

# LEGISLATIVE COUNCIL

## MINUTES

### No. 9

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**Minutes of the meeting held on Wednesday 26 November 2008 at 11:00 am**

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#### **Members present:**

President

The Hon Jasper TSANG Yok-sing, GBS, JP

The Hon Albert HO Chun-yan

Ir Dr the Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP

The Hon LEE Cheuk-yan

Dr the Hon David LI Kwok-po, GBM, GBS, JP

The Hon Fred LI Wah-ming, JP

Dr the Hon Margaret NG

The Hon James TO Kun-sun

The Hon CHEUNG Man-kwong

The Hon CHAN Kam-lam, SBS, JP

The Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP

The Hon LEUNG Yiu-chung

Dr the Hon Philip WONG Yu-hong, GBS

The Hon WONG Yung-kan, SBS, JP

The Hon LAU Kong-wah, JP

The Hon LAU Wong-fat, GBM, GBS, JP

The Hon Miriam LAU Kin-yea, GBS, JP

The Hon Emily LAU Wai-hing, JP

The Hon Andrew CHENG Kar-foo

The Hon Timothy FOK Tsun-ting, GBS, JP

The Hon TAM Yiu-chung, GBS, JP

The Hon Abraham SHEK Lai-him, SBS, JP

The Hon LI Fung-ying, BBS, JP

The Hon Tommy CHEUNG Yu-yan, SBS, JP

The Hon Albert CHAN Wai-yip

The Hon Frederick FUNG Kin-kee, SBS, JP

The Hon Audrey EU Yuet-mee, SC, JP

The Hon Vincent FANG Kang, SBS, JP

The Hon WONG Kwok-hing, MH

The Hon LEE Wing-tat

Dr the Hon Joseph LEE Kok-long, JP

The Hon Jeffrey LAM Kin-fung, SBS, JP

The Hon Andrew LEUNG Kwan-yuen, SBS, JP

The Hon Alan LEONG Kah-kit, SC

The Hon LEUNG Kwok-hung

The Hon WONG Ting-kwong, BBS

The Hon Ronny TONG Ka-wah, SC

The Hon CHIM Pui-chung

Prof the Hon Patrick LAU Sau-shing, SBS, JP

The Hon KAM Nai-wai, MH

The Hon Cyd HO Sau-lan

The Hon Starry LEE Wai-king

Dr the Hon LAM Tai-fai, BBS, JP

The Hon CHAN Hak-kan

The Hon Paul CHAN Mo-po, MH, JP

The Hon CHAN Kin-por, JP

The Hon Tanya CHAN

Dr the Hon Priscilla LEUNG Mei-fun

Dr the Hon LEUNG Ka-lau

The Hon CHEUNG Kwok-che

The Hon WONG Sing-chi

The Hon WONG Kwok-kin, BBS

The Hon WONG Yuk-man

The Hon IP Wai-ming, MH

The Hon IP Kwok-him, GBS, JP

The Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Dr the Hon PAN Pey-chyou

The Hon Paul TSE Wai-chun

Dr the Hon Samson TAM Wai-ho, JP

**Member absent:**

The Hon CHEUNG Hok-ming, SBS, JP

**Public officers attending:**

The Hon Henry TANG Ying-yen, GBS, JP  
The Chief Secretary for Administration

The Hon Michael SUEN Ming-yeung, GBS, JP  
Secretary for Education

Dr the Hon York CHOW Yat-ngok, SBS, JP  
Secretary for Food and Health

Ms Julia LEUNG Fung-ye, JP  
Secretary for Financial Services and the Treasury

The Hon Mrs Carrie LAM CHENG Yuet-ngor, JP  
Secretary for Development

The Hon Edward YAU Tang-wah, JP  
Secretary for the Environment

Mr YAU Shing-mu, JP  
Secretary for Transport and Housing

Mr Gregory SO Kam-leung, JP  
Secretary for Commerce and Economic Development

**Clerks in attendance:**

Ms Pauline NG Man-wah, Secretary General

Mrs Constance LI TSOI Yeuk-lin, Assistant Secretary General (1)

Mrs Justina LAM CHENG Bo-ling, Assistant Secretary General (3)

Mrs Percy MA, Assistant Secretary General (Special Duties)

## **Tabling of Papers**

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

<u>Subsidiary Legislation / Instruments</u>	<u>L.N. No.</u>
1. Prevention of Bribery Ordinance (Amendment of Schedule 1) Order 2008 (gazetted on 21.11.2008)	245/2008
2. Detention Centre (Consolidation) (Amendment) Order 2008 (gazetted on 21.11.2008)	246/2008
3. Prisons (Amendment) (No. 2) Order 2008 (gazetted on 21.11.2008)	247/2008
4. Rehabilitation Centres (Appointment) (Amendment) (No. 2) Order 2008 (gazetted on 21.11.2008)	248/2008

