai pai dongs", the business opportunities for the operators and the possible impact of "dai pai dongs" on the environmental hygiene and public passages of the surrounding areas.

Regarding Mr Tommy CHEUNG's proposal to retain the existing open-air bazaars and to consider allowing regulated hawking activities in specific areas or during specific periods, the FHB has completed the review on hawker licensing policy in the first half of this year. If there are vacant stalls in some open-air hawker bazaars arising from vacation by stall owners or the return of licences, the FHB will issue hawker's licences to new operators. At present, there are about 400 vacant fixed pitches and the Food and Environmental Hygiene Department (FEHD) will let interested parties apply for them in a fair and open manner. Earlier on, the FEHD has given approval to about 600 fixed-pitch hawker licensees in the front row to use adjacent vacant back-row pitches. These measures will instill vitality into existing open-air bazaars.

A point of concern found in both the original motion and various amendments is the pathways of continuing education for people in various sectors. In fact, with the continuous restructuring of the economy, we must strengthen and reorganize continuing education, training and retraining, and

various employment services to enhance the ability of various groups in being self-reliant and adapting to economic restructuring.

Take the Continuing Education Fund (CEF) as an example, it provides direct subsidies to people aspiring to pursue continuing education and helps them equip themselves. In July this year, the CEF received an injection of \$1.2 billion from the Government. Under the CEF, Hong Kong residents aged between 18 and 65, irrespective of their education level, employment status and financial means, are eligible to apply for reimbursement of 80% of the fees of any CEF-registered course upon successful completion of the course, up to a ceiling of \$10,000 for each applicant. In the seven years since the establishment of the CEF, about half a million members of the public in various social sectors have benefited from the CEF, including members of the middle class.

I wish to talk about the efforts of the Employees Retraining Board (ERB) in promoting training. As Members all know, through more than 70 training institutions, the ERB provides full-time placement-tied courses to trainees. All these courses are free. Moreover, employment follow-up services and retraining allowance are also available. The ERB also provides part-time generic skills courses (including computing and language courses) to trainees.

Members are well aware of the fact that the ERB has relaxed the eligibility criteria for enrolling into training courses since the end of 2007 to cover all Hong Kong residents aged 15 or above with education level at sub-degree or below. In order to meet the training needs of its service recipients and in the face of the financial tsunami and its impact on the local employment market, the ERB plans to provide 123 000 training places in 2009-2010 and resources have been earmarked for the provision of an additional 200 places when necessary. (Appendix 4)

Moreover, in order to encourage and assist "non-engaged youths" aged 15 to 20 to pursue continuing education, so that they can have the opportunity to return to schools or find employment, the ERB has, in collaboration with the Vocational Training Council (VTC), launched the Youth Training Programme (YTP). When trainees submit their applications, they will be arranged to attend interviews and enrolled into various programmes according to their interest, ability and aptitude. Upon the completion of courses, student counselling officers will make referrals on further studies or employment for trainees according to their needs and provide follow-up services for six to nine months.

In order to help more "non-engaged youths", the ERB has invited other training organizations to launch more training programmes for "non-engaged youths" from various backgrounds from October this year.

Separately, the Construction Industry Council (CIC) is also contributing its efforts. While the Government is actively creating more job opportunities in the construction industry, the Training Academy of the CIC is also actively organizing various types of training courses to assist people wanting to join the industry, in particular, young people, in acquiring the necessary skills, in the hope that they can find employment successfully. Apart from the full exemption of course fees, trainees enrolling into these courses are also entitled to a subsidy. In addition, the Training Academy of the CIC has established its fifth training centre in Tin Shui Wai, which was commissioned in September this year and is now enrolling students to facilitate young people, new arrivals and members of ethnic minorities in Tin Shui Wai and Yuen Long to join the construction industry through taking part in the training courses offered by this training centre.

Concerning the series of employment support services provided by the Labour Department, Members have heard about them many times, so I am not going to repeat them and will only talk about them in brief. I only wish to stress one point, that is, the services have become increasingly diversified and we also hope to provide more closely-tailored services. A case in point is that we established the Recruitment Centre for the Catering Industry in February this year and the result is quite satisfactory. Since the mobility of workers in the industry is quite high and there is a mismatch of manpower and posts, and since many new eating places have opened, we are providing targeted services and so far, the response has been quite satisfactory. In view of this, we will also provide targeted services to the retail industry by establishing a recruitment centre in the middle of next year.

Members are very concerned about the employment problem among young people. Just now, they also expressed many views on such services as the "YPTP • YWETS" Scheme. I wish to say here that although at present, the unemployment rate among young people aged between 15 and 19 is 22.7%, which is higher than that last year, we must understand that it is not just Hong Kong that faces the problem of unemployment of young people aged between 15 and 19. In fact, many places also face the same unemployment problem among young people. The reason is very simple, namely, young people lack work

experience. For this reason, in times of economic slump, they often encounter problems in finding a way out. Precisely for this reason, we are targeting this problem by reforming and optimizing the "YPTP • YWETS" Scheme continually. The Scheme now offers a "through-train" service and both pre-employment training and on-the-job training are provided. The YPTP provides pre-employment training opportunities while the YWETS provides workplace attachments. Usually, we provide complementary services to enable young people to receive the "through-train" service. Since the launch of the integrated "YPTP • YWETS" Scheme in mid-August this year, so far, almost 10 000 young people have submitted their applications. My principle is to admit all and not to give up on any single one of them.

In addition, we also offer the "Youth Employment Start". Provided at Langham Place in Mongkok and Metroplaza in Kwai Fong, it offers one-stop advisory and support service on employment and self-employment to young people aged 15 to 29. I thank Prof Patrick LAU for mentioning the young people he met in a banquet and they were precisely trained through this kind of scheme. They are self-employed people who perform magic shows, acrobatics, dances and other kinds of performances. This is also a way to make a living. From the first 10 months of 2009 to the present, we have been continually expanding our services and in this period, over 50 000 young people have used our services.

Regarding middle-aged people, we have a series of programmes such as the "Work Trial Scheme", other work trial schemes as well as the "Employment Programme for the Middle-aged". We will also strengthen these services. (Appendix 5)

On transport subsidy, many Members hope that the Government can provide a territory-wide transport subsidy. We are now reviewing the Transport Support Scheme to decide the future direction. Last week, I gave a fairly detailed account in the meeting of the Panel on Manpower, so I am not going to recap it here.

Concerning the proposal to establish an unemployment loan fund, I wish to point out that we have already had a sound social security net in place. This safety net enables unemployed people encountering financial difficulties to apply for Comprehensive Social Security Assistance (CSSA) to meet their basic needs. As regards low-income people, they can also apply for low-income subsidy.

The Chief Executive mentioned in the policy address that a one-stop employment and training centre would be established in Tin Shui Wai. This is a pilot scheme. I wish to stress that we will not confine the implementation of the scheme to Tin Shui Wai. If the pilot scheme in Tin Shui Wai is successful, we will extend this mode in Tin Shui Wai, that is, this one-stop mode comprising training, streaming, employment and post-placement support services to the other districts in Hong Kong.

Ms Cyd HO and Mr LEUNG Yiu-chung proposed the establishment of a poverty line. I wish to point out that at present, the ways of defining poverty vary from country to country and there is no commonly recognized standard. The former Commission on Poverty (CoP) had deliberated fully the issue of how to measure poverty in Hong Kong. The former CoP was of the view that in a relatively affluent city like Hong Kong, poverty could not be understood simply by the concept of "absolute poverty" or the "ability to afford minimum subsistence", nor could we rely upon a single poverty line to measure income poverty. We must, at the same time, take into consideration the actual situation and needs of the disadvantaged groups, including their access to essential services and opportunities such as housing, health care, education and employment, and so on. That means services and opportunities are equally important.

The Government agrees with the recommendations of the former CoP and has all along been adopting a set of 24 multi-dimensional indicators for assessing the poverty situation in Hong Kong. Among these, for those indicators relating to income, reference is made to the average payment of CSSA. The former CoP considered it more appropriate to use this benchmark for delineating whether an individual was living in poverty because it was widely used and recognized as the threshold where the basic living requirements in our community could be met. If such a benchmark is employed, the size of the poor in Hong Kong was 714 900 in 2008.

No matter how many people living in poverty there are, the established policy of the Government is to adopt a pragmatic attitude and all-rounded strategy to deal with the poverty problem. In fact, the estimate of the Government for CSSA and Social Security Allowance Schemes in 2009-2010 amounts to \$27.1 billion, accounting for almost 12% of the Government's recurrent expenditure.

As regards Mr LEUNG Yiu-chung's proposal to establish a committee on poverty alleviation and employment, in fact, the former CoP conducted in-depth

studies and discussions on issues relating to poverty alleviation in its tenure lasting more than two years and proposed a series of 53 practicable proposals. In 2007, the Government established the Task Force on Poverty headed by me to co-ordinate efforts across the Government in tackling poverty-related issues. The Task Force has duly followed up the 53 recommendations, many of which have already been implemented, including launching the Child Development Fund pioneer projects; strengthening training and retraining to enhance the skills and competitiveness of young people as well as middle-aged and low-income earners; and strengthening efforts to reach out to hidden and singleton elders.

As regards the legislative goal of legislating on a statutory minimum wage (SMW), President, in the meetings of the Bills Committee on Minimum Wage Bill, we stressed time and again that the Bill seeks to introduce a SMW regime in Hong Kong. It is a policy initiative in response to community demand for preventing excessively low wages. Given Hong Kong's high degree of external economic orientation and the linked exchange rate system, flexibility of wages and prices is crucial to our competitiveness and resilience to external shocks. Nevertheless, safeguarding the interests of the vulnerable workers and enhancing social harmony are equally important social policy objectives. Therefore, our aim is to design an optimal SMW regime to forestall excessively low wages but without unduly jeopardizing our labour market flexibility, economic freedom and competitiveness and without causing adverse impact on the employment opportunities for the disadvantaged groups.

President, employment is the basis of public livelihood and the cornerstone of harmony. The Government attaches great importance to supporting employment. We will continue to pay close attention to the needs of job seekers and low-income people proactively and provide timely and effective support measures to them.

President, I so submit. Thank you.

PRESIDENT (in Cantonese): I now call upon Mr WONG Sing-chi to move the amendment to the motion.

MR WONG SING-CHI (in Cantonese): President, I move that Mr WONG Kwok-kin's motion be amended.

Mr WONG Sing-chi moved the following amendment: (Translation)

"To delete "," after "That" and substitute with "the problem of disparity between the rich and the poor has always been a concern in Hong Kong, and"; to delete ", the problem is attributed to the mismatch between manpower supply and job positions" after "in terms of disparity between the rich and the poor" and substitute with "; given the continuing socio-economic development as well as changes in the demand for knowledge and technology"; to delete "professional positions in the six industries at the middle ranking or supporting levels" after "taking up" and substitute with "suitable positions in various sectors and industries"; to add "and open it for application by all eligible Hong Kong people, so as" after "transport subsidy scheme"; to delete ", so as to" after "districts" and substitute with "and"; and to delete "issue licences to people engaged in arts and cultural performances and activities," after "economy,"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr WONG Sing-chi to Mr WONG Kwok-kin's motion, be passed.

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by

functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr Tommy CHEUNG, as Mr WONG Sing-chi's amendment has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members. You may now move your revised amendment. You may speak for up to three minutes to explain the revised terms in your amendment.

MR TOMMY CHEUNG (in Cantonese): President, I move that Mr WONG Kwok-kin's motion as amended by Mr WONG Sing-chi be further amended by my revised amendment.

Mr Tommy CHEUNG moved the following further amendment to the motion as amended by Mr WONG Sing-chi: (Translation)

"To add "; (h) to provide free medium-term and short-term training places in various courses, including those on basic computer skills and language proficiency, etc, for middle-aged people with low educational attainment and low income, and provide an allowance for value-adding to attract those people to pursue further studies, thereby enhancing their competitiveness and enabling them to enjoy better remuneration packages; (i) in the light of the long-term manpower shortage in some industries, such as the testing and certification industry, and the large number of job vacancies in these industries which are suitable for people with average educational attainment, to expeditiously put forward a concrete blueprint on manpower training and planning, so as to strengthen the relevant education and training efforts and attract suitable talents to enter these industries for development; (j) to review the licensing policy for 'dai pai dongs', which includes assisting the operators of 'dai pai dongs' in identifying suitable sites to continue their operation, so as to ensure that the traditional culinary culture of 'dai pai dongs' will pass on continuously, thereby creating more employment opportunities; and (k) to retain as far as possible the existing open-air bazaars and suspend temporarily the Voluntary Surrender Scheme for hawkers" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Tommy CHEUNG's amendment to Mr WONG Kwok-kin's motion as amended by Mr WONG Sing-chi be passed.

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr LEUNG Yiu-chung, as the amendments by Mr WONG Sing-chi and Mr Tommy CHEUNG have been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members. You may now move your revised amendment. You may speak for up to three minutes to explain the revised terms in your amendment.

MR LEUNG YIU-CHUNG (in Cantonese): President, it only involves revising the terms of my amendment. President, I move that Excuse me, President, I move that Mr WONG Kwok-kin's motion as amended by Mr WONG Sing-chi and Mr Tommy CHEUNG be further amended by my revised amendment.

Mr LEUNG Yiu-chung moved the following further amendment to the motion as amended by Mr WONG Sing-chi and Mr Tommy CHEUNG:
(Translation)

"To add "; and (l) to establish a standard poverty line to serve as the basis for formulating a comprehensive policy on poverty alleviation and

employment of the grassroots, and establish a representative committee on poverty alleviation and employment to promote the implementation of the strategies for alleviating poverty and supporting employment" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr LEUNG Yiu-chung's amendment to Mr WONG Kwok-kin's motion as amended by Mr WONG Sing-chi and Mr Tommy CHEUNG be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Jeffrey LAM rose to claim a division.

PRESIDENT (in Cantonese): Mr Jeffrey LAM has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong, Ms LI Fung-ying, Dr Joseph LEE, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por,

Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou voted for the amendment.

Dr Raymond HO, Dr Philip WONG, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG and Prof Patrick LAU voted against the amendment.

Mr Paul TSE abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr TAM Yiu-chung, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr WONG Kwok-hing, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr CHEUNG Hok-ming, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Ms Starry LEE, Mr CHAN Hak-kan, Miss Tanya CHAN, Mr WONG Sing-chi, Mr WONG Kwok-kin and Mr WONG Yuk-man voted for the amendment.

Dr Priscilla LEUNG voted against the amendment.

Mr LAU Kong-wah and Mrs Regina IP abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 22 were present, 13 were in favour of the amendment, eight against it and one abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 25 were in favour of the amendment, one against it and two abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

MR FRED LI (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Enhancing employment support and creating employment opportunities" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion on "Enhancing employment support and creating employment opportunities" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Ms Cyd HO, as the amendments by Mr WONG Sing-chi, Mr Tommy CHEUNG and Mr LEUNG Yiu-chung have been passed, I have given leave for you to revise the terms of your amendment, as set out in the

paper which has been circularized to Members. You may now move your revised amendment. You may speak for up to three minutes to explain the revised terms in your amendment.

MS CYD HO (in Cantonese): President, I who move that Mr WONG Kwok-kin's motion as amended by Mr WONG Sing-chi, Mr Tommy CHEUNG and Mr LEUNG Yiu-chung be further amended by my revised amendment.

President, luckily, I am the fourth Member who moves amendment, so it is not quite difficult for me to read the amended motion. It is said that some 150 versions have been prepared for this motion. It is a big challenge to the last Member proposing amendment and the mover of the original motion, Mr WONG Kwok-kin. Why do I have to speak? For I heard Mr WONG Kwok-kin saying earlier that he would oppose my amendment because I used the phrase "handover of sovereignty" to replace the word "reunification"

PRESIDENT (in Cantonese): Ms Cyd HO, you should only explain your revised terms.

MS CYD HO (in Cantonese): Yes, I am going to talk about the revised terms

PRESIDENT (in Cantonese): You can only explain your revised terms.

MS CYD HO (in Cantonese): Yes, President, I am going to say that the phrase opposed by Mr WONG Kwok-kin has been deleted. In other words, the word "reunification" remains but the phrase "handover of sovereignty" has been deleted. Hence, I urge Mr WONG Kwok-kin and his political party, political grouping to overcome this emotion. I am open about this. I will surely support my revised amendment. I hope Members can be pragmatic. I implore the mover of the original motion and his political party to support this amendment. Thank you, President.

Ms Cyd HO moved the following further amendment to the motion as amended by **Mr WONG Sing-chi**, **Mr Tommy CHEUNG** and **Mr LEUNG Yiu-chung**: (Translation)

"To add "; and (m) to include 'elimination of working poverty' as one of the objectives for the enactment of legislation on minimum wage" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Ms Cyd HO

(Mr IP Kwok-him stood up)

PRESIDENT (in Cantonese): Mr IP Kwok-him, do you want to raise a point of order?

MR IP KWOK-HIM (in Cantonese): Yes.

PRESIDENT (in Cantonese): What is your question?

MR IP KWOK-HIM (in Cantonese): I would like to know whether the phrase "handover of sovereignty" has been deleted from the revised amendment of Ms Cyd HO.

PRESIDENT (in Cantonese): Yes. After the motion is amended by the preceding three Members, the phrase "handover of sovereignty" has been deleted from Ms Cyd HO's revised amendment.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Ms Cyd HO's amendment to Mr WONG Kwok-kin's motion as amended by Mr WONG Sing-chi, Mr Tommy CHEUNG and Mr LEUNG Yiu-chung be passed.

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

(Members raised their hands)

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

(Members raised their hands)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Members have been informed that Dr Priscilla LEUNG will withdraw her amendment if Ms Cyd HO's amendment is passed. As this is the case now, Dr Priscilla LEUNG has therefore withdrawn her amendment.

PRESIDENT (in Cantonese): Something is amiss here. I now suspend the meeting.

5.20 pm

Meeting suspended.

5.24 pm

Council then resumed.

PRESIDENT (in Cantonese): Honourable Members, we will now proceed to page 26 of the Script. As the preceding amendments proposed by Members have been passed, Members have been informed that Mr LEUNG Kwok-hung and Ms LI Fung-ying will withdraw their amendments. Therefore, Mr LEE

Cheuk-yan, you may move your revised amendment now. You may speak for up to three minutes to explain the revised terms in your amendment.

MR LEE CHEUK-YAN (in Cantonese): President, I move that Mr WONG Kwok-kin's motion as amended by Mr WONG Sing-chi, Mr Tommy CHEUNG, Mr LEUNG Yiu-chung and Ms Cyd HO be further amended by my revised amendment. I actually do not quite understand what I am amending. *(Laughter)*

Mr LEE Cheuk-yan moved the following further amendment to the motion as amended Mr WONG Sing-chi, Mr Tommy CHEUNG, Mr LEUNG Yiu-chung and Ms Cyd HO: (Translation)

"To add "; (n) to extend the on-the-job training period under the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme ('YPTP • YWETS'), and request the employers participating in YPTP • YWETS to draw up detailed training plans for the trainees and regularly review their training progress, thereby enhancing the effectiveness of YPTP • YWETS and increasing their employment opportunities; and (o) to restructure the employment services of the Labour Department, establish district-based skills and employment counselling centres, and provide job seeking allowance and one-stop services for the unemployed and job seekers, which includes providing information on job vacancies and training courses, providing counselling on employment and training for people in need, and assisting job seekers with financial difficulties to apply for other assistance, such as Comprehensive Social Security Allowance, public housing rent reduction, tuition fee remission for their children, waiver of medical fees, etc, with a view to helping them to tide over the difficult times and enabling them to have peace of mind when looking for jobs during the unemployment period" immediately before the full stop."

(Mr IP Wai-ming stood up)

MR IP WAI-MING (in Cantonese): President, sorry, I have to raise a point of order because it has something to do with our voting. May I ask the President if clause (d) in Mr LEE Cheuk-yan's amendment concerning the provision of

re-employment support allowance to the unemployed is still there after this amendment or has it been deleted?

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan's revised amendment has been circularized to Members. *(Laughter)* Mr IP, please read the relevant paper carefully.

MR IP WAI-MING (in Cantonese): No, this is because just now, Ms Cyd HO

PRESIDENT (in Cantonese): Mr IP, the relevant part has been set out in the relevant paper. You can see it clearly.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr LEE Cheuk-yan's amendment to Mr WONG Kwok-kin's motion as amended by Mr WONG Sing-chi, Mr Tommy CHEUNG, Mr LEUNG Yiu-chung and Ms Cyd HO be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Abraham SHEK rose to claim a division.

PRESIDENT (in Cantonese): Mr Abraham SHEK has claimed a division. The division bell will ring for one minute.

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

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong, Ms LI Fung-ying, Dr Joseph LEE, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr IP Kwok-him and Mr Paul TSE voted for the amendment.

Dr Raymond HO, Dr Philip WONG, Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG and Prof Patrick LAU voted against the amendment.

Mr IP Wai-ming and Dr PAN Pey-chyou abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr LAU Kong-wah, Mr Andrew CHENG, Mr TAM Yiu-chung, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr CHEUNG Hok-ming, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Ms Starry LEE, Mr CHAN Hak-kan, Miss Tanya CHAN, Mr WONG Sing-chi and Mr WONG Yuk-man voted for the amendment.

Dr Priscilla LEUNG voted against the amendment.

Mr WONG Kwok-hing, Mr WONG Kwok-kin and Mrs Regina IP abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 20 were present, 12 were in favour of the amendment, six against it and two abstained; while among the Members returned by geographical constituencies through direct elections, 28 were present, 23 were in favour of the amendment, one against it and three abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

PRESIDENT (in Cantonese): Ms Audrey EU, as the amendments by Mr WONG Sing-chi, Mr Tommy CHEUNG, Mr LEUNG Yiu-chung, Ms Cyd HO and Mr LEE Cheuk-yan have been passed, I have given leave for you to revise the terms of your amendment. You may now move your revised amendment and you may speak for up to three minutes to explain the revised terms in your amendment.

MS AUDREY EU (in Cantonese): President, it will not take me three minutes to explain. In fact, changes have been made only to the numbering of the paragraphs but the contents are exactly the same. President, I move that Mr WONG Kwok-kin's motion as amended by Mr WONG Sing-chi, Mr Tommy CHEUNG, Mr LEUNG Yiu-chung, Ms Cyd HO and Mr LEE Cheuk-yan be further amended by my revised amendment.

Ms Audrey EU moved the following further amendment to the motion as amended by Mr WONG Sing-chi, Mr Tommy CHEUNG, Mr LEUNG Yiu-chung, Ms Cyd HO and Mr LEE Cheuk-yan: (Translation)

"To add "; and (p) to improve the business environment of the recycling industry, which includes providing more market outlets for the materials recovered, creating job positions in the recycling industry and considering the introduction of a licensing system to upgrade the recycling industry" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Ms Audrey EU's amendment to Mr WONG Kwok-kin's motion as amended by

Mr WONG Sing-chi, Mr Tommy CHEUNG, Mr LEUNG Yiu-chung, Ms Cyd HO and Mr LEE Cheuk-yan be passed.

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

(Members raised their hands)

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

(Members raised their hands)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr WONG Kwok-kin, you may now reply and you have seven minutes and 51 seconds.

MR WONG KWOK-KIN (in Cantonese): President, I have plenty of time but I am very confused. Sorry. Anyway, I am very grateful to Members who moved their amendments and gave their speeches today because we are all very concerned about employment and poverty.

I remember that a few days ago, the Chief Executive of the HKMA, Mr Norman CHAN Tak-sum — it should be CHAN Tak-lam, right? He said that over \$500 — I am sorry but I am scared because the President is staring at me (*Laughter*) — over \$500 billion of hot money had flowed into Hong Kong, thus fuelling our financial market and property market. Of course, people with money to spare, to buy properties and to join the forays into the stock market can reap benefits from the property market and the stock market. Indeed, we can see that the market sentiment has improved and there are also the signs of reversal in the consumer market.

Unfortunately, many grass-roots labourers do not have any money to spare, so they cannot benefit from the upturn of the property and stock markets. They continue to toil to earn their meager income by working long hours. They cannot improve their living on account of the inflow of hot money and the boom in the financial and property markets. Quite the contrary, their burden of living may increase due to the increases in rent, the prices of basic necessities and asset prices driven by the rise in property prices. In view of this, is the upturn in the financial market or the overall property and stock markets really so beneficial to Hong Kong as a whole? This is really an issue open to discussion.

Just now, when responding to our questions, the Secretary said that the Government had done a lot and had made a great deal of effort in economic development, that it had also spared no effort in promoting employment. We believe that this is the case, that the Secretary is really working very hard and that he is a practical person. However, unfortunately, as my partner, WONG Kwok-hing, said just now, it is not enough just to have the Secretary for Labour and Welfare attend this meeting today. Given the scope of this subject, many Policy Bureaux should be involved. On some matters, although the Secretary may have tried very hard, he cannot accomplish much despite the best of intentions. As we said just now, if we want to solve the employment problem, it is not enough just to find a job for those people. The Labour Department often talks about how many job vacancies are available but how are these job vacancies actually like? Most of them are poorly paid, requiring long working hours and a lot of physical exertion, such as jobs in the security, cleansing and courier trades. There is a lack of quality jobs that we need.

When the Secretary gave us a reply, he did not give any specific answer to some of the specific issues raised in the original motion. For example, we hope that the Government can continue to provide cross-district transport subsidy to help wage earners ease their burden in view of the high travel expenses. In addition, we also support the diversification of industries in Hong Kong because this will certainly create more middle-tier and quality jobs. However, although the Government has taken the rare step of intervening in the market to promote the six industries, has the Government considered whether there are adequate human resources to support the development of the six industries after the diversification of industries? Has it got any specific plan to groom the talents for these industries in advance? If not, in that event, the situation may become

an issue of chicken and egg — due to a lack of talents, these industries cannot be developed and due to the absence of these industries, no jobs can be created. Does the Government wish to see such a situation? For this reason, I believe the Government has to formulate an overall policy on employment and poverty alleviation with co-ordinated measures in place, instead of just letting a certain Policy Bureau give this matter some consideration and think that this would do.

Let us give an example. On local community culture economy, some people once suggested that the Government allocates land for the establishment of a cooked-food market called "Hundred Taste Court" in Tin Shui Wai — since many new immigrants from various Mainland provinces can be found there — to let new arrivals from various Mainland provinces and cities offer the special dishes of their hometowns, so as to turn it into a cooked-food market with special characteristics. Unfortunately, it seems the Government has already ruled out this proposal. Of course, I know that this is not within the purview of the Secretary because this is an issue related to land. Still, I think that this is a great pity. In fact, if this proposal can be realized, the employment problem of many new arrivals or women in the Tin Shui Wai area can be solved. In addition, a market with local cultural characteristics can also be developed, just like the cooked-food markets in Singapore. Unfortunately, this idea cannot be turned into reality.

If the Government wants to continue to promote the six industries, it has to do more, including developing labour-intensive industries and training talents in a targeted manner, so that more opportunities will be available in our society. I so submit. Thank you, President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr WONG Kwok-kin, as amended by Mr WONG Sing-chi, Mr Tommy CHEUNG, Mr LEUNG Yiu-chung, Ms Cyd HO, Mr LEE Cheuk-yan and Ms Audrey EU be passed. I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion as amended passed.

PRESIDENT (in Cantonese): Second motion: Support for people with mental illness and people recovering from mental illness.

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

I now call upon Dr PAN Pey-chyou to speak and move his motion.

SUPPORT FOR PEOPLE WITH MENTAL ILLNESS AND PEOPLE RECOVERING FROM MENTAL ILLNESS

DR PAN PEY-CHYOU (in Cantonese): President, it is a great challenge for modern people to stay mentally healthy. According to figures provided by the Hospital Authority (HA), people treated by the psychiatric specialist department of the HA for the year 2004-2005 was 126 000, and in the 2008-2009, the number of patients has risen to 155 000. There is an increase by 23% over these four years and when compared with the total number of people with mental illness in Hong Kong, the figure is only the tip of the iceberg. This is because the figure does not include those who do not seek medical treatment or those patients who only receive primary health care and private psychiatric services.

It is fortunate that most of these people only suffer from relatively mild forms of mental illness, but for serious mental illnesses like schizophrenia, manic-depressive psychosis and so on, the effect on both the patients and their families is very serious. A small number of them would commit self-mutilation,

and a tiny fraction of them would even show a tendency to violence under the influence of illness. In the past, due to the absence of effective treatment, the main way to treat people with serious mental illness is by isolation and confinement. However, since the middle of the last century, following the appearance of various kinds of drugs, psychological therapies and other methods with marked efficacy, now patients with serious mental illness do not in general require long-term hospitalization and some of them can even receive the full course of their treatment in the community. Hospitalization is mainly needed for patients with an unstable condition and for the sake of protecting their personal safety or that of other people. It is also used for observation purpose and for treatments which cannot be easily carried out in the community.

In Hong Kong, psychiatric services were not given due recognition at first. But ever since the tragedy in Yuen Chau Estate in 1982 leaving six dead and some 40 injured, the Government was forced to review its mental health policy. As a result, psychiatric and rehabilitation services can see a more comprehensive development in Hong Kong. However, in recent years, there were tragedies in the community involving people with serious mental illness and those recovering from such illness. The frequency of such tragedies is unprecedented. It is worrying to see such a state of affairs. But the Government only reiterates that it attaches great importance to people's mental health, or says that the resources put on mental health services have been increasing and the amount put presently is as much as \$3.2 billion. Then what in fact has gone wrong?

First, there is no long-term and comprehensive mental health policy on the part of the Government. Currently, services are developed in the RAE mode, only treating the problem as it occurs. Resources are only squeezed like a tube of tooth paste. As a result, despite the great variety in the kind of services delivered, they are fragmentary with either overlaps or glaring gaps. The overlapping of services could be due to the fact that there is a need to achieve set targets and therefore scramble for clients, while areas not covered by any services remain glaringly blank. It follows that ex-mental patients and their families may not get the support they need, and the resources put on new services lag far behind the increase in the number of mental patients.

What we need is a chance to carry out a full-scale review of the existing services to see whether people living in various districts can get more or less the

same kinds of services; which districts have a lack of resources and facilities; how existing resources can be used in a more effective manner so that more people can benefit; which services can be amalgamated to minimize overlaps, and whether existing services provided for various age groups such as the children, young people and the elderly can meet the needs at present and in future. The Government should work with the stakeholders and devise a comprehensive and long-term mental health policy in order to map out a clear direction in the treatment of people with mental illness and promoting mental health across the territory. With such a policy in place, we can then devise short to medium range development plans and conduct reviews and make revisions from time to time.

Second, we should take note of the present reduction in hospital beds. The number of psychiatric beds under the HA has decreased from 4 714 in 2004-2005 to 4 000 in 2008-2009. The rate of reduction is as high as 15%. During the same period, the number of mental patients hospitalized has also decreased from 14 800 to 13 900. The rate of reduction is 5.8%. From these figures we can see that the number of patients admitted to hospitals has fallen. But a more significant fact is that their average number of hospitalization days has fallen greatly, or else the rate of reduction of psychiatric beds would not be far greater than that of patients admitted. The problem is: Has there been any remarkable development in community services in such a short span of time as five years that mental patients do not have to be hospitalized or that they can be discharged quickly after being admitted?

As the saying goes, "The overturning of the cart ahead is a warning to the cart behind.". During the 80s and 90s of the last century, the western countries adopted the approach of community treatment and rehabilitation for people with mental illness. But the path they took was never free from trouble. In many countries, there were no additional resources put to develop community treatment and rehabilitation facilities. In many cases, the resources for new services came from closing down large mental hospitals and reducing psychiatric beds. In such a process, the speed of the development of community services could not catch up with that of cutting psychiatric beds. The result was that with a policy of compulsion by administrative means, patients in need of hospitalization were not admitted and even if they were admitted, they could not stay in the hospital for a sufficient period of time until their condition had stabilized before they were

discharged. A lot of tragedies ensued as matching services could not be provided as a result of insufficient community resources and services.

Such conditions which repeated in many advanced countries serve to give us a valuable lesson. First, we can never expect to obtain the money required by good community treatment and rehabilitative services just by reducing the psychiatric beds. There must be fresh resources available, or else the situation is like tearing down an old bridge before a new one is built. This will make those who want to cross a river unable to do so. Second, any change in the mode of service delivery should be led by professional health care workers and they need time to get used to using new services and revise the treatment procedures so that the new services can tie in with the existing services. So before any new service is launched, the quantifiable indicators should be set as loose as possible and adjusted upwards gradually year by year. Third, as the effect of new services gradually takes place, the demand for old services would go down naturally. Such a process would take time and so patience must be exercised when reducing old services. Everything must take place only when the time is ripe for it. Fourth, when implementing a certain policy devised by the decision-making level, there may be discrepancies from original expectation so that the anticipated results cannot be achieved. Careful monitoring must be in place in the process of service transformation.

Therefore, we would suggest to the Government that the reduction in psychiatric beds should be suspended for the time being while in-depth studies should be made into the reasons why given a constant increase in the number of mental patients, the number admitted into hospitals keeps on decreasing and the hospitalization period shows a marked decline.

Now I would like to give a concise explanation on other recommendations made in the motion. First, allocating more resources to train talents. Now there is a shortage of health care staff in psychiatry. In 2008-2009, the number of psychiatrists is only 288, whereas the number of mental patients is 155 000. That means, every psychiatrist has to treat 537 patients. Likewise, there is also a severe shortage in the number of psychiatric nurses, which only stands at 1 880. Of these, there are 133 community psychiatric nurses. And there are only 197 medical social workers. From these figures we can see that there is an extreme shortage in psychiatric health care personnel even to such a grave extent that it cannot cope with the ever-increasing number of mental patients. I would like to

point out that psychiatric treatment and rehabilitation can only be successful with team work. The team is made up of doctors, social workers, psychiatric nurses including community psychiatric nurses, clinical psychologists, occupational therapists and physiotherapists. Although we may not know about the kind of work they do, they are essential members to the team of psychiatric treatment and rehabilitation and they are indispensable to a balanced development of psychiatric services. The Government must take into account the development of such services and engage in relevant training.

Second, positioning the services in the public sector. The public and the subvented sectors in Hong Kong have all along provided quality and affordable services to the citizens. We would, of course, like to see the Government continue to allocate more and more resources to meet public demand for such services. But in the face of the very limited amount of resources in reality, there is actually a need for us to position the services in the public sector, accord service priorities and include private sector services like non-profit-making but self-financing services into the consideration for service resources as a whole.

Third, enhancing the collaboration between family medicine and psychiatry. Studies made in many countries show that patients treated in the general outpatient clinics which are a core part of primary health care, the proportion of them having a mental illness is very high. If mental illness can be treated early, the seriousness of problems occurring later can be greatly reduced. So strengthening the training of health care personnel in family medicine and enhancing the collaboration between family medicine and psychiatry can lead to a greater understanding of the knowledge in mental illness among the health care personnel in family medicine. This will help them detect some serious mental illness cases early and refer the patients to the psychiatric units. Then the patients can receive proper treatment. Also, family medicine health care personnel may treat some mild but common forms of mental illness directly and this will reduce the burden on psychiatric units.

Fourth, putting in resources to improve psychiatric treatment. I must stress here that researches made have confirmed the fact that various kinds of psychological therapies are an important means in curing mental illness and psychological counselling is a tool used commonly by all health care personnel engaging in psychiatric treatment and rehabilitation. Currently, psychological treatment and counselling have not been given due attention, hence the treatment

given is more of a physical than psychological nature. The situation is like someone who wants to upgrade a computer only works on the hardware but does nothing on the software. This one-sided approach must be corrected. As for drugs, new drugs with less side-effects but are more costly do improve the quality of life of the patients. The Government should allocate more resources so that doctors and patients can really make a choice.

Fifth, further developing community medical and rehabilitation services and reinforcing the collaboration of these two types of services. Now the services provided by the Government to people recovering from mental illness touch on the medical and social welfare systems, which include hospitalization, daytime hospitals, outpatient services, outreach medical social work, boarding care, daytime training, occupational rehabilitation and various kinds of community support services. These services are put under the charge of two Policy Bureaux while non-governmental organizations also take part. There is no connection between medical and rehabilitation services. The two are disjointed and each is on its own. But what the patients need is a package of complete and linked support services. Problems will easily arise when there is no good bridging between hospitalization and patients' return to the community upon discharge. The solution lies in an approach taken in the three levels of policy, operation and case management. In terms of policy, I would suggest that the two Policy Bureaux should collaborate on the services required by people recovering from mental illness, and consultation should be held between the two Policy Bureaux on a regular basis. Besides, when the Social Welfare Department and the HA are to discuss with the main stakeholders concerning service operation on a regular basis and at territory-wide and district levels, they should work together to address the problems found. At last, case managers should undertake the co-ordination and administrative work, so that patients of serious mental illness can get the services they require.

Finally, I must discuss the problem of employment for people recovering from mental illness. The greatest blow dealt to a patient of serious mental illness is that the chance of his or her leading a normal life is deprived. The illness they suffer affects their ability to undertake employment and the label of mental patients makes it hard for them to secure a job. Now the psychiatric outpatient clinics do not provide any evening services. Everything is unfavourable to people recovering from mental illness in rejoining the labour market and restoring their self-confidence. Therefore, we hope that the Government can take the lead and employ people recovering from mental illness

and people with other disabilities. We also hope that more social enterprises and private enterprises can do their part in supporting the ex-mental patients. But as the saying goes, everyone has got his own difficulties. It is never easy for an enterprise to survive; and in the commercial world where only the fittest can survive, any tactic which is not beneficial to the financial position of an enterprise will not last long. We therefore hope that the Government can offer material incentives through tax and other concessions to induce enterprises to offer more jobs to people recovering from mental illness. Re-introducing the evening consultation services can enable people recovering from mental illness who have to work at daytime to get medical services more easily, hence the obstacles they face in employment are reduced. It is true that patients of serious mental illness will face many difficulties. It is very likely that their illness may affect other people too. The Government must exercise great caution in listening to their needs and caring about them. It should also formulate suitable and sound policies for the benefit of the community.

Lastly, I would like to declare my interest. I am a psychiatrist working in the HA. However, this motion bears no relevance to any personal interest of mine. President, I so submit.

Dr PAN Pey-chyou moved the following motion: (Translation)

"That, in view of the increasing number of people receiving psychiatric diagnosis and treatment in Hong Kong, as well as the rising trend of incidents and tragedies involving people with severe mental illness in recent years, which reflect that the services currently provided to people with mental illness and people recovering from mental illness are insufficient and must be improved, this Council urges the Government to:

- (a) formulate a comprehensive and long-term policy on mental health, so as to set a clear direction for the prevention, early detection, treatment, rehabilitation, long-term care and public education of mental illness;
- (b) allocate more resources to train and recruit psychiatric healthcare and rehabilitation professionals and ancillary personnel, including doctors, social workers, nurses, occupational therapists, clinical psychologists and physiotherapists, etc, to provide comprehensive

services to people with mental illness and people recovering from mental illness;

- (c) clearly position psychiatric services in the public sector so that resources are effectively utilized to treat people whose mental illness is more severe, provide the grassroots with appropriate treatment and train medical and nursing staff at all levels to serve the community, and resolve the problems in the distribution of resources and facilities among the clusters so as to enhance effectiveness of the services;
- (d) suspend the reduction of psychiatric beds and re-introduce evening consultation services in order to provide appropriate services to people recovering from mental illness who have to work in the daytime;
- (e) strengthen training on professional knowledge on psychiatry for healthcare personnel in family medicine and enhance the collaboration between family medicine and psychiatric services, so that family doctors can diagnose and treat various types of mental illness at an early stage and make timely referral of people with severe mental illness to psychiatric units for follow-up;
- (f) allocate more resources for pharmacological and non-pharmacological treatments so that people with mental illness can receive the most suitable treatment for their illness;
- (g) further develop the community medical and rehabilitation services to cater for the needs of people with mental illness and people recovering from mental illness, reinforce the collaboration of these two types of services, and consolidate the existing services, with a view to strengthening the support for people recovering from mental illness and their families;
- (h) assign case managers on a long term basis to closely follow up cases, so that patients can receive appropriate services and support during various stages of rehabilitation;

- (i) establish additional mental health centres in the community to provide integrated services to people with mental illness and people recovering from mental illness;
- (j) increase subvented places to accommodate the needy people with mental illness who are discharged from hospitals, and strengthen the regulation of the quality of self-financing hostels;
- (k) encourage the private and public sectors to employ people with disabilities, including people recovering from mental illness, and encourage the participation of the private sector by means of tax concession etc; and
- (l) pro-actively promote public education and volunteer work on mental health, eliminate discrimination against people with mental illness and people recovering from mental illness in the community, so that people with mental illness will be more active in receiving medical treatment and people recovering from mental illness can reintegrate into the society more smoothly."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Dr PAN Pey-chyou be passed.

PRESIDENT (in Cantonese): Three Members have proposed amendments respectively to this motion. We will now hold a joint debate on the motion and the three amendments.

I will first call upon Mr WONG Sing-chi to speak, to be followed by Dr Joseph LEE and Dr LEUNG Ka-lau, but no amendment can be moved at this stage.

MR WONG SING-CHI (in Cantonese): President, according to information from the Hospital Authority (HA), what is puzzling to people is that for the year 2004-2005, there were a total of some 125 000 people with mental illness, but the number was increased to some 154 000 in 2008-2009, or an increase of close to 30 000 patients. When working according to logic, the number of people with

mental illness being hospitalized should have increased correspondingly. In 2004-2005, the number of hospitalized people with mental illness was some 14 000, but there were only some 13 000 patients in 2008-2009. There was a fall in number of some 1 000 patients. Would this be a good thing worth celebrating? Does this show that there is no need for many patients to be hospitalized? Or does it show that the conditions of these patients have alleviated and so fewer of them are hospitalized?

This is not the truth of the matter. It turns out that the Government revised its Budget for the year 2008-2009 and the number of hospital beds was reduced from 4 000 to 3 607 for the year 2009-2010. This is an obvious move to cut hospitalization services. Despite the increase in the number of people with mental illness, the number of psychiatric beds has been reduced. Just what is the reason behind this? I know that the government departments and the Secretary would say that this is because people with mental illness have to be allowed to go back to the community to recover and be given care there. But if these patients return to the community to receive care and undergo rehabilitation in the absence of any good matching and long-term policy, it would only continue to cause them harm in the community. I therefore think that this is open to question.