## **Other Papers**

- No. 29 - Accounts of the Government for the year ended 31 March 2008 (published on 26.11.2008)
- No. 30 - 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 2008 (published on 26.11.2008)
- No. 31 - Report No. 51 of the Director of Audit on the results of value for money audits - October 2008 (published on 26.11.2008)

Report of the Subcommittee on Road Traffic (Public Service Vehicles) (Amendment) Regulation 2008 (published on 25.11.2008)

## **Addresses**

Hon Miriam LAU, Chairman of the Subcommittee on Road Traffic (Public Service Vehicles) (Amendment) Regulation 2008, addressed the Council on the Subcommittee's report.

**Questions**

1. Hon Cyd HO asked Question 1.

The Secretary for Development replied.

Five Members asked supplementary questions and the Secretary for Development replied.

2. Hon CHEUNG Man-kwong asked Question 2.

The Secretary for Education replied.

Six Members asked supplementary questions and the Secretary for Education replied.

3. Hon Paul CHAN asked Question 3.

The Secretary for Commerce and Economic Development replied.

Four Members asked supplementary questions and the Secretary for Commerce and Economic Development replied.

4. Hon Vincent FANG asked Question 4.

The Secretary for Food and Health replied.

Five Members asked supplementary questions and the Secretary for Food and Health replied.

5. Hon Ronny TONG asked Question 5.

The Secretary for Education replied.

Four Members asked supplementary questions and the Secretary for Education replied.

6. Hon Miriam LAU asked Question 6.

The Secretary for Transport and Housing replied.

Four Members asked supplementary questions and the Secretary for Transport and Housing replied.

Written replies to Questions 7 to 20 were tabled for Members' information.

## **Motions**

### Proposed resolution under the Interpretation and General Clauses Ordinance

The Secretary for Food and Health moved the following motion and addressed the Council:

RESOLVED that the Harmful Substances in Food (Amendment) Regulation 2008, published in the Gazette as Legal Notice No. 215 of 2008 and laid on the table of the Legislative Council on 8 October 2008, be amended by adding –

#### **“2. Interpretation**

Regulation 2 is amended by adding –

“ “milk” (奶類) means cows milk, buffaloes milk and goats milk, and includes cream, separated milk and milk beverage, but does not include dried milk, condensed milk or reconstituted milk;

“milk beverage” (奶類飲品) means any beverage resulting from combining liquid milk fat with other solids derived from milk, whether exclusive of any food additive or otherwise;”.”.

Question on the motion proposed.

Hon Fred LI spoke on the motion as the Chairman of the Subcommittee on Harmful Substances in Food (Amendment) Regulation 2008, and then in his personal capacity as a Member.

Three Members spoke on the motion.

The Secretary for Food and Health replied.

Question on the motion put and agreed to.

## **Members' Motions**

### Formulating a roadmap for a low carbon economy

Hon Audrey EU moved the following motion and addressed the Council:

That, as the Chief Executive has proposed in his Policy Address to build a low carbon economy, i.e. promoting the development of an economy based on low energy consumption and low pollution, yet he has failed to put forward a specific policy framework, strategies, proposed plans, targets and a timetable to set out the specific steps and measures to be taken for achieving a low carbon economy, this Council urges the Government to study the formulation of a timetable and a roadmap for a low carbon economy, including:

- (a) setting interim and long-term targets for the reduction of total greenhouse gas emissions in Hong Kong;
- (b) making reference to overseas examples and studying the formulation of strategies and legislation on climate change;
- (c) providing economic incentives and formulating measures to encourage energy conservation by the public;
- (d) expeditiously drawing up proposed plans for grid access;
- (e) expeditiously formulating standardized arrangements for grid connection and encouraging the use of renewable energy power facilities by various sectors of the community; and
- (f) tightening the current standards of the Air Quality Objectives to expeditiously align them with the World Health Organization Air Quality Guidelines, and formulating an implementation timetable in this regard.

While Hon Audrey EU was addressing the Council, the President left the chair at 1:45 pm temporarily and the President's Deputy, Hon Miriam LAU, took the chair.

Question on Hon Audrey EU's motion proposed.

The President's Deputy stated that Hon KAM Nai-wai and Hon CHAN Hak-kan would move amendments to the motion. Also, Hon CHAN Kam-lam would move an amendment to Hon KAM Nai-wai's amendment. In accordance with the Rules of Procedure, the motion and the amendments would be debated together in a joint debate.