A paper from the World Health Organization (WHO) published in 2004 points out that the function of a mental health policy is to co-ordinate all relevant mental health services. If mental health policy or plan is not adequate, the approach taken to deal with mental illness will be disjointed and very inefficient. Therefore, I point out in my amendment that there is no long-term mental health policy on the part of the Government. The joint participation and the provision of mental health services by the HA and the Social Welfare Department at the same time have caused many difficulties and problems in the plans devised and the work performed by front-line workers. We know that very often the situation is like what we have discussed many times and that is, social workers may think that patients still need a lot of care and attention after they are discharged from hospital and they should not be discharged if they have not recovered completely. But it is unfortunate that doctors do not listen to the views of social workers in many cases and they would allow patients to get discharged. Since these two organizations are not subordinate to one another in service delivery and so there is much fragmentation and competition between them. There is neither co-ordination policy-wise nor management from a macro

level. As a result, services provided are disjointed and fragmentary and lacking in uniformity.

Therefore, the Democratic Party agrees with the original motion proposed by Dr PAN Pey-chyou and an amendment is proposed to supplement the original motion.

According to the guidelines issued by the WHO, a sound mental health policy should encompass the following areas: legislation and human rights, financing, organization of services, planning and budgeting for service delivery, advocacy, quality improvement, workplace policies and programmes, improving access and use of psychotropic medicines, information systems, human resources and training, child and adolescent mental health, and research and evaluation. So the Democratic Party strongly advises the Government to formulate a relevant policy and put in place a clear administrative structure to implement measures meeting the various needs effectively.

The Democratic Party demands that a mental health council should be established. This council is unlike the Labour and Welfare Bureau which is under the charge of government officials. The council should be a statutory body. I hope that this proposal would be supported by Dr PAN Pey-chyou and the Hong Kong Federation of Trade Unions. This council would be a statutory body and a group of professionals would co-ordinate and organize mental health services, arrange relevant activities, and conduct research and public education work. If this is not the case, work will be piecemeal and lacking in unity like the situation now, in which things depend on the whims of the officials in charge and any person with the power will make the decision. I hope that members of the mental health council would comprise government officials, medical professionals, social work professionals, representatives of people recovering from mental illness and their family members. This composition will enable views from all quarters to be heard and put in good balance. The kind of views put forward by the council on mental health policy would then be fairer, unbiased and more comprehensive.

In countries like the United States, Australia and Canada, there are multi-disciplinary community psychiatric treatment teams to carry out assertive community treatment. These teams are formed by various professionals such as psychiatrists, clinical psychologists, social workers, psychiatric nurses,

occupational therapists, physiotherapists and so on to follow up cases through outreaching services. These teams may break the conventional treatment approach by going into the community and let the patients receive treatment in the community. This enables patients and their families to build up a relationship with the treatment teams, so patients' needs can be understood and different social services can be provided correspondingly. At present, multi-disciplinary teams here are usually for crisis intervention, which is different from the treatment teams with long-term treatment plans and specific purposes. We suggest that the Government may consider learning from the past experiences of multi-disciplinary teams to launch pilot schemes in which at least three teams in each district will be set up to take care of medium to high risk patients and follow up their cases thoroughly.

It is disappointing that the information on mental patients kept by the Government is inadequate. The Democratic Party suggests that the Government should create a database of people with mental illness to record their illness, treatment progress, service acceptance and criminal records for better understanding of their condition, enabling the professional team to easily grasp enough data to put into practice matching policies to meet the actual needs. So relevant professionals can follow up and render assistance more easily. And they can have a fuller understanding of the patients and their condition, so as to prevent the occurrence of more tragedies.

The next issue is a bit similar to the motion I proposed last week on support for carers from the families, and that is, self-help organizations are required to submit their proposals for funding application every two years. This policy bars these self-help organizations from planning some long-term work and so services cannot be provided on a long-term basis. Therefore, the Democratic Party makes a special request in the amendment to ask the Government to provide long-term and stable support for family members of people with mental illness and the organizations concerned. We would suggest that family members of people with mental illness should be formally classified as targets of support because they play an important and irreplaceable role in the rehabilitation of these patients. And they share the heavy mental burden placed on the Government and the community. The Government is obliged to allocate a proper amount of resources to family members of these patients and provide them with suitable and effective support services.

The original motion mentions evening consultation services. In December 2005, the evening outpatient psychiatric service offered by the only one clinic in Hong Kong was cancelled. This is very inconvenient to people recovering from mental illness in employment. This is clearly in contravention of the government objective of "being committed to helping and promoting the employment of people with disabilities, including people recovering from mental illness". In addition, the side-effects of psychiatric drugs are also a cause of concern. I demand that the Government should review the existing dispensing system so that people with mental illness can obtain suitable and quality drugs and be exposed to less side-effects when taking these drugs, thereby facilitating their easier integration into society.

Concerning the support in employment given to people with disabilities, including people with mental illness and people recovering from mental illness, we consider that the matching measures in employment for people with mental illness are inadequate at present. The Democratic Party suggests that the Government should establish an indicator for hiring people with disabilities and government departments, public bodies and subvented organizations should take the lead in adopting such an indicator. Various organizations should be motivated to formulate recruitment policy on and procedures for hiring people with disabilities. This would enable people with disabilities to secure a job and develop their potentials. Also, the number of places of supported employment services should be increased to enhance the chances of the disabled in receiving employment training. This would enable the disabled to be treated really in equal terms. The Government should review the occupational rehabilitation services for people recovering from mental illness with a view to improving their working abilities in the form of on-the-job training. This would help them rejoin the labour market.

I would like to praise the HA here. When it knew that a motion debate on this subject would be held today, they provided some background information on psychiatric services in public hospitals and a number of reports on the subject for our reference in advance. This has facilitated our preparation of the debate. It is mentioned in those papers that case managers would closely follow up the relevant cases. However, there has been criticism that there are only 28 case managers and it is unrealistic to expect these 28 case managers to provide services for 2 000 people a year. Thus manpower is seriously in shortage. I do not know whether the authorities give us such information in the hope of telling

us that the Government will soon make improvement in this area. I hope the Secretary will bring us good news later.

Ever since the occurrence of a number of fatal cases involving people with mental illness or people recovering from mental illness, we all understand that the Government does have a responsibility for the loopholes in the existing policy. I hope that Honourable colleagues can give more advice on this subject so that the Government can do better so that every person suffering from mental illness can really receive the care of community rehabilitation services.

DR JOSEPH LEE (in Cantonese): President, first of all, I wish to thank Dr PAN Pey-chyou for proposing this motion. As Dr PAN Pey-chyou has just said, according to statistics, we have close to 150 000 people with mental illness at present. However, despite this number of 150 000 people with mental illness, government support to them, especially to those recovering from mental illness, is seriously inadequate. So we hope that through the motion debate today, the Government can be made to face up to this problem and exert more efforts to provide enough resources. If the Government can address this issue, the serious problems found in the hospitals and the community with respect to people with mental illness can be eased and solved.

I agree very much with Dr PAN Pey-chyou that more resources should be allocated, that more psychiatric professionals should be trained, including social workers, nurses, doctors, occupational therapists and so on in the team. In government reports, especially in the policy address, mention is made about employing more social workers, but no mention is ever made of increasing other personnel. So a problem has emerged. Mr WONG Sing-chi has mentioned earlier that increasing the number of social workers would undoubtedly be of help to the follow up of people recovering from mental illness in the community or to the assessments made in the hospitals. But the increase in social workers would only serve to highlight the needs of rehabilitating people with mental illness in the community or the needs of the hospitals. The figures concerned would only increase. If no doctors or nurses are added, or matching work done by the whole team, how can the cases identified be coped with? That is my first point.

Second, about the manpower problem. Mr WONG Sing-chi has just said that he does not know why the Hospital Authority (HA) has been so good in providing him with some information. I have not received such information and

I do not know if Dr PAN Pey-chyou has ever got it. But that does not matter. The HA has announced today that it would hire more case managers. Such positions would be filled up by some nurses, social workers or even occupational therapists. But this will cause some problems.

Currently with respect to community rehabilitation, there are only 133 community psychiatric nurses to take care of 100 000 people with mental illness recovering in the community. Each of these nurses has to be responsible for at least 100 different cases. Now the Government wants to hire more case managers in the psychiatric department, but nothing is done to explain how these managers would work with other people in the team and whether or not there will be any overlapping in the work they do. When more case managers are hired, the case managers will only take care of the cases of 1 000 people with serious mental illness who have just been discharged from hospital. But for those in the community, the case managers are not required to do anything. That being the case, how are the case managers going to work with the team in existence, and in particular the community psychiatric nurses? How do they go about to work? Nothing has been explained. Does this again show that the Government is only trying to solve a problem whenever it occurs? Is it because more patients are discharged and they will stay in the community and these freshly-discharged must be prevented from doing anything serious in the absence of any follow-up, so more case managers are hired? But what should be done with the existing situation? Nothing is said on that. I hope that after this motion debate, the Government will not only face up to the problem but do something proper to deploy manpower. For if not, the same situation of trying to tackle a problem when one occurs will happen again.

Dr PAN Pey-chyou has just said something about allocating more resources for pharmacological and non-pharmacological treatments. This is a very good suggestion to make. The Government will certainly say that the HA now provides patients with suitable psychiatric drugs. But please do not forget, and I am sure Dr PAN or Dr LEUNG may like to talk about that point, that there are many new psychiatric drugs around these days. Their advantage is that they have fewer side effects and can enable the patients to adapt to them more easily. But the disadvantage is that they are more expensive. As the prices are higher, the Government will ask, where does the money come from? But the question is that if we use a proper amount of good medicines on people with mental illness, the side effects of these medicines on them can be reduced and they will find it easier to recover in the community. When community rehabilitation proceeds well, coupled with proper care given, the costs are actually low when seen in the

long run. It is much better than having serious incidents taking place in the community or having the patients asked to return to the hospital for treatment. This is a benefit to society as a whole in the long run. So the Government should pay due attention to this issue.

As for increasing the boarding places for discharged mental patients, I would think that it is also very important. Often when mental patients leave the hospital, they may not be able to live with their family members at once and often they will have to live alone. If the Government cannot provide such a form of accommodation to solve their pressing need, they may not be able to recover in the community. So the Government should provide halfway houses for them. Not only will this solve their problem of accommodation, but it will also help them in undertaking vocational training and looking for a job. Since there are so many advantages to this, the Government should put in more resources and face up to this issue.

Also, President, I would also suggest that the HA should review the psychiatric services provided by the HA and those provided by the NGOs (non-profit-making organizations) to see if any services are overlapped. We can see that there may be a lot of areas in which services provided by the two are overlapped. Let me give an example. For some special and expensive psychiatric rehabilitation services, both the HA and the non-profit-making organizations may be providing such services. If work in allocating resources is not done properly, these services may overlap and resources may be wasted. Since resources allocated to psychiatric services are quite limited for the moment, why can the Government not consider using a uniform mechanism to see which organization should be responsible for which cases, that is, decide which cases should be taken up by the HA or by the NGOs? This can prevent overlapping and enable an effective use of resources. People with mental illness can know under what circumstances they can approach the HA or under what circumstances they can approach the NGOs for assistance. This is beneficial to their speedy rehabilitation in the community or in the hospital.

I also suggest in my amendment that the Government should develop rehabilitation programmes in the hospital clusters for people with mental illness to return to the community. That is to say, to put into practice the Extending Care Patients Intensive Treatment, Early Diversion and Rehabilitation Stepping Stone (EXITERS) programme. Actually, I have talked about this programme before and perhaps I would spend some more time talking about this programme

now. The EXITERS programme was put forward by the HA in 2001 with the main objective of providing some intensive rehabilitative training to people with mental illness who have been in hospital for more than six months. In fact, these people with mental illness in the programme are not yet discharged and they are still staying in the hospital. More specific training can be provided to them in the community-based rehabilitative training centres in the form of home care, vocational training, or accommodation. This will enable them to develop independent thinking and lead their own life, and adapt to the return to the community gradually. This is a very good programme indeed.

The programme has the advantage also of teaching these patients how to take care of themselves, like taking medicine, preparing a meal or performing some other household tasks. After they can manage all these, then they can be helped to return to the community as soon as possible. Now this programme is only run in the Castle Peak Hospital, the Kwai Chung Hospital and the Pamela Youde Nethersole Eastern Hospital. Since it is such a good programme, and when the Government has a policy of hoping people with mental illness can return to and recover in the community, the programme should be implemented further. But there are reports that the Government is finding itself to be short of money to run this programme. If that is the case, how can the Government implement the programme that helps people with mental illness to return to the community? I hope the Government should know that if it wants people with mental illness who do not need to be hospitalized to return to the community and hence vacate the hospital beds, then it should run the EXITERS programme in every hospital cluster so that all people with mental illness who are in need can be trained under this programme and return to the community as soon as possible. They can thus lead a normal life again and integrate into the community. This is something we hope the Government can achieve.

President, apart from attending regular medical follow-ups and getting the care given by family members and the community, people recovering from mental illness mostly can lead an independent life. But many family members living with people recovering from mental illness do not know how to get along with them. This is precisely where the problem lies. I hope the Government can put in some resources to educate people with mental illness, and their family members or carers the ways to get along with each other, enabling them to know that after all they are members of one family, so as to avoid unnecessary trouble.

The Government should also promote harmony in the family. If people with mental illness can live in harmony with their family members, this can enable the former to get involved in family life quickly, hence they can receive care in such needs like taking medicine or in their day-to-day life. When coupled with a strong community rehabilitation team, people recovering from mental illness will learn how to get along with their family members and their family members will know how to care for them and be accommodating to them. As a result, they can return to the community sooner. I hope that the Government can enhance training in this respect. I would suggest that the HA can provide the relevant training, counselling and information to patients and their family members before the patients are to be discharged. This will help people recovering from mental illness and their family members, so that when the patients go home, they can adapt to family life as soon as possible and live with their family members in harmony.

President, I hope that with this motion debate, the Government will no longer delay in solving the problems related to mental illness. Instead, it will exert more efforts to improve the services so that more people with mental illness can recover in the community. Of course, the Government should not just send the patients back to the community because of the reduction of psychiatric beds. It is necessary for the Government to increase the matching facilities so that when people with mental illness are to recover in the community, they can be able to be hospitalized again when needed and as appropriate. This will serve to ease the pressure on psychiatric services in Hong Kong as well as that on people with mental illness.

President, I so submit. Thank you.

DR LEUNG KA-LAU (in Cantonese): President, I am the representative of the medical profession. During the previous term of the Legislative Council, all the motions related to mental illness were proposed by the medical profession. This year, as we have Dr PAN Pey-chyou, such motions are proposed by him instead. The motion proposed by Dr PAN, being a consultant in mental illness for a long time, is very detailed. Actually, regarding many of the details, even I have no idea what they are all about.*(Laughter)*

The original motion, together with the amendments proposed by the three Members, contain up to 22 proposals. Maybe they should write a book, a thick one, to explain each of these proposals in detail.

Let me introduce my amendment briefly. First of all, in addition to allocating more resources, to put it simply, I call for the establishment of an independent funding mechanism. If we merely talk about allocating more resources, I believe the Secretary will tell us later in the meeting that a lot more resources have been allocated this year in providing support services for mental illness. Very often, the Government would only point out in its response certain resources had been allocated without stating clearly the amount of resources required for the provision of this service in Hong Kong. In other words, the authorities have merely half filled the cup with water. We have no idea that it is still far from filling it up. There is no answer to the question of the needs of the local community for medical and community services in relation to mental illness. The Government will always insist that additional resources have been allocated.

Insofar as overall medical services are concerned, all specialties will compete for resources. For instance, I am a surgeon, whereas Dr PAN is a psychiatrist. What can I, who do my job by holding a knife, do if additional resources are allocated to the psychiatric specialty?

Apart from competing for resources, I agree that certain services or illnesses should be handed to the private sector. For instance, it is a good arrangement for the surgery specialty to be run by the private sector because surgery services, which can normally be provided promptly, can enable patients to regain productivity quickly. However, some services are a losing business, which should be operated by the Government; otherwise, no one will be willing to undertake such services. Psychiatric services are one of the examples. Actually, the Government is required to inject a disproportionately large amount of resources for caring for patients with mental illness. A colleague has pointed out earlier that there are 150 000 patients with mental illness in Hong Kong and 280-odd psychiatric doctors under the Hospital Authority (HA). The number of psychiatric doctors is considered proportionally large because, of the 7 million population of Hong Kong, there are 150 000 patients with mental illness, accounting for less than 5% of the population, and yet there are 280-odd psychiatric doctors in the HA, accounting for more than 5% of the total of 5 000 doctors in the HA. Actually, this is still inadequate because, in diagnosing and treating patients with mental illness, I believe a doctor should, by a normal standard, spend half an hour to an hour on the first consultation — Dr PAN, am I right? However, it is already considered not bad for doctors in the HA to spend

10 minutes on each patient during their first consultation. Actually, not much can be done within such a short time.

The second point I wish to amend is related to medical insurance. Despite the fact that psychiatric services are a losing business, Dr PAN still expressed hope for the Government to clearly position psychiatric services in the public sector. By positioning, it means that diagnosis and treatment will be provided to a specific category of patients in need of special assistance only. What about other patients? Anyhow, some services have to be handed to the private sector. However, it is a great pity that the majority of medical insurances provided in Hong Kong do not cover mental illness. So, what can be done?

In the new health care financing reform to be launched by the Government in the future, I hope the Government can, if insurance is used as a major supplementary health care financing arrangement, make it mandatory for insurance products to include mental illness because many middle-class people in Hong Kong would like to enjoy faster and better services, at least without the need to wait, and choose their own doctors. In particular, many patients with mental illness hope to enjoy more privacy. It would be a better arrangement if insurance services can cover mental illness and allow patients with mental illness to consult private doctors. Of course, higher premiums will be charged by then, and we may have to rely on the Government's seed money for subsidy. Nevertheless, insofar as competition in the market is concerned, if all insurance products cover mental illness, which means that all insurance products will become more expensive, there will actually be no impact on the competitiveness of insurance products in the market.

I have also mentioned the issue of scientific research in my amendment. Just now, two colleagues raised many proposals, including suspending the reduction of the number of psychiatric beds. I have once consulted a psychiatric expert, an acquaintance of mine, and his view is opposite to mine. In his opinion, the current speed of reducing psychiatric beds is too slow, and it should be speeded up because patients with mental illness should, most preferably, return to the community. Such being the case, why are we still having problems? According to this friend of mine, it is because various major hospitals have not released the resources after reducing the number of psychiatric beds for the provision of support services for mental illness in the community. As I do not know if this is true, I dare not propose an amendment regarding this. Very often, regarding who is right or wrong in dealing with policy matters, a lot of resources have to be used to examine what approach is the most preferable.

Should the current number of psychiatric beds be maintained or reduced continuously? In what way should support services be provided in the community? All this involves a lot of research.

Furthermore, being a quite naïve person, I hope Hong Kong can achieve something in pathologic research on mental illness because, first, the current research relies merely on overseas efforts, but people of different races may differ in their physiques and react differently to medicine; and second, mental illness is community-related, whereas foreign communities are a far cry from the local community. Therefore, how should services on this front be provided? Hong Kong should undertake its own research.

Furthermore, sometimes, mental illness can make people at least, I personally find it quite frustrating as some of my family members are patients with severe mental illness. While they do not have serious problems with the various types of the support mentioned here, such as community support, family support, financial support, and so on, and they can just find a casual job and generally have no problem with employment, mental illness is, after all, an illness. In the long run, I hope mental illness can be cured. In this way, community support can be provided more easily. Though it is quite naïve to think in this way as success cannot be achieved overnight, I still hope that appropriate resources can be injected in scientific research funds, so that personnel engaging in scientific research on mental illness in Hong Kong can undertake scientific research appropriate to the local community. Thank you, President.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, sound mental health forms the basis of our life and work, and is an integral part of our wholesome being. The promotion of mental health and the provision of comprehensive and appropriate support for those in need are our policy objectives, as well as an integral part of the Government's efforts to protect public health.

In this part of the debate, I shall first give an overview of the present mental health services in Hong Kong and the Government's efforts to promote mental health. Following this, the Secretary for Labour and Welfare shall give an introduction to the services provided by the welfare sector. After listening to

the views of Members, in the second part of the debate, the Secretary for Labour and Welfare and I shall reply to the views put forward by individual Members.

With the medical sector's active studies on mental health and treatment as well as the resultant advances, the public have turned increasingly aware of and concerned about mental health. As pointed out by some Members just now, the number of mental patients in receipt of the Hospital Authority's in-patient, specialist out-patient or day hospital services has increased from about 125 000 in 2004-2005 to some 154 000 in 2008-2009. In most cases, the mental health problems of the patients are relatively mild, and only a very small number of them suffer from severe diseases. In recent years, the number of patients seeking psychiatric treatment from the Hospital Authority (HA) has been showing a rising trend, reflecting an increasing public awareness of mental health problems and the need to seek assistance.

The Government has always attached very great importance to people's mental health and their demand for the related services. The Food and Health Bureau is responsible for co-ordinating all policies and measures relating to mental health. In this capacity, it maintains close co-operation with the Labour and Welfare Bureau, the HA, the Department of Health and the Social Welfare Department (SWD), with a view to ensuring the overall co-ordination of planning and service delivery. We advocate a cross-profession and cross-sector approach to the provision of integrated and coherent mental health services to those in need. These services include prevention, early detection of problems, treatment, rehabilitation and community support. Comprehensive care is available to address the treatment and living needs of mental patients in different stages of their diseases.

Over the past few years, the Government has been increasing its annual funding on the provision of mental health services, spending more than \$3 billion every year on average. And, in 2008-2009, the expenditure estimate even amounted to \$3.6 billion. As for the HA, its annual expenditure on mental health services in recent years has been accounting for over 8% of its total expenditure. Although the health care systems and service models in different countries vary and we cannot make any simplistic comparison of the health care expenditure in different places, I can still confirm that the proportion of mental health expenditure in the HA's overall expenditure does not compare any less favourably with the expenditure levels in other advanced places.

As rightly pointed out by Dr PAN earlier, according to international medical literature and as shown by the development in advanced countries, if a mental patient's conditions are stable and circumstances permit, the early discharge of the patient for receiving treatment in the community can facilitate his recovery and reduce the incidence of relapse. As a result, the international trend regarding the treatment of mental diseases has come to focus on community nursing and day-care services. In view of this trend, we have been stepping up the development of community psychiatric nursing service in recent years. Over the past few years, we have been allocating additional recurrent funding to the HA for the purpose of launching various new services and measures to support mental patients living in the community. Some examples of these measures are the two pilot programmes of the HA in 2008-2009 and 2009-2010, under which frequently readmitted mental patients are provided with community support after discharge and needy patients are offered post-discharge rehabilitation assistance. These measures can enable a greater number of suitable mental patients to receive appropriate treatment in the community, thus increasing their chances of recovery.

In the future, we will continue to consolidate and promote the platform of co-operation between the health care sector and the community, step up the collaboration of all sides and intensify community support for mental patients and ex-mental patients. It is also mentioned in the Chief Executive's policy address that in 2010-2011, the HA will launch two new measures to step up its services. First, the HA will pilot a case management programme in some districts. Health care professionals will serve as case managers to provide continuous and customized intensive community support for patients with severe conditions. Second, in regard to patients with common mental disorders, the HA will promote the collaboration between psychiatric specialist out-patient service and the primary health care service, so as to enhance the provision of appropriate assessment and treatment services. The Secretary for Labour and Welfare will shortly give an account of the SWD's measures to enhance its related services.

We will continue to monitor the usage of mental health services and review existing services through the Working Group on Mental Health Services under the Food and Welfare Bureau, with the aim of appropriately adjusting or improving our services to suit the changes in social conditions and service demand.

After listening to Members' views on the motion and the amendments, I will give a further reply. President, I so submit.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, first of all, I wish to thank Dr PAN Pey-chyou for moving this motion on providing support for people with mental illness and people recovering from mental illness. I also wish to thank Dr Joseph LEE, Mr WONG Sing-chi and Dr LEUNG Ka-lau for moving their respective amendments.

The Government attaches very great importance to the provision of community support for people recovering from mental illness and their carers. Our policy objective is to enable people recovering from mental illness to re-integrate into society through the provision of appropriate social rehabilitation services at the community level. In a bid to cater for the various needs of people recovering from mental illness, the Government has been striving to promote the collaboration of the health care and welfare sectors. The Social Welfare Department (SWD), the Hospital Authority (HA) and non-government organizations have been maintaining close ties and co-operating fully to provide people recovering from mental illness and their carers with coherent and integrated support on a cross-sector and cross-profession basis. At the same time, we have also been doing our utmost to conduct public education on enhancing people's concern about and awareness of mental health. It is hoped that this can encourage the public to accept and support people recovering from mental illness and promote an integrated society.

As a matter of fact, one of the emphases of the Chief Executive's policy address this year is precisely the strengthening of community support for people recovering from mental illness.

(THE PRESIDENT'S DEPUTY, MR FRED LI, took the Chair)

At present, people recovering from mental illness must approach different non-government rehabilitation organizations and units for community mental health support services. In March this year, the SWD set up the first Integrated Community Centre for Mental Wellness in Tin Shui Wai to provide residents with integrated, one-stop and appropriate community mental health support

services. It is also particularly mentioned in the policy address that we will revamp the community mental health support services of the SWD and set up similar integrated service centres in all the 18 districts in the territory in the coming year, so that people recovering from mental diseases, their family members, their carers and residents can receive all the required support services in one single venue.

We will also enhance the manpower in these centres, so as to keep pace with the HA's case management programme intended for providing persons with severe mental illness with continuous and customized community support services on the one hand, and to provide mental health services to a greater number of people in need on the other. At the same time, we will also increase the number of medical social workers to enhance the medical social services available to people recovering from mental illness and discharged mental patients.

We will continuously review the operation of and demand for social rehabilitation services. And, we will also continue to foster cross-profession links and enhance our mental health services, so as to cater for the needs of society and the general public.

Deputy President, I so submit. After listening to Members' views on the motion topic, I shall give a detailed reply. Thank you.

MR ALBERT HO (in Cantonese): Deputy President, the heart of the motion debate today is whether the Government has allocated adequate and reasonable resources to support rehabilitation of people with mental illness.

According to the information provided by the Alliance for Advocating Mental Health Policies, the Government's total annual expenditure on mental health services is around \$3.2 billion, and over the past eight years, the Government had allocated an additional \$250 million in total to the Hospital Authority (HA). In spite of this, the level of this expenditure merely accounts for some 0.2% of the gross domestic product. Compared with overseas places where the percentage is generally 1%, the resources devoted in Hong Kong is four to five times smaller.

Furthermore, during the past five years, the expenditure on psychiatric medical services merely accounted for only around 8.2% to 8.3% of the HA's

total expenditure. However, during the corresponding period, the number of patients with mental illness under the HA had increased by 17%, from about 125 600 to about 147 500; and the number of consultations had increased by 12%, from about 576 000 to about 647 000. It is thus evident that the additional resources allocated to the HA is far from being able to satisfy the increasing numbers of patients and consultations. Neither is it adequate to address the existing problems relating to mental health treatment and support.

According to the information provided by the HA, the 640 000-odd consultations mentioned above all received psychiatric out-patient service, and of these consultations, only about 26 700 consultations were first consultations at the psychiatric out-patient service. During 2007-2008, more than 147 500 patients in total received psychiatric services. As Members are aware, there are currently 288 psychiatric doctors, 133 community psychiatric nurses and 197 psychiatric medical social workers from the Social Welfare Department in Hong Kong. Meanwhile, patients have to wait for an average of one year before they can receive the treatment service provided by clinical psychologists. According to the data provided by the HA, in 2008-2009, the longest waiting period for first psychiatric consultations was 118 weeks, that is, patients had to wait for more than two years before attending their first consultations. It is thus evident that the professional-patient ratio is very high.

Many patients and their family caregivers have reflected that very often, each consultation lasts only five to 10 short minutes. Despite the Government's willingness to increase manpower, services have been reduced. They have pointed out that, since December 2005, the only evening psychiatric out-patient service has been suspended. At the same time, since the implementation of the five-day work week, the psychiatric out-patient service provided on Saturday has also been abolished, thereby causing inconvenience to employed people recovering from mental illness. As stated by Mr WONG Sing-Chi just now, the Democratic Party agrees with the proposal of the original motion on calling on the Government to re-introduce evening consultation services.

Furthermore, I will state the position of the Democratic Party on the amendments proposed by Dr Joseph LEE and Dr LEUNG Ka-lau.

The Democratic Party supports Dr Joseph LEE's amendment and agrees that the Government should review the distribution of resources in relation to the

psychiatric services under the HA and those provided by non-profit-making organizations at present, as well as providing talks or training to family members of people recovering from mental illness, so that they can better understand the progress of the illness suffered by people recovering from mental illness. Given their long period of contact with people recovering from mental illness, family caregivers will be able to provide doctors and community nurses with information promptly for they have a good understanding of the conditions and symptoms of the patients, so that the persons giving treatment can comprehend the condition of the patients more accurately. This is very important.

The Democratic Party will also support Dr LEUNG Ka-lau's amendment, but there is something I ought to add.

Dr LEUNG has proposed that tax concessions be provided to encourage people with mental illness and people recovering from mental illness to take out medical insurance. I believe his proposal is intended to relieve the tax burden on middle income-earners and encourage more people to take out medical insurance. However, we do not think that tax concessions should be offered to all private medical insurance schemes unconditionally.

According to present circumstances, it can be said that the private medical insurance market in Hong Kong is full of pitfalls. Even the Consumer Council has expressed concern about certain problems with the market. At present, private medical insurance companies only seek to make profits. Very often, they will decline to provide insurance cover for the elderly, the vulnerable and the disabled (including people with mental illness), who are most in need of protection. In the end, only inefficient and unfair medical insurance protection is offered to these patients.

In our opinion, if Hong Kong is to encourage the public to take out medical insurance through tax concessions, it should make reference to the practices adopted in such countries as Australia, Switzerland, and so on, and formulate an appropriate regulatory system, in order to prevent the tax concessions provided to private medical insurance schemes from producing an adverse impact on the health care system.

I so submit.

MR CHEUNG KWOK-CHE (in Cantonese): Deputy President, in November last year, a mentally-ill single mother in Tsz Wan Shan was suspected of having killed her two children before committing suicide. A coroner's inquest on this case was held recently. I still could not help feeling deeply sorry when I read this piece of news again. As judicial proceedings have already commenced, I do not think it is appropriate for me to comment on this case. The Government's support for people with mental illness and people recovering from mental illness is indeed seriously inadequate. Not only has the Government taken the rights of these people lightly, it will also turn them into time bombs in the community at any time.

To face the problem squarely, the Government must first address the inadequacy of its existing mental health policy. Apart from lacking vision and comprehensive consideration, it is most important that the existing policy lacks participation of users, that is, patients with mental illness and their family members. As a result, the policy is largely formulated from the perspective of the experts. In the end, the theory inevitably deviates greatly from the reality. Not only will this be of no help to patients, the result might even be counter-productive.

In the course of formulating mental illness rehabilitation policies, advanced countries in the West have been paying more and more attention to the needs of service users by even treating them as "consumers", breaking through the top-down authoritative-led mindset, as well as heeding the voices of elementary social workers, self-help bodies, patients and family carers. Just as the evening consultation services mentioned by Mr Albert HO just now, the services, which were launched by the HA upon requests in the beginning, were suspended later because it was alleged that the services were rarely used. This was criticized by patients' rights groups for failing to heed patients' views. Moreover, the input of service users was not taken into consideration in selecting sites and operation hours. This is why I think that the Government should listen extensively to the views of service users rather than working behind closed doors.

Not only does the mental health policy lack vision, resources are also inadequate. As pointed out by Mr Albert HO just now, there are only 288 psychiatric doctors in the territory, but they have to take care of more than 150 000 patients with mental illness. How can one doctor handle and take care of 500 patients? Is this reasonable? In terms of the ratio of the population, there is only one psychiatric doctor to every 20 000-odd people in Hong Kong.

This ratio differs greatly from those in such places as Britain, the United States and Australia, where there is one psychiatric doctor to every 6 000 to 8 000 people. In addition, our Government has even follow the western countries in developing community care and reducing the number of psychiatric beds, thereby expelling patients back into the community. But unfortunately, the provision of adaptation services such as places in halfway houses, counselling related to personal life, sheltered workshops, ado so on, is severely inadequate. In addition, the conditions in Hong Kong are different from those in overseas countries — Hong Kong is densely populated — I believe the relapse rate of patients will be quite high.

In addition to hospitalization services, community rehabilitation is very important, too. According to a lot of research, allowing people recovering from mental illness to return to live in the community and offering them appropriate support can not only facilitate their early integration into the community, but also reduce their relapse rate.

The three community rehabilitation services currently provided by the Government, namely the Community Mental Health Link, the Community Mental Health Care and the Community Mental Health Intervention Project, will be developed as integrated services to be launched in the 18 districts in the future, but the manpower for these services is severely inadequate. Among them, the Community Mental Health Care, which is responsible for providing freshly-discharged patients with care services, has only 27 teams across the territory, with only three members in each team, and yet they have to take care of all of the 18 districts in the territory. Compared with the approximately 150 000 patients with mental illness in the territory, such services are utterly inadequate.

It is not easy for the problems to be completely resolved within a short period of time. Therefore, I think that the Government should start by assessing the number of patients with mental illness in various districts expeditiously and allocating resources to districts which are badly hit to prevent the problems from worsening and enabling the services to be promoted more comprehensively.

Lastly, please allow me to speak out of turn. Earlier, French president Nicolas SARKOZY vigourously advocated improving the method of computing gross domestic product by proposing to include quality-of-life indicators and take such factors as leisure activities, medical and health care, family relations and

working hours, into calculation, in order to reflect the living standard of the nationals.

This proposal has reminded me of Hong Kong society where there is great emphasis on efficiency, fast pace of living and long working hours. Therefore, regardless of the amount of resources injected, Hong Kong people can hardly have the opportunity to ease their mental pressure. I cannot but ask these questions: Is it definitely right to pursue such concept of value as economic growth? Must money be used to evaluate whether society is civilized and advanced? It seems that the culture of Hong Kong people is getting farther and farther away from a caring and harmonious society free of discrimination.

I trust that if the Government and all people in Hong Kong are willing to alter such concept of value, not only can the growing nightmares of patients with mental illness and the underlying problems of this modern society be mitigated, Members here will also be able to lead a happier life.

MR RONNY TONG (in Cantonese): Deputy President, over the past few days, we were forced by the television to watch the tragedy putting a whole family of three to death in Tsz Wan Shan again and again every day. After watching the coverage, many relatives and friends, as well as people in the community, expressed their fears to me, as if patients with mental illness and people recovering from mental illness were their greatest threats. Deputy President, such an unhealthy dissimulation in society actually stems from the Government's lack of long-term policies on mental health rehabilitation. In a nutshell, as it is simply impossible for mental illness to be completely cured, people with mental illness are a losing business to the Government on the ground that they can never pay back to society. Therefore, the provision of resources and services by the Government is limited to a manageable scope, or in other words, a scope not causing too many repercussions from society, without regard to whether patients have received appropriate treatment.

Deputy President, in this respect, the Government has all along adopted the residual welfare model as its mindset in providing social welfare. In other words, only minimum support is provided. Deputy President, we can see from some figures that the total expenditure on rehabilitation services in Hong Kong merely accounts for 0.2% of the gross domestic product, far lower than the 1% allocated by advanced countries in other parts of the world. Even though the

funding allocated to the Hospital Authority has kept increasing over the past eight years, it has merely allocated 8.2% of its funding on health care services provided to patients with mental illness, even though the number of these patients is constantly on the rise. As a result, the ratio between psychiatric doctors and patients is maintained at a level of 280 to nearly 150 000. In other words, one psychiatric doctor has to diagnose and treat 512 patients. Moreover, the longest waiting period for consultation has even reached 118 weeks, or about two years. Most ironically, after waiting for two years, the patients are only given a five-minute consultation. Deputy President, during this period, while the number of patients increased by 23.4%, hospital admissions, on the contrary, were reduced by 5.8%. Obviously, many patients are expelled to the community for treatment. These people, who cannot receive hospital care, have also exerted enormous pressure on the community.

The support given to discharged patients recovering from mental illness is not much better. During 2008-2009, a total of 15 830 patients recovering from mental illness were discharged. However, only 133 community nurses and 197 medical social workers in the community were assigned to follow up their cases after their discharge from hospitals. Coupled with the fact that these nurses and social workers might have to handle more than 100 cases concurrently, it is simply impossible for them to harmonize their efforts as they belong to different departments. How can they cope with such an enormous workload? Obviously, what they can do at the most is to follow up their cases by telephone. Actually, it is simply impossible for the patients to receive adequate support. "Explosion", so to speak, will occur sooner or later.

Deputy President, in this Council today, Members have put forth nearly 200 proposals in their motion and amendments in the hope that all-round support can be given to people with mental illness and people recovering from mental illness. Deputy President, I am not worried that these 200 proposals will miss anything — nor do I believe there will be any omissions. But the most serious problem is: Can these proposals touch the heart of stone of the Government? Members can see from the figures quoted just now the problems facing and known to us, such as inadequate services, unco-ordinated measures and a lack of long-term strategies for the provision of services. However, it seems that the Government has never been able to provide a solution as to how these problems can be addressed.

Deputy President, earlier, The Hong Kong Polytechnic University interviewed 100-odd people with mental illness and psychiatric doctors. Some doctors revealed that the old drugs currently administered by hospitals — they were referring to the first-generation and second-generation psychiatric drugs — can only curb positive symptoms such as delusions, hallucinations and propensity to violence, but cannot radically cure negative reactions such as muscle spasms, emotional depression, and so on. Take these interviewees as an example. 40% of them are unemployed, with many of whom are young people. However, the side-effects of the drugs may lead to trembling hands, speaking with a lisp and obesity. As a result, these people can hardly get employed.

Therefore, doctors have advised that new-generation psychiatric drugs be administered to patients. It is reported that 60% of patients in the United States have been administered new drugs. But why are new drugs not yet be adopted in Hong Kong after such a long time? Deputy President, it is simply because of money, as the new drugs are more expensive. Therefore, many patients can only buy new drugs out of their own pockets before they can receive treatments with fewer side-effects. As for employment opportunities, it is actually getting more and more difficult for many young patients to find jobs in the open market. Very often, they can only work for their family members or good friends. No wonder they have completely lost hope in their future and feel that their whole lives have been ruined.

Deputy President, if the Government is committed to addressing the institutional treatment given to patients with mental illness and following overseas countries in developing a caring policy of social integration, it should, first of all, put aside its mentality of treating patients with mental illness as a negative asset to social welfare. Like diabetics and hypertension patients, these patients are merely suffering from chronic illness. Most of them do not require long periods of hospitalization, as hospitalization will only make them more psychologically withdrawn, thus making it even harder for them to integrate into the community. To formulate the long-term mental health rehabilitation policy, apart from resolving such pressing problems as inadequate resources, the Government can also plan for arrangements for facilities and services related to prevention, treatment and public education, with a view to upgrading the overall quality of the mental health policy in Hong Kong.

I implore government officials to listen carefully to the feasible options of the proposals put forth by our colleagues and hope that the Government can give appropriate responses expeditiously. Thank you, Deputy President.

MR CHAN HAK-KAN (in Cantonese): Deputy President, in the past, whenever we mentioned people with mental illness, we would view them negatively. We would probably find them behaving strangely, having propensity to violence, being inattentive, and so on. We might even discriminate against their family members. However, with the development of Hong Kong society and the increased awareness of patients with mental illness as well as their illness among the public, our care and support for these patients and their family members have increased. However, under the tremendous social pressure exerted on us in our daily life, we have also begun worrying whether we will sometimes act inattentively or strangely or whether we will become patients with mental illness. It can thus be seen that the demands of the community for mental health rehabilitation services will continue to grow.

In recent years, the Government has followed the initiative of the World Health Organization in shifting the focus of giving treatment and support for patients with mental illness from hospitalization services to community care in the hope that these patients can re-integrate into society after recovery. For instance, the number of psychiatric beds under the Hospital Authority (HA) has been reduced by 15%, from 4 700 in 2004-2005 to only 4 000 at present. At the same time, some new caring services will be provided by the HA and the Social Welfare Department in the community.

Although it may not sound like a serious problem to Members, as I pointed out earlier, the number of patients with mental illness has been on the rise in recent years. For instance, the number of patients with mental illness was only 125 000 in 2004-2005, but it has now risen by up to 23% to more than 150 000. From this, we can see that the treatment and rehabilitation services can simply not catch up with patients' needs. Thus a vicious circle is formed, and patients will be affected in the end.

Deputy President, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) does not oppose the community-based treatment direction adopted by the Government, but as we all know, Hong Kong is characterized by its fast pace of living, crowded living environments, loud noises and dense

population. Patients with mental illness returning to the community might not find it easy to adapt to the community. The various factors combined will trigger their relapse crisis very easily. Whether to the patients themselves or their family members, this is a potential crisis and pressure.

We are very worried that patients will have to care for themselves as a result of the so-called community care, because of their failure to get adequate support and assistance after their discharge from hospital. Many colleagues in this Council mentioned earlier that many patients were allowed only five minutes to consult doctors during follow-up consultations. Although five minutes is not extremely short, it is, nevertheless, shorter than the normal consultations we have when we consult doctors when we have a cold or flu.

Deputy President, in order to give effective treatment to people with mental illness, doctors must gain their trust and understand their illness and progress of recovery. This is why doctors require a longer period for observation and treatment and to establish a close relationship with their patients in order to understand their illness better. How can they achieve all these, as mentioned by me earlier, within a matter of five minutes?

We have attributed this mainly to the persistently inadequate number of psychiatric health care staff. According to the figures provided by the HA, over the past five years, the number of psychiatric doctors has merely increased by about 30, from 258 to 288. During the same period, the number of psychiatric nurses has even seen a decrease. Discounting new cases, the annual number of follow-up consultations has already reached 500 000. Basically, the demand for psychiatric health care services is basically excessive.

In addition to follow-up consultations, the medicine policy of the HA has also come under frequent criticism from patients' groups. In recent years, some new psychiatric drugs have found to have fewer side effects. Moreover, they will not cause slow response or affect the patients' sociability. However, these new drugs are included in the formulary for special drugs. Unless with prescriptions by psychiatric doctors, patients have to purchase these new drugs by themselves, and the prices can be pretty steep.