Hon KAM Nai-wai, Hon CHAN Hak-kan and Hon CHAN Kam-lam, who would move amendments to the motion, spoke on the motion and their own amendments.



The Secretary for the Environment spoke on the motion and the amendments.

Two Members spoke on the motion and the amendments.

Hon Andrew LEUNG declared that he was the Chairman of the Hong Kong Productivity Council, which engaged in a great deal of studies on energy efficiency and cleaner production.

Three Members and Dr Hon Samson TAM spoke on the motion and the amendments.

At 3:10 pm, while Dr Hon Samson TAM was speaking, the President resumed the chair.

Seven other Members spoke on the motion and the amendments.

Hon Audrey EU spoke on the amendments.

The Secretary for the Environment spoke again.

Hon KAM Nai-wai moved the following amendment to Hon Audrey EU's motion:

To delete “, as” after “That” and substitute with “the problem of global warming is aggravating,”; to add “, allowing electricity trading between users and power companies,” after “grid connection”; to delete “and” after “community;”; to add “studying cooperating with Guangdong Province in developing wind farm projects to promote the use of renewable energy; (g) installing solar power facilities on the roofs of newly built public housing blocks and covered pedestrian walkways, and encouraging private developers to introduce related facilities; (h) implementing the promotion of the first stage of ‘low emission zones’ in Hong Kong in 2010; (i) setting up a data bank on energy efficiency of vehicles covering the data on greenhouse gas emissions; and (j)” after “(f)”; and to delete “and formulating an implementation timetable in this regard” immediately before the full stop and substitute with “raising them to the standards adopted by the European Union by 2012, and implementing the standards prescribed by the World Health Organization by 2015”.

Question on Hon KAM Nai-wai's amendment to Hon Audrey EU's motion proposed.

Hon CHAN Kam-lam moved the following amendment to Hon KAM Nai-wai's amendment:

To add “greening or” after “(g)”.

Question on Hon CHAN Kam-lam's amendment to Hon KAM Nai-wai's amendment proposed, put and agreed to.

Question on Hon KAM Nai-wai's amendment, as amended by Hon CHAN Kam-lam, to Hon Audrey EU's motion put and agreed to.

As Hon KAM Nai-wai's amendment as amended by Hon CHAN Kam-lam had been passed, the President granted leave for Hon CHAN Hak-kan to revise the terms of his amendment.

Hon CHAN Hak-kan moved the following further amendment to Hon Audrey EU's motion as amended by Hon KAM Nai-wai and Hon CHAN Kam-lam, and explained the revised terms of his amendment to the Council:

To add “; (k) considering bringing carbon dioxide emissions from local thermal power plants into the regulatory ambit; (l) actively collaborating with the neighbouring regions, including formulating agreements and relevant legislation, as well as setting up a trading platform to develop a mechanism for local and cross-border carbon trading; (m) discussing with power companies the inclusion of carbon emissions of users in their electricity bills, so as to assist users in conducting carbon audit; and (n) raising the current tax concession rates and caps under the first registration tax concession scheme for environment-friendly vehicles to provide additional incentive for the public to switch to environment-friendly vehicles” immediately before the full stop.

Question on Hon CHAN Hak-kan's amendment to Hon Audrey EU's motion as amended by Hon KAM Nai-wai and Hon CHAN Kam-lam proposed, put and agreed to.

Hon Audrey EU replied.

Question on Hon Audrey EU's motion as amended by Hon KAM Nai-wai, Hon CHAN Kam-lam and Hon CHAN Hak-kan put and agreed to.

### Reforming financial regulators

Hon Ronny TONG moved the following motion and addressed the Council:

That, as presently the regulation of the financial sector and financial products is vested in a number of regulators, causing the suspicion that there are duplication and fragmentation of their regulatory roles, functions and resources, this Council urges the Government to expeditiously conduct a comprehensive review and study of the existing four major financial regulators, including the Hong Kong Monetary Authority, the Securities and Futures Commission, the Office of the Commissioner of Insurance and the Mandatory Provident Fund Schemes Authority, to ascertain if there is any need to rationalize and improve their regulatory roles, functions and resources in the regulation of the financial sector, or introduce other improvement measures, such as strengthening the regulation on the sale of financial products, so as to enhance the standards of the regulators and protect the interests of investors.

Question on Hon Ronny TONG's motion proposed.

The President stated that three Members intended to move amendments to the motion. In accordance with the Rules of Procedure, the motion and the three amendments would be debated together in a joint debate.