Statistics have shown that only 40% of people with acute mental illness have benefited from new drugs. In other words, 60% of people with acute mental illness are still taking old drugs. Due to the suffering of side-effects,

some of these patients refuse to take medicine and, as a result, their illness can hardly be improved. If the HA can relax its restrictions on these patients in taking new drugs, I believe it will definitely help stabilize their illness and treatment, and relieve their demands for other rehabilitation services.

Lastly, Deputy President, on behalf of the DAB, I express its views on the original motion and the various amendments. We support the thrust of Dr PAN Pey-chyou's original motion and the amendments proposed by Dr Joseph LEE and Dr LEUNG Ka-lau, namely to call on the Government to provide additional resources to improve psychiatric services. However, the DAB has reservations about Mr WONG Sing-Chi's amendment, mainly because of Mr WONG's proposal of establishing a mental health council. We see that Secretary Dr York CHOW is currently leading a Working Group on Mental Health Services to review existing mental health services and formulate the way forward for its work. As the establishment of a mental health council at this stage might lead to duplication and redundancy, we have reservations about it.

Lastly, we hope Secretary Dr York CHOW can submit the outcome of the review on mental health services expeditiously so that the public and patients' groups can have an understanding of the Government's future direction for the development of the mental health policy and give more input and guidance. Deputy President, I so submit.

MR VINCENT FANG (in Cantonese): Deputy President, recently, there has been successive occurrence of incidents involving people with mental illness injuring people in the community. For instance, in May this year, a person with mental illness killed a three-year-old child in a park in a housing estate, but it is noteworthy that this patient had been attending follow-up consultations as scheduled and his case was being followed up by doctors and social workers. The occurrence of this incident is indeed a concern. Although I am the chairman of the Kwai Chung Hospital Governing Committee, I agree that the outreaching services currently provided by the psychiatric units of the Government are inadequate, and there is a lack of all-directional support for community rehabilitation services. As a result, the Government has failed to provide comprehensive and appropriate support to people with mental illness who have returned to the community, thus leading to the occurrence of these unfortunate incidents.

Established as early as in 2006, the Working Group on Mental Health Services was tasked with conducting comprehensive review of the current services. However, having established for three years, the Working Group can still not complete a comprehensive review of the mental health policy in Hong Kong, with a long-term mental health policy nowhere to be found.

With the continuous rise in the number of people with mental illness, and the occurrence of tragedies involving people with mental illness from time to time, the implementation of a comprehensive and long-term mental health policy has become a matter of great urgency. Therefore, the Liberal Party hopes that the relevant Working Group can expedite its pace of conducting a comprehensive review and expeditiously make known the outcome of the review, submit a report and formulate a long-term policy.

The prime concern of the Liberal Party is the shortage of front-line health care personnel in psychiatric units and their excessive work pressure, as well as the Government's failure to provide all-directional rehabilitation support to people with mental illness in various districts in the territory. According to the relevant figures, the total number of people with mental illness in Hong Kong has risen substantially from around 120 000 to around 150 000 over the past five years. However, with only 288 psychiatric doctors, 133 community nurses and 197 medical social workers available in Hong Kong, the manpower is obviously seriously inadequate. As a result, treatment and follow-ups have been affected in terms of both quantity and quality.

Therefore, it is imperative for additional resources to be suitably provided for training professionals, ameliorating the problem of manpower shortage, and enhancing the psychiatric outreaching services. According to an announcement made by the Hospital Authority (HA) yesterday, case manager services will be launched in Kwun Tong, Kwai Tsing and Yuen Long in April next year for follow-ups and service delivery having regard to the conditions and needs of patients. This measure is definitely good. I hope this scheme can be extended to cover all districts in Hong Kong expeditiously for the provision of basic and comprehensive services to people recovering from mental illness, so that front-line personnel can detect the risks more easily. This will help prevent the recurrence of tragedies involving people with mental illness injuring others.

Apart from the provision of treatment and follow-ups, helping people with mental illness integrate into society is also a key component of the rehabilitation

policy. A survey conducted by the Hong Kong East Hospital Cluster of the HA in July found that 47% of respondents with mental illness spent more than four years on average before they could successfully get employed. This reflects the enormous difficulty encountered by people with mental illness in gaining a foothold even if they want to integrate into society and earn their own living.

Although some social enterprises are currently found to have employed people recovering from mental illness, the number is obviously far from adequate. This is why the Liberal Party hopes that support for social enterprises can be enhanced by, most simply, giving exemption under legislation relating to the setting of a minimum wage, which is currently under discussion, to social enterprises employing people recovering from mental illness and people with disabilities. Without such an exemption, these people will find it even harder to get a job. Further still, the Government may consider providing tax incentives to private enterprises to encourage them to employ these people.

As regards the proposal raised by Dr PAN on re-introducing evening psychiatric consultation services, as far as I understand it, the Government once launched a pilot scheme on the provision of evening consultation services, but the services were scrapped as it was subsequently shown that there was no need for such services.

The spirit and content of the original motion proposed by Dr PAN, a front-line psychiatric personnel, are predominantly supported by the Liberal Party. But with respect to the request made by Mr WONG Sing-Chi in his amendment for the Government to set up a mental health council to co-ordinate psychiatric services, we consider that the Food and Health Bureau has already been tasked with co-ordinating and harmonizing such services, and so there is no more need for duplication and redundancy, and it is better to urge the Bureau to expeditiously formulate a long-term mental health policy and enhance community support. Therefore, the Liberal Party has reservations about this amendment.

Deputy President, I so submit.

MR FREDERICK FUNG (in Cantonese): Deputy President, the lack of support for people with mental illness has long been a cause of criticism. When everything went smoothly, the requests made by relevant stakeholders fell on deaf

ears. It was only until the occurrence of a number of horrifying tragedies in recent years that the authorities seemed to be just awakened from a dream. The incidents occurred recently include, for instance, a mentally-ill sister sitting by the side of the dead body of her twin elder sister for three days and a child being attacked on Tung Chau Street in Sham Shui Po. A District Council member from the Hong Kong Association for Democracy and People's Livelihood (ADPL) was at the scene witnessing the tragedy, as vivid details of the darkness of human nature, the greatness of fatherly love and bystanders' terror and assistance unfolded one after another. We simply cannot stand watching the occurrence of tragedies like these one after another.

Deputy President, it is a pity that these problems would not be addressed squarely until tragedies occurred and bloody lessons were learnt. But it is disappointing that the remedial measures proposed are merely cosmetic changes and the authorities have fallen short of administering the right prescription. How many tragedies like these will occur and how many lives will be lost before the authorities will be committed to reforming the existing support for people with mental illness seriously?

In the final analysis, Deputy President, although there has been improvement in material lives as a result of Hong Kong's rapid economic development, people in the middle and upper classes have not become happier because of increasing wealth. On the contrary, they feel increasing spiritual emptiness. Meanwhile, the grassroots cannot but worry about their livelihood and work long hours for a living. Like a big wheel, urbanization is constantly pushing people upward, as if the worldview of the law of the jungle and survival of the fittest is dominating everyone's destiny. The unconscious influence of the spirit of competing with all our might has led to long working hours and short lives. As society gets increasingly complicated, interpersonal relations become isolated and marriage relationships broken down, coupled with the disintegration of family relations, on which we rely to live in peace, and the network of relatives thus derived, modern people have lost their key spiritual support. There are indeed signs indicating that all these factors have combined to make the mental health of the people more vulnerable.

Deputy President, the authorities have failed to formulate a comprehensive mental health policy having regard to social change. On the contrary, it merely follows the western medicine practice in adopting stopgap measures while ignoring the concept of Chinese medicine in strengthening the constitution and

regaining energy. Meanwhile, people should experience holistic development, which means that material civilization, spiritual civilization, and physical and mental health should all be taken care of. However, what the Government is doing is the opposite. Comparatively speaking, it has only put emphasis on the injection of resources into physical health because the result can be seen more easily. So it has made effort in this regard. On the contrary, the Government gives little attention to and seldom cares about the problem of mental health, which can hardly be quantified. This is why the resources injected by the Government into addressing the problem of mental health are extremely scarce.

Deputy President, the Government should formulate a comprehensive mental health policy for early prevention, detection and treatment, and provide comprehensive rehabilitation services, public education, and so on, as the backbone of its entire mental health policy, having regard to social change. Of course, from the angle of prevention, the Government can simply not reverse social and economic changes. What is more, it cannot, and should not, reverse the direction of value of society towards openness and change. However, the Government's policy should at least give people time to spend with their family members, so that they can establish relations and, through these relations, build up mutual support among family members. This is how society should be like.

However, the authorities have always said that economic development is more important than everything, and corporate profits are way above the mental health of the public. Whenever this Council requested the setting of standard working hours, the Government would invariably use jeopardizing corporate interests as an excuse to turn down such requests. I can say, though in a bit exaggerated manner, that the public are spending most of their lives toiling day and night or working late in the evening. In the first place, people are being trapped by their work, and they can hardly build and consolidate family relations. Given the lack of such a key spiritual pillar, how can they have the strength to resist the wild wind and heavy rain outside?

Therefore, as what was proposed by the ADPL earlier on health care reform, the Government should conduct detailed studies on the life style of the public, identify at source and rectify factors in daily life possibly causing chronic hidden illnesses and mental pressure, such as unhealthy eating habits, a lack of proper exercise, unduly long working hours, interpersonal relations, isolated relations with neighbours and relatives, and so on, and then formulate some targeted measures, such as implementing relevant family-friendly initiatives,

legislating on the formulation of standard working hours, establishing neighbourhood networks in the community, as mentioned earlier, in order to enhance the ability of the people against adversity.

Deputy President, the authorities' efforts made in the treatment and rehabilitation of people with mental illness also offer little to write home about. Nominally, community integration is being promoted; but actually, the community support system is severely inadequate and backward. Normally, during the first few months after a patient is discharged, a social worker may still follow up the case. However, all social workers are really exhausted, as each of them is responsible for more than 100 cases. Therefore, talking to a patient for 10-odd minutes over the telephone a month reminding the patient to take medicine is already a luxury. Although people with mental illness require regular follow-up consultations, resources and social workers devoted to psychiatric services are equally tight. It is reported that each doctor can only spend an average of five minutes or so, probably just enough time to say hello or extend greetings, with each patient, not to mention having an in-depth understanding of the conditions of their patients.

In addition, the inadequate liaison between psychiatric units and community social workers have rendered the treatment and follow up received by people with mental illness incoherent and inconsistent. All these are problems which must be faced squarely. The authorities should prescribe the right medicine, including increasing manpower resources for social workers and psychiatric units as well as establishing multi-disciplinary community support groups in order to follow up community cases effectively and re-establish a comprehensive community support system for people recovering from mental illness.

With these remarks, I support the original motion and the various amendments.

MR ALAN LEONG (in Cantonese): Deputy President, I feel a bit numb seeing this motion topic because we have debated the problem of inadequate support for people with mental illness and people recovering from mental illness for numerous times before the Secretary in this Council.

With a total of approximately 155 000 people with mental illness in Hong Kong, there are only 288 psychiatric doctors. Upon calculation, we find that one

doctor has to attend to 536 patients, with each consultation lasting only five to six minutes. The manpower of psychiatric community nurses is also severely inadequate, with each nurse following up approximately 70 patients per annum. Over the past four years, the cumulated number of patients has increased by approximately 30 000, and yet the number of hospital beds was substantially reduced by 500 last year, with admissions falling by 1 000 during the same period. Why was it that there were more patients but fewer beds and admissions were also reduced miraculously? Was it the case that patients were kicked back to the community quickly?

Deputy President, outside this Council, we read from the newspapers tragedies involving people with mental illness almost every month. Just now, Honourable colleagues also mentioned quite a lot of such tragedies. Therefore, journalists would interview psychiatric doctors such as Dr TSANG Fan-kwong and Dr LEE Sing. And then, the two doctors would explain relentlessly and tender their well-intentioned advice patiently and earnestly that the major problems were: First, the waiting period for follow-up consultations, usually lasting three to four months, was too long; second, the waiting period for first consultations is not short, with about a year for adults and up to three years for children and adolescents; third, the number of patients taking psychiatric drugs with low side effects was too small. And then, Dr TSANG, Dr LEE, and many community organs would put forth proposals similar to proposals (a) to (l) raised for discussion today in the hope that the Government could implement such proposals "expeditiously", "immediately" or "without delay". But, unfortunately, the newspapers often ended with "their concern about the recurrence of tragedies" and very unfortunately indeed, Deputy President, they would prove to be right.

Deputy President, these tragedies have actually kept repeating. What we know might merely be the tip of the iceberg because, besides what has been reported, there are thousands or tens of thousands of people with mental illness and people recovering from mental illness who have not been given appropriate assistance. In addition, with the lack of support and resources, their family members, front-line health care personnel and social workers are under tremendous pressure. Later in the meeting, the Secretary will probably say, "We are studying this and following up that, or in the progress of planning various things " We have actually had enough of these far-fetched replies by the Secretary. May I ask what has been accomplished by the Working Group on Mental Health Services, led by the Secretary personally, since its establishment in

2006? Apparently, the Secretary previously mentioned that the Working Group had convened several meetings, and so what had been discussed? We are actually in the dark. What follow-up actions have been taken? We have not seen any actions taken.

But what have we seen? The Bureau cannot even grasp the figures of people with mental illness in Hong Kong. It has kept mentioning 155 000 patients, but this figure represents the number of patients seeking treatment at public hospitals only. The Government has failed completely in providing figures of those hidden patients and patients consulting private psychiatric doctors. With the lack of the basic information on the people affected by the policy, we simply do not understand the problem of mental illness in Hong Kong. So, how can a proper mental health policy be formulated?

Deputy President, regarding the inadequacy of the mental health policy, I think I have to quote the words of Dr TSANG Fan-kwong again. Dr TSANG once proposed that a territory-wide mental health survey be conducted for the formulation of a comprehensive set of public policies on mental health. In overseas countries, such surveys have been developed into a set of tools, which take only one to two years to complete. Below I will quote some remarks made by Dr TSANG as reported in a newspaper, "Less than \$300 million has been spent by the Government on drugs for treating mental illness. For the well-being of the whole community, the Government should adopt a bold approach by doubling the resources. At least, the number of psychiatric doctors at public hospitals should be boosted from approximately 200 at present to 500. Should all this be achieved, the system can be considered to 'really work'." I think it is better for the Secretary to read more newspapers or exchange views more frequently with Dr TSANG personally. I believe all Members and all the people of Hong Kong cannot wait to see a mental health system that can "really work".

Deputy President, in addition to the large number of proposals listed in the motion, proposals relating to early detection and treatment, public education, introducing additional evening consultation services, providing additional resources for psychiatric drugs, increasing subvented boarding places and enhancing efficiency will all be supported by the Civic Party with hands and feet. As regards the proposal of encouraging the public and private sectors to recruit people with disabilities, including people recovering from mental illness, Dr Fernando CHEUNG of the Civic Party is vigourously promoting this through The

Forthright Caucus established by him. Of course, we will render our support even more vigourously.

Lastly, Deputy President, what I am more concerned about is the Government's attitude and commitment. Actually, the mental health policy under discussion today is something within the capabilities of the Government. May I call upon the Government not to disappoint Hong Kong people. What is more, I hope the psychiatric support provided at the district level, as mentioned in the policy address, is no longer a distant fantasy.

With these remarks, Deputy President, I support the original motion and the amendments.

MS LI FUNG-YING (in Cantonese): Deputy President, the quick tempo of city life and enormous work pressure are two major causes of mood disorders, and even mental illness. In Hong Kong, the demand for psychiatric services has continued to rise. In last year alone, attendances at the psychiatric units of public hospitals exceeded 640 000, more than 25% higher than attendances recorded in 2001, and the number of patients in psychiatric units also rose to 154 000. In addition to the substantial increase in the number of patients, another severe problem facing us is the growing number of young people suffering from mental illness. In 2007, the number of children and young people seeking treatment for psychiatric problems rose sharply by 40% to 10 400 over 2002. If we pay attention to newspaper reports every day, we will often see the occurrence of incidents involving people with mental illness, as well as tragedies involving self-inflicted injuries, suicides, killings and assaults. This reflects that the present policy of allowing people with mental illness to return to the community is highly problematic.

As we all know, mental illness is different from ordinary illnesses, as patients with mental illness cannot merely take medicine or receive hospital treatment, it is equally important to figure out ways to help them return to the community after recovery and ensure the stability of their mental health.

The Government's determination in enhancing the community psychiatric services in recent years should originally be commended. Unfortunately, the community psychiatric services currently provided are still far from adequate. Undoubtedly, it is utterly inadequate for having a mere 139 community

psychiatric nurses facing more than 100 000 people with mental illness. What is more, costs are even taken into consideration in prescribing medicine. Obviously, the side effects of taking medicine prescribed by public hospitals are much greater than those prescribed by private doctors. The serious inadequacy of resources has caused great disturbance to people with mental illness, their families, and even local communities.

I propose that a comprehensive rehabilitation policy be formulated for all people with mental illness to, on the one hand, enhance resources to be injected, so that people recovering from mental illness can gain more support and, on the other hand, review the mode of support to combine the modular support previously provided into integrated support services, so that people with mental illness can receive more practical support in leading a social life and taking up employment, thereby further reducing their chances of relapse in the course of re-entering the community.

Deputy President, a line in an American television drama read "crazy people make even sane people act crazy". This is not at all exaggerated. For psychiatric patients with such conditions as propensity to violence, suicidal tendency or depression, their family members are often subject to an enormous psychological burden, for fear that the former might commit such acts as suicides, injuring others or other abnormal acts one day. They are worried that the bombs besides them might explode at any time. Take psychiatric patients with suicidal tendency as an example. Their family members, who are in a constant state of fear every day, will do their utmost to keep close to them for fear that accidents might occur once they are out of sight. As a result, the family members of patients are in a constant state of mental stress. In 2007, 260-odd people committed suicide within one year after receiving treatment, which means that one people committed suicide almost every two days. Therefore, the Government should absolutely not overlook the psychological pressure felt by the family members of the patients. While enhancing community psychiatric services, the Government should also consider adopting relevant measures to give family members support.

Deputy President, the Chief Executive mentioned in the policy address the establishment of a "Happy Family Info Hub", under which a team comprising professionals such as doctors, clinical psychologists, social workers and teachers will be set up for the promotion of an e-platform for family services and a resource centre. I suggest that the "Happy Family Info Hub" extend its services

to cover the family members of people with mental illness and launch targeted support measures to alleviate pressure on families looking after people with mental illness. This is equally important to people with mental illness, family members who are responsible for looking after them, as well as local communities. Otherwise, the family members of the patients might constitute another social problem due to excessive pressure.

Lastly, I would like to point out that at present, there is still great misunderstanding or ignorance of people with mental illness among many people. As a result, quite a large number of patients have failed to receive treatment, thereby missing the golden opportunities for treatment, during the early stage of their illness, due to the failure of their family members to detect their illness. Therefore, I hope that the Government can, while giving support to people with mental illness, review its effort in educating the general public on mental illness in order to eliminate public discrimination against people with mental illness and enhance the public's awareness of mental illness for early prevention of the illness. Thank you, Deputy President.

MR IP WAI-MING (in Cantonese): Deputy President, mental illness has become an increasingly serious urban illness in Hong Kong. The causes of mental illness are many, including the pressure of living and work. According to the 2005-2006 edition of the "Hong Kong Population Health Profile Series", mental and behavioural disorders accounted for over 24 000 in-patient discharges and deaths in Hospital Authority (HA) hospitals in 2004. These disorders also accounted for 1 750 registered deaths in the same year. Although this figure represents less than 5% of the total, society as a whole should not overlook the problem of mental illness because this problem is worsening. This is not to mention the fact that all along, there have been no confirmed figures on the hidden cases of mental illness in local communities.

Deputy President, in his motion, Dr PAN Pey-chyou proposes 12 measures to support people with mental illness and people recovering from mental illness. Among them, I wish to focus on the issues of hostel places and employment for people recovering from mental illness. First, on hostels, at present, the overall government policy is to encourage people recovering from mental illness to integrate into local communities and give play to the spirit of community care and mutual help, whereas the number of beds provided by the HA for people with mental illness has been on the decrease over the years. At the same time,

although the Social Welfare Department (SWD) has all along been providing various kinds of residential care services to people recovering from mental illness, including long stay care homes, halfway houses, supported hostels and self-financing hostels, in most cases, demand has outstripped supply. Regarding this year's Budget, the FTU has proposed that the Government increases the number of places to ameliorate the problem of excessively long waiting time. Apart from the FTU, the Hong Kong Council of Social Service (HKCSS) also made a similar proposal to the Government but it was not accepted. According to the information of the SWD and the HKCSS, the waiting time for certain types of places is as long as 11 years. For this reason, I hope the Government can take this problem seriously. After people with mental illness have been discharged from hospital and before they move into residential care homes, it is very likely that they would remain in local communities. However, since they cannot receive appropriate care, this will lead to more problems.

In fact, not only can increasing the number of hostel places solve the problem of long waiting time, it can also enable people with mental illness to receive more proper care, so that they can make an early recovery and reduce the unnecessary impact on local communities. In addition, increasing the number of hostels can also create more employment opportunities and this is quite helpful to the employment of elementary workers. This will also tie in with the Government's policy objective of creating more employment opportunities. However, we must note that no matter if the number of hostel places is increased or not, the Government has to step up its supervision of self-financing hostels. In recent years, the mass media frequently reported various kinds of irregularities found in hostels. In fact, the supervision of hostels by the Government is inadequate at present. What are the outcomes of the annual inspections on residential care homes for the elderly? How many complaints cases involving hostels has the Government received? How did it follow up the complaints? Moreover, can the Government provide the figures in this regard, including those concerning the intake of people with mental illness by halfway houses?

Regarding employment for people recovering from mental illness, the Government must take the lead in society by giving priority to increasing the quota for hiring people who have recovered from mental illness. In fact, apart from various government departments, all public organizations should also hire more people who have recovered from mental illness. Only in this way can they truly tie in with the Government's policy of integration. On the implementation of schemes for the recruitment of people recovering from mental illness by the

Government and public organizations, the Government can also consider increasing by stages the quotas set by government departments and public organizations for hiring people recovering from mental illness. The Government should also actively consider encouraging the business sector to hire people recovering from mental illness. The specific measures can range from commendations for corporate social responsibility to tax concessions.

Deputy President, there is increasing concern in society about mental illness. At the same time, we also know that the number of people with mental illness is on the increase. The whole society is fraught with potential crises and hidden dangers. The Government must identify the problem at an early date, carry out proper planning to avoid the recurrence of avoidable tragedies. Deputy President, with these remarks, I support the motion moved by my colleague, Dr PAN Pey-chyou.

MR WONG KWOK-KIN (in Cantonese): Deputy President, information provided by the Hospital Authority has shown that the number of people with mental illness was already close to 150 000 in 2008-2009, not including hidden patients not yet recorded. This shows that the number of people with mental illness will continue to rise. It is very easy for us to come into contact with incidents caused by mental illness in the community. For instance, sometime ago, a man with mental illness record hacked a three-year-old boy to death in Sham Shui Po, thus shattering an otherwise happy family. In another incident in Chai Wan, a mother and son, who were both suffering from mental illness, had a quarrel and the mother was subsequently killed by her son. Although these cases are only the tip of the iceberg, they have already aptly reflected the serious inadequacy of support measures currently provided to people with mental illness and people recovering from mental illness, which has led to the frequent occurrence of tragedies. Today's motion does serve as a reminder to all of us to face squarely the relevant problems. Moreover, it is worthwhile for us to pay attention to how the Government will take follow-ups and conduct review, and take practical steps to enhance support and help for people recovering from mental illness to re-enter society.

In the past, people with mental illness were in a relatively closed state and detached from the mainstream society. Nevertheless, with changes in times, there is a growing number of people in need of psychological treatment and, coupled with media reports, people with mental illness and people recovering

from mental illness are given more attention gradually. In recent years, the Government has been encouraging people recovering from mental illness to integrate into the community. Insofar as establishing a harmonious society and protecting the rights of people recovering from mental illness are concerned, this appears to be a good beginning. But how far has actually been achieved? Has the Government provided appropriate assistance so that the community is well prepared to accept this disadvantaged group which has been marginalized?

(THE PRESIDENT resumed the Chair)

Discrimination and rejection still exist because of the inadequacy of public education. Whenever mental illness is mentioned, what will come to your mind? Members should still remember an incident involving a man with mental illness injuring schoolchildren in a kindergarten in the 1980s. I still remember vividly the building was situated on Yuen Chau Street, and the incident took place on the lower floor of my building, as I was living on the upper floor of the same building at that time. Therefore, the general public are prone to associate mental illness with violence. To date, it seems that this has not changed a lot. The extensive reports and exaggerations made by the media, with their large-print captions such as "a mentally-ill man hacked a three-year-old child to death", "a mentally-ill man hacked a woman living next door to death", "how a mentally-ill patient jumped onto a track", were often not targeted at the incidents, but the mental state of the perpetrators or persons who inflicted injuries on themselves. As a result, the expression "mental illness" is readily labelled as an extremely negative image associated with violence, danger and a non-curable disease, and such an image has been indelibly imprinted on the minds of many people.

Some members of the public have treated people with mental illness with discrimination, dislike and misunderstanding. Let us imagine what will be their first reaction when some people know that a person is mentally ill and they suddenly see their own children approaching that person. I believe they will either shout at their children to stop them or carry their children away. Such reactions might be normal. Some people may even be reluctant to have any verbal communication with people recovering from mental illness, not to mention allowing people recovering from mental illness to integrate into their lives or addressing the employment problem faced by these people. If an employer

knows that a job-seeker has a history of mental illness, I believe the job-seeker can hardly get employed. Under such a discriminatory environment, how can people recovering from mental illness establish a normal social network with other people? As a result, they will be marginalized by society all the time. It is even more unfortunate that the illness of a person recovering from mental illness may worsen easily, should they face long rejection and isolation because of a lack of support, or they even become hidden patients with mental illness.

Actually, people with mental illness and people recovering from mental illness are mostly withdrawn and lack of self-confidence, and in need of support, care and acceptance by the general public. Therefore, the Government is required and obliged to, not only appeal to public inclusiveness, take further steps to allocate additional resources, complemented by practical actions, such as actively promoting public education and conducting publicity, as well as supporting joint co-operation among community groups and organizations, to encourage the public to increase contacts with people recovering from mental illness, so that they can truly understand that mental illness is not a frightening incurable disease. Only through removing misunderstanding completely can the target of living in harmony be achieved.

Government support for people with mental illness and people recovering from mental illness is inadequate. Their caregivers (including family members) experience the same as well. It is most unfortunate that the caregivers might, on the contrary, become mentally ill in the end. A survey conducted by the Alliance for Advocating Mental Health Policies in 2007 showed that nearly 70% of the 113 respondents with mental illness had shown symptoms of varying degrees of depression, with more than 30% of them even showing symptoms of serious depression, which would greatly raise their chances of suffering from mental or psychological problems. I hope the Government can pay more attention to and address these problems.

With these remarks, President, I support the motion proposed by my colleague, Dr PAN Pey-chyou.

MR PAUL CHAN (in Cantonese): President, today, we are having a debate on Dr PAN Pey-chyou's motion and the amendments put forward by other Members. I notice that there are some reports in the morning papers today on the creation of

the Case Manager Grade by the Hospital Authority (HA). It is reported that the grade will be created in the three districts with greater numbers of mental patients. After a trial of one year, a review will be conducted, and if the result is satisfactory, the new case management practice will be extended to the whole of Hong Kong three years later. The HA's pilot scheme can be described as belated support, but it has still taken a right step anyway.

Several meetings were held by the Legislative Council Panel on Welfare Services to discuss the support for mental patients and ex-mental patients. It even held a joint meeting with the Panel on Welfare Services, during which relevant organizations were invited to send deputations to offer their views. At the joint meeting, many deputations put forward their precious advice and constructive recommendations, including the creation of the Case Manager Grade I have just referred to. I understand that the Government did reply to the advice and recommendations of the deputations, but it is a pity that some of its replies failed to address the core issues and offer appropriate community support for mental patients and ex-mental patients.

In regard to resources, for example, some deputations pointed out that Hong Kong's public expenditure on mental health services only accounted for 0.2% of its Gross Domestic Product (GDP), lagging far behind the 1% in other developed countries. Admittedly, the annual government expenditure on mental health services amounts to a total of \$3.2 billion, and last year, the Government also allocated an additional funding of \$250 million to the HA and another \$86.3 million to the Social Welfare Department (SWD). However, the SWD spent only several dozen million dollars on the provision of community support, which was seriously divorced from the actual needs.

Some other deputations also pointed out the acute shortage of psychiatric services of the HA, as mentioned by some Members just now. They said that there were more than 150 000 mental patients in Hong Kong, but there were only 300 psychiatrists, meaning that one psychiatrist must deal with 300 patients. As a result, they said, a psychiatrist could only have very limited time for getting to know the condition of his patients and carrying out diagnoses. Additional resources have since been allocated, but relative to the number of patients, such increased resources are just a drop in the bucket.

President, there are only 197 psychiatric social workers in Hong Kong. Each social worker is allocated roughly 78 cases for handling, with the result that only 15 000 cases can be handled at any one time. This is just 10% of the

150 000 mental illness cases. How can such a level of manpower cope with the heavy workload? And, we must not forget that the demand may keep increasing.

The Government claims that the HA has recruited more psychiatrists in recent years to strengthen the support for the provision of mental health services. But having read the latest annual report of the HA, I cannot see any substantial government funding for the training and recruitment of psychiatric health care professionals, rehabilitation personnel and paramedics, such as doctors, social workers, nurses, occupational therapists, clinical psychologists and physiotherapists.

Unless the HA can disclose the relevant information through other easily accessible and transparent channels, I will think that Dr LEUNG Ka-lau's amendment, which criticizes the present funding mechanism for lacking in any transparency, is well justified. As for Dr LEUNG's suggestion on establishing an independent funding mechanism similar to those in other countries, I am of the view that the Government should first conduct some studies and consult the stakeholders before deciding whether the proposal is appropriate and feasible. It should not turn down the proposal at this stage before conducting any studies.

President, I so submit.

MR WONG KWOK-HING (in Cantonese): President, in the 1980s, there was a highly controversial film called "The Lunatics" which is still full of realism even nowadays. This film is about the attitude of society towards people with mental illness in those years and the difficulties encountered by social workers in handling these cases. This film is still a classic nowadays because it reflects a social reality that still rings true even nowadays. In fact, in recent years, due to the fact that the rehabilitation policy in Hong Kong is mainly community-based or district-based but the resources allocated cannot meet such a need, it is very likely for some patients or ex-patients not to receive the care that they should get. In some districts, such as Tin Shui Wai, Tuen Mun and Sham Shui Po, due to the inadequate support for them, serious incidents have happened repeatedly. For this reason, in proposing this motion today, on the one hand, my colleague, Dr PAN, is offering his professional advice; on the other, he also hopes that society can attach greater importance to these problems to prevent their continuous deterioration.

President, there is no doubt that Hong Kong people are having a busy work schedule, facing great pressure and leading a stressful life. Coupled with the fact that in recent years, our society has experienced many ups and downs, all these factors make it even easier for grass-roots members of the public to suffer from anxiety. If they are not tough enough, it is very easy to slip and fall amidst these adversities in life. In the face of various kinds of pressure, the importance attached by society to mental health is lagging far behind the need. According to a survey of the Census and Statistics Department in 2009, the number of attendances at HA's psychiatric specialist out-patient clinics in 2008 was as high as 643 000, an increase of 27% compared with 504 000 in 2001. Earlier on, the Mental Health Association of Hong Kong also pointed out that so far, the number of patients handled by the specialist out-patient clinics of public hospitals had almost reached 150 000. However, at the same time, the number of psychiatrists in Hong Kong stood at only 288. These 288 doctors have to provide treatment to 150 000 patients and on average, each doctor has to take care of 520.8 patients. In terms of the need for psychiatric treatment, particularly illnesses that have to be diagnosed by making observations, this is utterly absurd. For this reason, if the Government does not strive to solve the problems relating to supporting services by providing more resources for diagnosis and treatment, President, I think the party that really has mental illness is not the patients, rather, it is Hong Kong society that has become "The Lunatic Society".

President, if any criticism has to be levelled at the problems of the existing rehabilitation policy, the biggest, worst and most outrageous of them all is the total lack of co-operation between the health care department and the social welfare department. Fortunately, today, both Secretary CHEUNG and our Under Secretary, that is, the persons in charge of the two Policy Bureaux, are both here. Precisely due to the lack of co-operation and co-ordination, patients and people who have recovered may find themselves stuck between these two Policy Bureaux and not getting the support that they deserve. In the end, perhaps due to the lack of attention, when incidents happened, the responsibility would be shifted from one department to another. This situation is just like the one that I encountered when applying for the disability allowance for a person with disabilities. The responsibility was shifted to doctors. But no arrangement was made by the doctor to have social workers to follow up the case. This is how the problems relating to the entire rehabilitation policy are like. In view of this, to resolve the blind spot in the entire policy, it is necessary to have cross-departmental co-operation between the health care and social welfare

departments. Be it management by case managers or by the two departments, I think there should be regular joint discussions. In this way, patients would not be split into two parts and when patients encounter problems, they do not have to approach one department after another. In fact, if social workers are available to help these people with mental illness and their family members cope with the problems they face and seek appropriate services by taking proper follow-up action and spending more time on communication with patients, many past tragedies could have been avoided.

President, since the authorities' rehabilitation policy is community-based, efforts in the provision of community support services should be stepped up. Otherwise, it would not be possible to achieve the integration of people recovering from mental illness into local communities. Quite the reverse, one bomb after another may be planted in local communities. In fact, at present, it is not the case that no service is provided by the authorities to local communities. For example, in recent years, the authorities decided to establish an integrated mental health centre in Tin Shui Wai to solve the problems in this district and it is also hoped that this measure would be introduced into all the 18 districts. In fact, the authorities are well aware that the establishment of this centre is a very effective measure. However, why can this not be done in the 18 districts as soon as possible? I wish to listen to the authorities' explanation. Separately, take the Community Mental Health Care provided by the Social Welfare Department as an example. This service seeks to help people recovering from mental illness who have just been discharged from hospitals receive continuous support and make adjustments by means of outreaching services and various kinds of support, so as to assist them to integrate into local communities. All these services are desirable but in 2007-2008, only 928 discharged patients benefited from this service and the period of service provision lasted only one year. Is this period of service provision actually too short? If no corresponding follow-up action is taken, sooner or later, those in need of help in integrating into local communities will experience problems. For this reason, I believe that it is necessary for the Government to respond to the problem of resources and step up its efforts.

Lastly, as there are only seconds to go before my speaking time runs out, I wish to take this opportunity of Secretary CHEUNG's presence to make an appeal to the Government. Concerning the problem of employment among people recovering from mental illness, the Government should take the lead in helping them. Can the Government take the lead in increasing the number of people it

recruits and create more employment opportunities in a larger number of areas for them?

Thank you, President.

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

MR LEUNG KWOK-HUNG (in Cantonese): President, on behalf of the League of Social Democrats, I will comment on the health care and social welfare policies of the authorities as well as the diagnosis, treatment, prevention and rehabilitation of people with mental illness.

In fact, I believe that Members of the Legislative Council would not be unfamiliar with people with mental illness because Legislative Council Members are close to the masses and among the cases that we deal with, a certain proportion of them involves people with mental illness or mental problems and even people suffering from depression. I myself have actually handled quite a number of such cases. In fact, each day, these people also send me some SMS to say hi or tell me what is in their hearts. Certainly, I do not have the professional knowledge to handle these problems but I also feel a great deal of unease about their helpless situation, as though I saw a sinking ship going down slowly a mile away but were unable to help them.

I remember that a lady once called me to say that her husband wanted to kill her and I asked her why. She replied that her husband said she was too annoying. I know that she has mental illness and has to seek consultation over a long period of time but I do not know if her husband is also someone with mental illness. I know that she lives together with her husband in public rental housing. One can imagine that if her husband accused her of being too annoying and wanted to kill her, a tragedy that we may see in the future may be in the making and one day, her words may turn into reality.

In fact, this is just like our observation of a person. When we observe a person, we will see what attitude he takes in dealing with the vulnerable, the young, the elderly or other people weaker than him and this tells us about the character of that person. Our assessment of a government or society is also done

in more or less the same way. We only have to look at what attitude society or a government takes in treating the vulnerable to see how it is like.

Many Honourable colleagues have already pointed out here that a large number of data have shown that insofar as the various problems with the provision of services for people with mental illness are concerned, it all boils down to the issue of resource allocation. Among advanced regions, the amount of resources used by the authorities to cope with mental illness to the proportion of GDP cannot be lower. Compared with regions with similar GDPs, the expenditure allocated to health care is also as low as it can be. This is where the crucial problem lies. This reflects the attitude of the authorities to the vulnerable, the disabled or the sick. I think that if the Government does not cope with the problems relating to medical, health care and welfare expenditures and let the situation always lag behind that of advanced countries or regions, this will surely turn the legislature into a talk shop. I know that our tax regime is known for its low taxes among regions with similar GDPs, but I also know that our wealth disparity also ranks the first in the world and that compared with regions with similar GDPs, our situation is also the worst.

Today, from the first motion to this motion, what we have been doing is just to discuss this issue. What is the even worse thing in Hong Kong? It is the authorities' involvement in improper pursuits at the expense of the main purpose or objective, not seeking to take from people with excess to give to those not having enough. The authorities do not adopt universal values; rather, they adopt measures requiring a great deal of resources as introduced by other advanced countries, following their examples. It is just a bad imitation of other people, causing even greater damage among us.

I have served as a Legislative Council Member for five years and found that we have proposed many reforms. When preparing documents, a lot of concepts are proposed and the proposed policies look as though they are on a par with advanced regions overseas. However, given the abundant resources in Hong Kong, what sort of situation will this give rise to? First, people providing service have to work till they drop because the policies come from many departments and everyone wants to project a good image; second, any reform will be carried out at the expense of basic services. In view of this, in saying so much, I only want to make one point, that is, this is like a millionaire who eats inordinately but ignores those destitute people who are in rags, or he buys them

each a piece of new clothes but tells them to forego a meal on account of this. Therefore, I hope Members will understand this and where the core of the problem lies.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Dr PAN Pey-chyou, you may now speak on the three amendments. You may speak for up to five minutes.

DR PAN PEY-CHYOU (in Cantonese): President, I am grateful to the three Honourable colleagues for proposing their respective amendments. When I was preparing my speech, I still received valuable views continuously from various groups and individuals. Here, I wish to take this opportunity to thank the Honourable colleagues who proposed their amendments and the more than a dozen Members who gave their speeches.

First, I wish to express my views on the amendments proposed by the three Members respectively.

Mr WONG Sing-chi proposes that a clear administration structure be put in place to implement the policy on mental health and I agree very much with this. However, on his proposal that a mental health council comprising members from various sectors be established, I cannot subscribe completely to it. What is the relationship between this council and the Hospital Authority (HA) which is the major provider of public psychiatric services and also a statutory organization? If we establish another statutory organization for mental health, is it also necessary to establish statutory organizations for the purpose of co-ordination for each of the more complex social problems? Do we consider that the Government should abandon the principle of a small government? All these problems are very complicated and we should consider them carefully. I propose that we should follow the existing mechanism and develop the three-tier structure suggested by me. A statutory organization should be established only when the result is not good.

Mr WONG Sing-chi also proposes the establishment of a central database of people with mental illness, so that professionals can understand the conditions of patients. In fact, data sharing can really help workers follow up patients' conditions and assist patients. At present, the patients' Electronic Health Record kept internally by the HA for providing clinical care also enables health care workers in the HA to understand patients' conditions. However, in handling this problem, we should also respect the patients' privacy. The data on many people suffering from mental illness are highly confidential and sensitive. Regarding patients with milder mental illness, there is really no need to allow workers in various departments access to the personal data of these patients. For this reason, the establishment of a central database requires further cautious study.

Mr WONG considers the provision of support to the family members of patients very important and I agree with this point very much. People with mental illness and those recovering from mental illness often impose a heavy burden on their family members. Just now, some Honourable colleagues also pointed out that like other patients, they also badly needed help and support. As regards establishing an indicator for hiring people recovering from mental illness, formulating a recruitment policy on and procedures for these people and strengthening training, I agree very much with these measures.

Dr Joseph LEE proposes that the Extending Care Patients Intensive Treatment, Early Diversion and Rehabilitation Stepping Stone programme be fully developed in various clusters and training for family members of people recovering from mental illness who will soon be discharged be stepped up. All these measures will facilitate the smooth return of people with mental illness to local communities, so they are very worthy of our support.

Dr LEUNG Ka-lau mentioned in particular the establishment of an independent funding mechanism for psychiatry and I agree very much with this point. I also appreciate very much the examination of this problem by Mr Paul CHAN from the viewpoint of the accountancy profession. I also agree very much with the suggestion that funds for the development of mental health care services should be protected as dedicated funds for specific purposes. Moreover, since most medical insurance policies do not provide coverage for mental illness, this situation has been criticized by the public for a long time. Dr LEUNG proposes that medical insurance policies should provide coverage for mental illness and this is really a nail on the head. As regards the establishment of a research fund, I think this will surely help promote scientific research in

psychiatry. In fact, of all medical specialties, psychiatric research is of quite a high complexity because it is difficult to measure mental activities with equipment. In recent years, with the promotion by the Hong Kong College of Psychiatrist and the two universities, psychiatric research is flourishing and the establishment of a fund will help channel the efforts.

In addition, I also received representations proposing that Hong Kong should follow the example of some Western countries in introducing Community Treatment Order. Concerning this subject, I think there are in fact many considerations. I think that although at present, the system of Guardianship Order and conditional discharge from hospital is in place, Community Treatment Orders will also yield some other benefits. I think the Government should actively study the introduction of this system to tie in with the major trend of providing community mental health services.

Lastly, I also gathered the view that often, work pressure is one of the major causes of personal psychiatric problems and it is proposed that the Government actively promotes mental health at the workplace (*The buzzer sounded*) I so submit.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, first of all, I wish to thank Members for putting forward their valuable advice on the motion. I shall now give a comprehensive reply to the major issues mentioned by Members.

To begin with, I wish to reiterate that the Government attaches very great importance to the provision of appropriate services to mental patients, especially those with more severe conditions. Like members of the public, I find the several recent tragedies very regrettable and saddening. Precisely for this reason, it has been our policy to make appropriate adjustments in accordance with the needs of society to the resources we devote to the provision of mental health services. And, as a matter of fact, over the past few years, the Government has been spending roughly \$3 billion on mental health services every year. In 2008-2009, the expenditure was even increased to \$3.6 billion. Since our total expenditure on health care services accounts only for around 5% of our Gross National Product (GNP), we are actually more efficient in this regard when compared with other countries or places. Also because of this reason, the proportion of our expenditure on mental health services in our GNP will appear a

bit inadequate. But in fact, the proportion of the expenditure on mental health services in the total expenditure of the Hospital Authority (HA) does not compare any less favourably with the corresponding rates in other countries.

In this debate, many Members expressed concern about the incidents involving mental patients and the arrangements and support for discharged mental patients. The Government can appreciate their concern. As a matter of fact, mental illness is no different from other diseases, in the sense that the treatment process will be affected by various factors such as the patient's conditions and circumstances of life. Even though adequate follow-up treatment and support services are available to mental patients living in the community, the conditions of individual patients may still vary due to the effects of various factors such as employment, community life and relationship with family members. But I must point out that in most cases, mental patients do not have any disposition to violence, and only very few of them are involved in any serious cases of violence. The staff of the HA, the Social Welfare Department (SWD) and the service units concerned will all continue to discharge their duties of providing mental patients with appropriate assistance.

The HA has been following established procedures for discharging patients. Risk assessments are conducted by multi-disciplinary health care teams prior to discharging all patients, so as to assess whether they are suitable for discharge, and to form the basis of arranging appropriate follow-up services that can suit their treatment and rehabilitation needs in the community. Health care personnel will assess the extent of patients' recovery, their propensity to hurt themselves or others, and their compliance in drug taking as well as attending follow-up consultations. Family members of patients will also be consulted, with a view to assessing whether they are suitable for receiving treatment in the community.

As for community support services, as I mentioned at the beginning of this motion debate, the enhancement of community psychiatric nursing services is one of the major directions of our service development. In recent years, we have been providing the HA with additional recurrent funding for launching a number of new programmes to enhance community support for mental patients. For example, in 2001, the EXITERS Programme — as mentioned by several Members earlier — was launched to provide long-time in-patients with intensive rehabilitation training to assist them in securing early discharge. In 2008-2009, a pilot programme was launched in the Kowloon West and New Territories East

Hospital Clusters, under which frequently readmitted mental patients are provided with community support. And, the rehabilitation support programme was implemented in 2009-2010 in all hospital clusters. The HA also twice enhanced the psychogeriatric outreaching service in 2008-2009 and 2009-2010, extending the scope of service to totally 100 privately-run elderly homes and providing an extra service quota of 20 000.

All along, all clinical decisions on the treatment and nursing of patients, including those relating to environments and procedures of treatment as well as nursing programmes, have been made by health care personnel possessing the required professional expertise. We will never seek to influence the professional and independent judgments of health care personnel for reasons of any policy or management considerations.

Therefore, as I mentioned in my initial reply, we will pilot a case management programme in some districts in 2010-2011 to provide focused support for mental patients with severe conditions. Under this programme, case managers will seek to establish long-term and close service relationship with patients and their family members. In this way, they can gain an in-depth understanding of patients' needs, so as to enhance the effectiveness of the arrangements to provide them with the services they require, and provide continuous and customized support at the community level. Depending on the effectiveness of this new mode of service delivery and manpower deployment, the HA intends to extend the programme to all districts in Hong Kong three years afterwards. It is estimated that the number of patients benefiting from this programme will increase from 5 000 in 2010-2011 to 16 000 in 2012-2013.

Dr Joseph LEE advises us to extend the EXITERS Programme to all hospital clusters. This Programme is currently implemented in the hospital clusters of Hong Kong East, Kowloon West and New Territories West. It already covers most psychiatric patients hospitalized for more than one year in our public hospitals. We will closely monitor the distribution of long-time mental in-patients in the various hospital clusters, so as to appropriately adjust our services.

Mr WONG Sing-chi recommends the establishment of multi-disciplinary community psychiatric treatment teams to follow up cases through outreaching services. At present, multi-disciplinary community psychiatric teams and psychogeriatric teams are already in place under the HA. Consisting of

psychiatrists, nurses, clinical psychologists, occupational therapists and medical social workers, these teams conduct outreaching visits and provide integrated mental health services. Community psychiatric nurses also conduct visits to follow up cases involving higher-risk patients. We will review the various community support services on a continuous basis and consider enhancing existing services and measures or introducing new ones whenever necessary.

In regard to the drugs used for treatment, President, we have allocated an additional recurrent funding of \$95 million to the HA in recent years for the purpose of prescribing the new generation of psychiatric drugs to those patients in need, including antipsychotic agents, antidepressants, anti-dementia drugs, and so on, so as to reduce the side-effects of drugs on the daily life of patients and to further enhance therapeutic effects. The number of patients taking these new drugs has been on the increase year on year. When compared with the number of patients taking the new generation of psychiatric drugs in 2001-2002, the number recorded in 2008-2009 shows an increase of more than 300%.

The cost of drugs has never been the main consideration of the HA in the prescription of drugs. The prime concerns of doctors in the prescription of psychiatric drugs are patients' clinical conditions and treatment needs, the aims being the achievement of good therapeutic effects and the early recovery of patients. For this reason, health care personnel will conduct thorough and professional assessments of the clinical conditions of all patients and maintain close communications with them, so that they can understand patients' needs and prescribe the drugs appropriate to their clinic conditions.

As for psychiatric specialist out-patient services, we do appreciate patients' concern about waiting time. Under the triage system of these specialist out-patient clinics, the HA will assess the clinical conditions of new patients when fixing appointment dates, with a view to ensuring that patients with urgent conditions can receive treatment within a reasonable period of time. In 2008-2009, more than 96% of those classified as priority 1 (urgent) cases were able to receive treatment within two weeks. Overall, the median waiting time for a first appointment in the HA's psychiatric specialist out-patient clinics was four weeks in 2008-2009. On average, one consultation lasted 45 minutes, not five to 10 minutes as mentioned by some individual Members. On the other hand, in a bid to shorten the waiting time of non-urgent cases, the HA also set up triage clinics at the psychiatric specialist out-patient clinics in five hospital

clusters in 2009 for providing appropriate treatment services to patients classified as routine cases. Besides, in 2010-2011, the HA will promote collaboration between psychiatric specialist out-patient services with the primary health care services, so that patients with milder conditions can be referred to the primary health care services for follow-up, thus ensuring that mental patients with varying degrees of illness can receive appropriate treatment.

In recent years, the HA has been stepping up the development of the ancillary services required by its psychiatric specialist out-patient services, with a view to upgrading service quality and therapeutic effects. For example, the HA introduced nurse clinic services on a pilot basis to provide patients at its psychiatric specialist out-patient clinics with extended nursing care after receiving treatment. The services cover mental health education and medication adjustment. Another example is the Early Emotion Assessment and Intervention Programme under the management of senior occupational therapists. Under this Programme, patients with emotional problems who are waiting for psychiatric specialist out-patient services are provided with cognitive behavioural therapy, and health education, psychotherapy and life restructuring services will be provided to these patients on a group or individual basis, so as to help them resolve their emotional problems and regain a positive life.

In regard to Dr PAN Pey-chyou's suggestion on re-introducing the evening consultation services provided by the HA's psychiatric specialist out-patient clinics, I would like to point out that in 2001, evening consultation services were provided on a pilot basis at Kwai Chung Hospital in the Kowloon West Hospital Cluster. During the period from 2001 to 2005, some 35 000 patients received psychiatric specialist out-patient services in the Kowloon West Hospital Cluster, but only 0.2% of these patients, that is, some 60 to 80 patients, made use of the evening consultation services. After reviewing the effectiveness of the services and in consideration of the fact that patients seeking consultation in the daytime can have access to more comprehensive support services, such as day hospital care and allied health and social services, the HA brought an end to the evening consultation services in 2006. However, in view of the fact that some psychiatric patients need to work in the daytime, the HA has extended the opening hours of its psychiatric specialist out-patient clinics from Monday to Friday, so that patients can receive treatment later in the afternoon. The HA will closely monitor the usage of different services and patients' needs, and make appropriate service adjustments.

With respect to in-patient services, as at 31 March this year, the HA operated a total of 4 000 psychiatric beds for the provision of medical and nursing care to psychiatric patients with hospitalization needs.

In line with the objective of strengthening community nursing services, the HA has launched a number of new measures to enhance community psychiatric services in recent years, so that more psychiatric patients suitable for discharge can receive treatment in the community, thus increasing their chances of recovery and re-integration into society. One example is the EXITERS Programme I mentioned just now, which provides long-time psychiatric in-patients with intensive rehabilitation training to assist them in securing early discharge and re-joining the community. Between 2002-2003 and 2008-2009, this programme successfully assisted 900 long-time psychiatric in-patients in securing discharge and re-joining the community. With the support of various community assistance services, in-patient demand has gradually diminished. In 2008-2009, the occupancy rate of psychiatric beds was 73%. For this reason, the HA has started to phase in the abolition of vacant psychiatric beds in recent years. In 2009-2010, a further 393 long-vacant beds will be abolished.

I wish to emphasize that given the current occupancy rate of psychiatric beds (73%), we do have spare capacity for providing the public with in-patient services. There is no shortage of psychiatric beds. Besides, the reduction of beds does not mean that the Government is trying to lessen its commitment to the provision of mental health services. On the one hand, we will not curtail our services and manpower due to the reduction of beds. The resources previously earmarked for the services concerned will be re-deployed to enhance community psychiatric services. On the other hand, we are going ahead with some improvement projects to upgrade existing psychiatric in-patient services. The relocation of Siu Lam Hospital to Castle Peak Hospital is now underway. And, preparations for the improvement of Kwai Chung Hospital are also in progress.

Dr LEUNG Ka-lau advises the Government to devise a full-coverage medical insurance scheme and encourage mental patients and people recovering from mental illness to take out medical insurance, so as to ensure that they can receive adequate coverage for mental health services. He also stresses that the main responsibility of providing mental health services should be borne by the public sector. As a matter of fact, the health care services provided by the HA are already heavily subsidized by the Government, so the general public should find the fees and charges affordable. The Government has also been operating a

medical fee waiver mechanism for providing needy patients with assistance. Under the existing system, the public are already able to obtain appropriate and quality mental health and rehabilitation services from the HA.

The support of health care personnel is of very great importance to mental health services. With respect to psychiatric professional training, the HA has been co-operating closely with the Hong Kong College of Psychiatrists to enhance the training of psychiatrists. Over the past few years, the HA has been recruiting additional doctors to enable more personnel to receive specialist psychiatric training. In regard to nursing manpower, the HA has been making active efforts to recruit psychiatric nurses from among psychiatric nursing graduates of the universities and psychiatric nurses who resigned in recent years. Training is also provided to existing nurses to turn them into community psychiatric nurses, so as to support the enhancement of community psychiatric services in recent years. Between 2005 and 2009, the HA trained up a total of 90 community psychiatric nurses. At present, totally 111 nurses are receiving training on community psychiatric nursing. In regard to allied health staff, the Institute of Advanced Allied Health Studies under the HA provides a number of psychiatric specialist training programmes which cover inter-departmental psychiatric specialist case management, community mental health services, cognitive behavioural therapy and rehabilitation support services.

In addition, enhancing the support for family medicine and primary health care personnel and enabling them to take part in assessing and treating mental patients are also one of our directions in the development of mental health services. This is also in line with the objective of strengthening primary health care services in our health care reform. This will not only shorten the waiting time for psychiatric specialist out-patient services and provide early relief to patients' illness but will also enable us to utilize our resources in a more effective manner. If family medicine and primary health care personnel can follow up patients with stable and mild conditions, specialist clinics will be able to focus on looking after patients with complex needs.

As for the training of family medicine personnel, all doctors receiving the family medicine training offered by the HA must undergo the systematic psychiatric in-service training required by the College of Physicians. To further enhance the training on family medicine, we have already allocated additional funding to the HA in 2009-2010 for the purpose of upgrading the professional

skills of family medicine personnel in treating various chronic diseases, including, of course, various mental diseases such as anxiety disorders and depression. What is more, in 2010-2011, the HA will promote the collaboration between psychiatric specialist out-patient services and primary health care services to enhance the assessment for and treatment of common mental disorders. This measure will further promote the communications between specialists and primary health care personnel. With the support of specialists, primary health care personnel can benefit from actual clinical nursing experience and gain a deeper understanding of how to deal with various mental health problems.

In recent years, in order to meet service demand, the HA has been recruiting additional psychiatric personnel to enhance the support for various mental health services. On the basis of the manpower situation and the needs of new service programmes, the HA will continue to draw up plans on mental health personnel on a regular basis and make appropriate arrangements to meet the training needs of health care personnel.

The motion proposes to reinforce the collaboration between community medical and rehabilitation services. We support this idea. Promoting medical and social integration is an important segment of our mental health policy. Both at the levels of service planning and service delivery, Policy Bureaux, departments and various service organizations with the two service portfolios, have been maintaining close communications and co-operation. In respect of service planning, since mental health services involve both health care and rehabilitation services, the Food and Health Bureau and the Labour and Welfare Bureau have been maintaining close co-operation with respect to the direction of service development. And, the headquarters of the HA and the SWD have also been holding discussions on the co-ordination of service strategies through various established channels. In respect of service delivery, with a view to meeting the various needs of patients in their daily life, front-line health care personnel also maintain close contacts with the SWD and non-government organizations on the nursing care and support required by service users, so as to co-ordinate their efforts of providing patients with the services they need.

At present, the HA and the welfare sector are jointly operating several community-based mental health projects, such as the Early Assessment Service

for Young People with Psychosis, the Child and Adolescent Mental Health Community Support Project and the Community Mental Health Intervention Project. Under all these projects, welfare organizations will assist in identifying persons with mental health problems for referral to the HA. Besides, health care personnel and social workers will continue to provide psychiatric patients with care services at various stages of their recovery, both before and after their discharge from hospital, so as to ensure that the treatment, rehabilitation, as well as welfare and other living needs of patients can be adequately catered for.

The case management pilot programme we plan to introduce in 2010-2011 will further enhance medical and social integration on the existing basis. Under this programme, the number of case managers serving patients will be 80, rather than 28. Through the Integrated Community Centres for Mental Wellness set up by the SWD in the various districts, case managers providing assistance to mental patients with severe conditions can establish connections with service-providers in the welfare sector and make arrangements for providing patients in need with one-stop community rehabilitation services, such as access to welfare services, accommodation, day training, vocational rehabilitation and social services. With Integrated Community Centres for Mental Wellness as one-stop contact points, case managers will no longer need to approach various service units separately on different service areas. This will make it easier to enable them to access the various services for patients and render patients more effective support.

As for Mr WONG Sing-chi's suggestion on establishing a mental health council to harmonize and coordinate psychiatric rehabilitation services, and collect the views on the policy on mental health, I would like to point out that there is already a cross-bureau and cross-department mechanism, namely, the Working Group on Mental Health Services chaired personally by the Secretary for Food and Health. With the Food and Health Bureau playing the role of co-ordinating the formulation of mental health policies and measures, this mechanism can effectively ensure the policy consistency and the co-ordination and integrated planning of mental health services. Moreover, members of the Working Group on Mental Health Services are stakeholders from the health care, welfare and other relevant sectors who possess experience in mental health services. The Government will from time to time make reference to their views for the purpose of adjusting existing services or formulating new measures. The various new initiatives to be launched in 2010-2011 were formulated on the basis of the advice of the Working Group. In addition, I also wish to respond in particular to Dr PAN's point on the mental health services required by different

age groups. There are three expert subgroups under the Working Group on Mental Health Services. They are respectively responsible for studying and giving advice on the service needs of young people, adults and the elderly. As far as I can remember, Dr PAN is also a member of the elderly subgroup. The Food and Welfare Bureau will continue to enhance its co-ordinating role in mental health services and liaise closely with different government departments. It will also continue to step up its communications with all relevant organizations, so as to formulate appropriate policies and measures.

Dr LEUNG Ka-lau suggests and other Members echo that we should encourage and step up studies on mental health. I agree very much with them. Early this year, the Food and Welfare Bureau also invited relevant professional bodies and academic institutions to submit their research proposals on mental health. The Food and Health Bureau is also considering the idea of allocating funding for such research projects, in the hope that some concrete data on the mental health condition and service needs in Hong Kong can be made available and the planning for developing mental health services can be formulated more effectively. Approved research projects are expected to commence in early 2010.

Mr WONG Sing-chi proposes the Government to set up a database of people with mental illness. In this connection, I would like to mention that the current Clinical Management System of the HA already contains the treatment data of patients, including their conditions and treatment progress. Relevant health care personnel can have access to such data for the purpose of drawing up treatment plans. In past meetings of the Legislative Council, Members requested us to collect the data of mental patients who committed acts of violence after discharge from hospital. Since such data can help us examine the overall conditions of discharged patients, we are currently working actively with the HA and the police to explore the feasibility of collecting the data. We have consulted the Office of the Privacy Commissioner for Personal Data on this matter. In the course of collecting the relevant data, we will carefully consider the impacts on patients' privacy and ensure that there is an adequate legal basis.

The Government has been striving to promote mental health services and the related work. In respect of community support, treatment services, manpower training and other areas, we have introduced many improvement measures, with a view to providing the public with more satisfactory mental health services. In the future, we will continue to consolidate the platform of

community co-operation and enhance medical and social integration, and the collaboration among various sectors, so as to further develop and perfect the community-based service model and step up the support for primary health care personnel. It is hoped that they can thus join hands with us to provide mental patients with various services.

Public participation is very important to the promotion of mental health in Hong Kong. I hope that with the help of Members, people from all walks of life can bring the spirit of mutual assistance into full play and make joint efforts to promote mental health in our society. I also hope that they can care for and accept mental patients and their family members by assisting them in actively integrating into society.

Finally, President, I hope that Members can continue to support our efforts in this regard. I so submit.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, my heartfelt thanks must go to the 13 Members who have given so much valuable, specific and constructive advice on the assistance and services for mental patients and people recovering from mental illness. I shall now give a more detailed reply on three aspects, namely, Community rehabilitation services, promoting the employment of persons with disabilities and public education on mental health.

To begin with, I wish to mention that in regard to psychiatric community rehabilitation services, our policy objective is to enable people recovering from mental illness to re-integrate into society and start a new life through the provision of appropriate community rehabilitation services and support. To realize this policy objective, the Social Welfare Department (SWD) has been providing people recovering from mental illness and their family members with various forms of community support through non-government organizations. The aim is to offer continuous assistance to people recovering from mental illness, so that they can re-integrate into society. In 2008-2009, we spent more than \$800 million on the provision of community rehabilitation services, including residential care services for people recovering from mental illness, community support services, day training services and vocational rehabilitation services. In the future, we will continue to enhance the services concerned, with

a view to meeting the public demand for psychiatric community rehabilitation service.

With respect to day training and vocational rehabilitation services, the SWD has been operating Training and Activity Centres for Ex-mentally Ill Persons, Sheltered Workshops, Supported Employment Service Centres and Integrated Vocational Rehabilitation Service Centres to assist people recovering from mental illness in upgrading their social and vocational skills, thus improving their ability to adapt to community life. In October, when the Chief Executive announced the policy address, he also undertook to increase the quotas for such services to meet demand.

We also attach very great importance to the services for persons with disabilities, including on-the-job training for people recovering from mental illness. Our aim is to assist them in adapting to workplace environments and grasping the skills of securing employment in the open market. Under the On the Job Training Programme for People with Disabilities and the Sunnyway — On the Job Training Programme for Young People with Disabilities operated by the SWD, active training is provided to enhance the employability of persons with disabilities and encourage employers to offer employment opportunities to persons with disabilities. At present, 432 on-the-job training places are offered by 14 non-government organizations to persons with disabilities. And, under the Sunnyway programme, 311 on-the-job training places are offered by 15 non-government organizations.

As for those people recovering from mental illness who cannot live independently or who are unable to receive adequate care from family members, the SWD has been providing them with various kinds of residential care services. One example is halfway houses, which provide people recovering from mental illness with a transitional community rehabilitation service, so that they can prepare for re-integration into society. Furthermore, supported hostels provide group home living for people recovering from mental illness who can live semi-independently. And, long stay care homes provide long-term residential care and intensive personal care for chronic mental patients after their discharge from hospital. A number of self-financing hostels operated by non-government organizations can also offer an alternative form of residential care to people recovering from mental illness who are more capable of living independently. At present, the total number of places offered by halfway houses, supported hostels and long stay care homes stands at 2 999.

In order to meet the keen demand for residential care places, the Government adopts a three-pronged approach to increase the overall supply of residential care places. First, we will legislate to regulate the residential care homes for persons with disabilities and implement appropriate support measures, so as to ensure their service quality and help the market develop residential care homes of different types and operational modes, so that persons with disabilities can have more choices. Besides, we will also support the establishment of self-financing homes by non-government organizations. The SWD will continue to actively identify suitable sites and fight for the required resources, so as to bring forth a steady increase in the number of subsidized residential care places.

Regarding Dr PAN Pey-chyou's concern about the quality of residential care homes, I would like to point out that the Government now plans to introduce the Residential Care Homes (Persons with Disabilities) Bill to the Legislative Council in the 2009-2010 Legislative Session. The Bill proposes to implement a licensing system for regulating the quality of residential care homes. Besides, the Government will also pilot a bought-place scheme for residential care homes for persons with disabilities, and other support measures will also be introduced, so as to encourage operators of private residential care homes to upgrade their quality and assist the market in developing different types of residential care homes, thereby increasing the supply of subsidized residential care places. At this stage, the SWD is listening to the views of the sector, stakeholders and parents of persons with disabilities on the bought-place pilot scheme, with a view to formulating a specific proposal of the scheme.

In the coming three years, we will continue to increase the number of subsidized residential care places for mental patients and assist non-government organizations in developing self-financing homes.

Speaking of assisting people recovering from mental illness in re-integrating into society and easing the pressure on their family members and carers, I frequently say that other than the patients, their family members and carers equally deserve attention, so we must offer them support. In recent years, we have introduced a number of services to offer continuous community care and support. One example is the day community rehabilitation service. Occupational therapists will provide training on self-care, household management and basic skills of community life, so as to assist people recovering from mental illness in solving the problem of adapting to life in the community. We have

also introduced the Community Mental Health Link Services which provide people recovering from mental illness and their carers with counselling, educational activities, outreaching visits and networking to local resources. The Community Mental Health Care Services, on the other hand, offer continuous support for freshly discharged patients recovering from mental illness or patients living in halfway houses through outreaching visits and various assistance services.

The Government has also been striving to support and promote the development of self-help organizations of people recovering from mental illness. The aim is to foster self-help and mutual assistance and encourage service users and their family members or carers to actively participate in the formulation of policies and services, with a view to ensuring that service planning can cater for the special needs of service users.

Since 2001, through the Financial Support Scheme for Self-help Organizations of People with Disabilities operated by the SWD, the Government has been allocating funds to finance the operation and development of self-help organizations of persons with disabilities. At present, a total funding of some \$16 million is provided by the Government to 57 self-help organizations, some of which are organizations of people recovering from mental illness. The funding is intended to finance their manpower and service plans from 1 April 2008 to 31 March 2010. In 2008, an additional \$2.6 million or so was allocated to 50 self-help organizations and seven parents' organizations to enhance the support for carers and improve facilities. It is also our usual practice to invite representatives of self-help organizations to actively participate in the development of rehabilitation policies and services.

I very much agree to Dr PAN Pey-chyou's suggestion of establishing additional mental health service centres in the community to provide integrated services to people recovering from mental illness. As a matter of fact, the provision of district-based one-stop services is precisely the Government's overall direction of developing community support services. As I said at the beginning of the motion debate, the Chief Executive has already outlined the development blueprint for such services in the policy address this year. In the coming financial year — I must stress that we will certainly do so in the coming financial year because Mr WONG Kwok-hing has asked us when we will proceed — we will revamp SWD's existing community mental health support services and set up Integrated Community Centres for Mental Wellness in all the 18 districts in Hong

Kong. The district-based integrated service model will be extended to all of Hong Kong, in other words.

Through the establishment of Integrated Community Centres for Mental Wellness and by increasing manpower, we can, on the one hand, tie in with the strategy of implementing the case management programme of the HA and step up the support for mental patients with severe conditions in the various districts. On the other hand, we can also enable non-government organizations to deploy resources and manpower flexibly to enhance service efficiency. In this way, more people with mental problems, more people recovering from mental illness and a greater number of their family members will be able to receive the support and assistance they need.

Some Members have expressed concern about the number and training of psychiatric medical social workers. As a matter of fact, in recent years, the Government has been putting in resources to increase the number of psychiatric medical social workers. The number of such social workers already increased from 166 in 2005-2006 to 197 in 2008-2009. In 2009-2010, the SWD will create 10 more medical social worker posts. Some of these posts are for psychiatric medical social workers. In the policy address this year, the Chief Executive also undertakes to increase the number of posts for psychiatric medical social workers to tie in with the new measures for mental health services introduced by the HA. Besides, in order to ensure that psychiatric medical social workers can understand the pathological details and treatment methods of various kinds of mental diseases, the SWD will provide them with a range of on-the-job training programmes on a regular basis, so as to upgrade their professional skills and assist them in keeping pace with the latest information and development in their profession.

In regard to employment, the Government's policy objective is very clear, which is to enhance the ability of persons with disabilities, including people recovering from mental illness, so that they can give expression to their talents and potentials and enjoy equal opportunities of securing paid and productive employment in the open job market. To this end, the Government now provides persons with disabilities with a series of vocational rehabilitation and employment services. Many measures have also been implemented to enhance their employment opportunities.

As the largest employer in Hong Kong, the Government has all along welcomed persons with disabilities to apply for civil service or non-civil service

posts. It has also been striving to make arrangements for persons with disabilities to take up appropriate posts in the Government. If a job applicant with disabilities can fulfil the relevant entry requirements, he or she will be invited to attend an interview without having to undergo any screening process. If it is considered that such an applicant is suitable for employment, he or she will be accorded an appropriate degree of priority. The proportion of employees with disabilities in the Civil Service has all along stood at over 2%. We will continue to enhance government departments' understanding of the policy of recruiting persons with disabilities and encourage government employees to build a culture of integrating with colleagues with disabilities.

We have also requested all Policy Bureaux and departments to encourage the subvented organizations and statutory bodies within their portfolios to implement measures to further promote the employment of persons with disabilities. The relevant measures include the formulation of non-mandatory targets of recruiting persons with disabilities, references to the civil service experience in drawing up policies and procedures for recruiting persons with disabilities, the formulation of a procurement policy giving priority to the products and services supplied by organizations dedicated to the rehabilitation of persons with disabilities and the disclosure of statistics and arrangements regarding the employment of persons with disabilities. In a bid to check the latest position and progress relating to the employment of persons with disabilities by subvented organizations and statutory bodies, we conducted three follow-up surveys, respectively in 2004, 2006 and late 2007. A new follow-up survey has just commenced.

With respect to promoting the employment of persons with disabilities, I must say that apart from government efforts, the support of the various social sectors, including the business sector, the welfare sector and the local communities, is also very important. With respect to publicity, the Labour and Welfare Bureau and the Rehabilitation Advisory Committee have designated "promoting the employment of persons with disabilities" as the publicity focus of our public education efforts. A series of new measures have been launched in different sectors to publicize the employability of persons with disabilities and the employment support services offered to persons with disabilities by government departments and rehabilitation organizations. Strenuous efforts have been made to promote a partnership among the business sector, the local communities, government departments and non-government organizations, in the hope that they

can join hands to promote the employment of persons with disabilities and support their independence and full integration into society.

All these measures have received positive responses from welfare agencies, District Councils and the business sector. For example, many welfare agencies, such as the Tung Wah Group of Hospitals, the Yan Chai Hospital, the Pok Oi Hospital, the Yan Oi Tong and the Po Leung Kuk, have rendered their support for formulating non-mandatory targets of recruiting persons with disabilities and the relevant policies and procedures. Many District Councils have likewise organized various functions to promote the employment of persons with disabilities. The International Rehabilitation Day this year and last year both carried the theme of promoting the employment of persons with disabilities. In conjunction with the 18 District Councils, the organizers of the International Rehabilitation Day this year even offered commendations to caring employers who employed persons with disabilities. Some of these employers were commercial organizations, non-profit making organizations and social enterprises. Through the help of government departments and rehabilitation organizations, some commercial organizations even recruited persons with disabilities and purchased many more products and services supplied by persons with disabilities on the spot. This proves that our efforts have started to yield the desired result.

In regard to the proposal on offering tax concessions to encourage employers to take on persons with disabilities, I wish to point out that under the existing Inland Revenue Ordinance, all expenditure on the recruitment of employees, including able-bodied persons and persons with disabilities, can already be deducted from the computation of the employer's taxable profits. Therefore, given Hong Kong's low tax regime, the provision of the proposed tax concessions may not lead to any significant reduction of actual tax.

In order to provide employers with incentive, the Labour Department has put in place the Work Orientation and Placement Scheme to encourage employers to take on persons with disabilities. Under this Scheme, a participating employer can receive a wage subsidy of up to \$4,000 a month for the employment of one person with disabilities. The period of subsidy has been lengthened from three months in the past to a maximum of six months at present.

In regard to public education on mental health, we do understand the great importance of such education to the rehabilitation of mental patients in the

community. Therefore, over the years, we have been conducting public education and publicity to deepen people's awareness and understanding of mental health. It is hoped that this can encourage the general public to accept people recovering from mental illness and assist them in their integration into the community.

All along, the HA has been promoting the importance of mental health through its provision of psychiatric services. For example, through its child and adolescent health service, the Child and Adolescent Mental Health Community Support Project and the Early Assessment Service for Young People with Psychosis, the HA has been instilling in minors and their parents an awareness of mental health. The Department of Health has also included mental health in its public health education programme. Through the Community Mental Health Link Services, the SWD has also been conducting community mental health educational activities. As for schools, the Education Bureau has included life education and some relevant topics in the secondary and primary curricular. The Bureau also co-operates with other government departments and non-government organizations to conduct various educational activities in secondary and primary schools.

Since 1995, the Labour and Welfare Bureau has been working with various government departments, public organizations, non-government organizations and the mass media to hold a "Mental Health Month" every year. Territory-wide and district-based publicity functions are held to enhance people's understanding of mental health, induce them to accept mental patients and encourage the integration of persons recovering from mental illness into society. This year, the theme is "Caring Neighbours Clear the Way for Rehabilitation". Through the conduct of this publicity campaign, it is hoped that a support network with neighbours and families as the core can be established to assist people recovering from mental illness to re-integrate into society and to reduce the stigma and misunderstanding attached by society to people recovering from mental illness.

The Rehabilitation Advisory Committee has also been actively encouraging the public to accept people recovering from mental illness and promote the message of integration support at the district level. The Committee has established collaboration with the 18 District Councils, and various publicity activities are held. Funding is also provided to various community organizations in the districts for the holding of public education functions with the themes of

"mental health" and "creating an integrated and barrier-free society for persons with disabilities", so as to promote community integration.

President, we will continue to actively promote mental health and review the demand for services from time to time. We will also make appropriate adjustments and improvements to our services in the light of the changes in social conditions and service demands. Active efforts at the policy and service delivery levels will be made to tie in with the measures of the Food and Health Bureau and the HA, so as to provide needy persons with appropriate and comprehensive services and support that can keep abreast of the times.

President, I so submit. Thank you.

PRESIDENT (in Cantonese): I now call upon Mr WONG Sing-chi to move his amendment to the motion.

MR WONG SING-CHI (in Cantonese): President, I move that Dr PAN Pey-chyou's motion be amended.

Mr WONG Sing-chi moved the following amendment: (Translation)

"To delete "in view of" after "That," and substitute with "in the absence of a long-term policy on mental health,"; to delete ", which" after "in recent years"; to delete "," after "improved" and substitute with ","; to delete "and" after "long-term care" and substitute with ","; to add "and research on" after "public education of"; to delete ";" before the original "(b)" and substitute with ", strengthen community nurse service in response to the deteriorating mental health of the public, and put in place a clear administration structure and regularly review the effectiveness of implementation of the policy; (b) establish a mental health council comprising government officials, medical professionals, social work professionals, representatives of people recovering from mental illness as well as their family members to harmonize and coordinate psychiatric services and advise on the policy on mental health; "; to delete the original "(b)" and substitute with "(c)"; to add "(d) set up multi-disciplinary community psychiatric treatment teams for various professionals such as psychiatric doctors, clinical psychologists, social workers, psychiatric

nurses, occupational therapists and physiotherapists etc to follow up cases through outreaching services;" after "comprehensive services to people with mental illness and people recovering from mental illness;"; to delete the original "(c)" and substitute with "(e)"; to delete the original "(d)" and substitute with "(f)"; to delete the original "(e)" and substitute with "(g)"; to delete the original "(f)" and substitute with "(h)"; to delete the original "(g)" and substitute with "(i)"; to add "to improve the problem of disconnection between service referral and acceptance" after "the existing services"; to delete the original "(h)" and substitute with "(j)"; to delete the original "(i)" and substitute with "(k)"; to delete the original "(j)" and substitute with "(l)"; to add "(m) create a database of people with mental illness to record their illness, treatment progress, service acceptance and criminal records for better understanding of their condition, so relevant professionals will more easily follow-up and render assistance; (n) provide long-term and stable support for family members of people with mental illness and the organizations concerned; " after "self-financing hostels;"; to delete the original "(k)" and substitute with "(o)"; to delete "encourage the private and public sectors" before "to employ people" and substitute with "establish an indicator for hiring people with disabilities and motivate various organizations to formulate recruitment policy on and procedures for hiring people with disabilities, for government departments, public bodies and subvented organizations to take the lead"; to delete "and" after "tax concession etc;" and substitute with "(p) review the existing vocational rehabilitation service provided to people recovering from mental illness and enhance on-the-job training to upgrade their capabilities, so as to facilitate them to re-enter the job market; and"; and to delete the original "(l)" and substitute with "(q)".

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr WONG Sing-chi to Dr PAN Pey-chyou's motion, be passed.

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

(Members raised their hands)

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

(No hands raised)

Dr PAN Pey-chyou rose to claim a division.

PRESIDENT (in Cantonese): Dr PAN Pey-chyou has claimed a division. The division bell will ring for three minutes.

(After the ringing of the division bell)

PRESIDENT (in Cantonese): A quorum is not present. Clerk, please ring the bell to summon Members to the Chamber.

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

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mr WONG Sing-chi to Dr PAN Pey-chyou's motion, be passed.

PRESIDENT (in Cantonese): Please proceed to vote.

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong, Dr Joseph LEE and Mr CHEUNG Kwok-che voted for the amendment.

Ms LI Fung-ying, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM abstained.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Mr James TO, Ms Audrey EU, Mr LEUNG Kwok-hung, Mr KAM Nai-wai, Ms Cyd HO and Mr WONG Sing-chi voted for the amendment.

Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Mr CHAN Hak-kan, Mr WONG Kwok-kin and Mrs Regina IP abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 15 were present, four were in favour of the amendment and 11 abstained; while among the Members returned by geographical constituencies through direct elections, 15 were present, eight were in favour of the amendment and six abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MR FRED LI (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Support for people with mental illness and people recovering from mental illness" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion on "Support for people with mental illness and people recovering from mental illness" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Dr Joseph LEE, you may move your amendment.

DR JOSEPH LEE (in Cantonese): President, I move that Dr PAN Pey-chyou's motion be amended.

Dr Joseph LEE moved the following amendment: (Translation)

"To add "(b) review the psychiatric services under the Hospital Authority and those provided by non-profit-making organizations at present so as to ensure an effective allocation of resources between them, with a view to enhancing the quality and efficiency of psychiatric services;" after "public education of mental illness;"; to delete the original "(b)" and substitute

with "(c)"; to add "(including psychiatric nurses and community psychiatric nurses)" after "nurses"; to delete the original "(c)" and substitute with "(d)"; to delete the original "(d)" and substitute with "(e)"; to delete the original "(e)" and substitute with "(f)"; to delete the original "(f)" and substitute with "(g)"; to delete the original "(g)" and substitute with "(h)"; to delete the original "(h)" and substitute with "(i)"; to delete the original "(i)" and substitute with "(j)"; to delete the original "(j)" and substitute with "(k)"; to delete the original "(k)" and substitute with "(l)"; to delete "and (l)" after "tax concession etc;" and substitute with "(m)"; and to add "; (n) allocate more resources to fully develop the Extending Care Patients Intensive Treatment, Early Diversion and Rehabilitation Stepping Stone ('EXITERS') programme in various clusters to provide intensive rehabilitation training to long-stay patients with mental illness, so as to facilitate their early discharge and return to the community; and (o) provide relevant talks or training to family members of people recovering from mental illness who will soon be discharged, so as to assist the family members in adapting to and understanding the essential elements and techniques of dealing with people recovering from mental illness to avoid provoking them, and to enhance the family members' knowledge about early detection of their relapse" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment moved by Dr Joseph LEE to Dr PAN Pey-chyou's motion be passed.

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Dr LEUNG Ka-lau, as the amendment by Dr Joseph LEE has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members. You may now move your revised amendment and you may speak for up to three minutes to explain the revised terms in you amendment.

DR LEUNG KA-LAU (in Cantonese): President, I move that Dr PAN Pey-chyou's motion as amended by Dr Joseph LEE be further amended by my revised amendment. I have nothing to add.

Dr LEUNG Ka-lau moved the following further amendment to the motion as amended by Dr Joseph LEE: (Translation)

"To add "; (p) devise a full-coverage medical insurance scheme to provide adequate coverage for mental illness treatment and rehabilitation services to people with mental illness and people recovering from mental illness, and provide tax concessions to encourage people with mental illness and people recovering from mental illness to take out medical insurance; and (q) set up an independent 'Mental Health Research Fund' to encourage, promote and finance research on the prevention, treatment and control of mental illness, as well as the development of healthcare policy" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Dr LEUNG Ka-lau's amendment to Dr PAN Pey-chyou's motion as amended by Dr Joseph LEE be passed.

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Dr PAN Pey-chyou, you may now reply and you have 55 seconds.

DR PAN PEY-CHYOU (in Cantonese): First of all, I am grateful to the two Secretaries for their detailed responses to my motion. I wish to raise two points. The first is about evening consultation services, that is, evening clinics. The second is about the reduction of psychiatric beds. I note that the Secretary has voiced some different opinions. Here, I do not intend to comment on them in detail. However, I hope, as I said in the final part of my speech just now, that the Government must "exercise great caution" in examining where the problem lies. Two questions call for detailed and in-depth understanding: First, why did the initial pilot scheme fail? Second, why is there a shortfall in the number of beds at present? I hope that the Secretary will continue to pay attention to these questions on going back.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Dr PAN Pey-chyou, as amended by Dr Joseph LEE and Dr LEUNG Ka-lau, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion as amended passed.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 2 December 2009.

Adjourned accordingly at eight minutes to Nine o'clock.

Appendix 1

REQUEST FOR POST-MEETING AMENDMENTS

The Secretary for Labour and Welfare requested the following post-meeting amendment in respect of a supplementary question to Question 3

Line 6, first paragraph, page 26 of the Confirmed version

To delete "There are as many as 160 000 elderly people on CSSA, another 480 000 elderly people aged 65 or above are on OAA and there are some 60 000 people on DA." (Translation)

(Please refer to lines 10-12, last paragraph, page 2157 of this Translated version)

Appendix 2**REQUEST FOR POST-MEETING AMENDMENTS**

The Secretary for Labour and Welfare requested the following post-meeting amendment in respect of a supplementary question to Question 3

Line 4, last paragraph, page 26 of the Confirmed version

To amend "160 000 people" as "180 000 people" (Translation)

(Please refer to last line, last paragraph, page 2158 of this Translated version)

Appendix 3

REQUEST FOR POST-MEETING AMENDMENTS

The Secretary for Labour and Welfare requested the following post-meeting amendment

Line 2, second paragraph, page 142 of the Confirmed version

To amend " 40% more " as " 25% more " (Translation)

(Please refer to line 3, last paragraph, page 2325 of this Translated version)

Appendix 4**REQUEST FOR POST-MEETING AMENDMENTS**

The Secretary for Labour and Welfare requested the following post-meeting amendment

Line 2, page 144 of the Confirmed version

To amend " for the provision of an additional 200 places " as " for the provision of an additional 20 000 places " (Translation)

(Please refer to last line, paragraph 4, page 2328 of this Translated version)

Appendix 5**REQUEST FOR POST-MEETING AMENDMENTS**

The Secretary for Labour and Welfare requested the following post-meeting amendment

Third paragraph, page 145 of the Confirmed version

To amend "Regarding middle-aged people, we have a series of programmes such as the "Work Trial Scheme", other work trial schemes as well as the "Employment Programme for the Middle-aged". We will also strengthen these services." as "Regarding middle-aged people, we have a "Work Trial Scheme" and a series of programmes such as the "Employment Programme for the Middle-aged". We have also strengthened the relevant services." (Translation)

(Please refer to the third paragraph, page 2330 of this Translated version)

Appendix I

WRITTEN ANSWER

Written answer by the Secretary for the Environment to Dr Raymond HO's supplementary question to Question 6

As regards the percentage of waste electrical and electronic equipment (WEEE) generated in Taiwan and Singapore that are disposed of at landfills and comparison of the disposal figures with that of Hong Kong, we have contacted the relevant authorities of Taiwan and Singapore as the information is not available from published reports. The findings are as follows:

1. *Taiwan*

The Recycling Fund Management Board of the Environmental Protection Administration advised that the disposal rate of their regulated WEEE, including (i) television sets, refrigerators, washing machines, air conditioners/heaters and electric fans; (ii) computers and telecommunication equipment; and (iii) florescent tubes, should be almost zero. But they have no information on the disposal of other types of WEEE.

2. *Singapore*

Singapore National Environment Agency advised that they have not monitored the amount of WEEE as a distinct category and therefore not able to provide the disposal figure.

The above information is not sufficient for us to make a concrete comparison with Hong Kong's WEEE disposal figure.