Hon CHAN Kam-lam, Hon Albert HO and Hon Miriam LAU, who intended to move the amendments, spoke on the motion and their own amendments.

The Secretary for Financial Services and the Treasury spoke on the motion and the amendments.

Ten Members and Dr Hon David LI spoke on the motion and the amendments.

While Dr Hon David LI was speaking, the President left the chair at 6:44 pm temporarily and the President's Deputy, Hon Miriam LAU, took the chair.

Two other Members and Dr Hon Margaret NG spoke on the motion and the amendments.

At 7:05 pm, while Dr Hon Margaret NG was speaking, the President resumed the chair.

Six more Members spoke on the motion and the amendments.

Hon Ronny TONG spoke on the amendments.

The Secretary for Financial Services and the Treasury spoke again.

Hon CHAN Kam-lam moved the following amendment to Hon Ronny TONG's motion:

To delete "as" after "That," and substitute with "under the mode of 'two regulatory authorities for one industry','"; to add "in Hong Kong" after "and financial products"; to delete "their" after "fragmentation of" and substitute with "the"; to add "among various regulators" before ", this Council"; to delete "strengthening" after "such as" and substitute with "reviewing the existing disclosure-based regulatory principle so as to strengthen"; and to add "establishing an independent complaint mechanism for financial businesses, and empowering the regulators to instruct defaulting financial institutions to compensate their clients etc," after "the sale of financial products,".

Question on Hon CHAN Kam-lam's amendment to Hon Ronny TONG's motion proposed and put.

Hon Albert HO claimed a division. The President then ordered the Council to proceed to a division under Rule 47(1) of the Rules of Procedure.

The President announced that among the Members returned by functional constituencies, 17 were present, 14 were in favour of the amendment and three abstained; while among the Members returned by geographical constituencies through direct elections, 21 were present, nine were in favour of the amendment and 11 abstained. (Voting record in Appendix.) Since the question was not agreed by a majority of each of the two groups of Members present, he declared that the amendment was negatived.

Hon Miriam LAU rose to move the following motion without notice:

That in the event of further divisions in relation to the motion on “Reforming financial regulators” or amendments thereto, the Council do proceed to each of such divisions after the division bell has been rung for one minute.

Question on the motion proposed, put and agreed to.

Hon Albert HO moved the following amendment to Hon Ronny TONG’s motion:

To delete “as” after “That,” and substitute with “the recent spate of incidents occurring in the financial sector, including the ‘Lehman Incident’ and the ‘Citic Pacific Incident’, etc, reflect that the regulatory regime of Hong Kong’s financial system needs to be further reformed and to enhance protection for bank clients and investors, whilst”; and to delete “and” after “the standards of the regulators” and substitute with “, as well as studying the establishment of an independent financial ombudsman to provide one-stop and convenient disputes resolution service for handling disputes and compensation matters between clients and financial institutions, so as to better”.

Question on Hon Albert HO’s amendment to Hon Ronny TONG’s motion proposed, put and agreed to.

As Hon Albert HO’s amendment had been passed, the President granted leave for Hon Miriam LAU to revise the terms of her amendment.

Hon Miriam LAU moved the following further amendment to Hon Ronny TONG’s motion as amended by Hon Albert HO, and explained the revised terms of her amendment to the Council:

To add “; and changing the existing regulatory regime, which is ‘disclosure-based’ and ‘subjecting one industry to several regulatory authorities’, as well as strengthening the regulation on the sale of investment-linked insurance products, so as to plug the existing loopholes in the regulation of the financial sector and protect the interests of insuring public” immediately before the full stop.

Question on Hon Miriam LAU’s amendment to Hon Ronny TONG’s motion as amended by Hon Albert HO proposed, put and agreed to.

Hon Ronny TONG replied.

Question on Hon Ronny TONG's motion as amended by Hon Albert HO and Hon Miriam LAU proposed, put and agreed to.

Motion for the adjournment of the Council

The President said that in accordance with Rule 16(6) and (7) of the Rules of Procedure, he had determined that if at the expiration of 75 minutes from the moving of this motion, there were Members who still wished to speak, he would extend the period of the debate to the time when all Members who wished to speak had spoken, and the designated public officer had replied. As regards the speaking time, each Member might not speak in excess of five minutes, and the designated public officer making a reply might speak up to 15 minutes.

Hon Miriam LAU moved the following motion and addressed the Council:

That this Council do now adjourn for the purpose of debating the following issue:  
Adjustment in the fares for the hiring of Lantau and urban taxis.

Question on the motion proposed.

Fourteen Members spoke on the motion.

The Secretary for Transport and Housing spoke on the motion.

Question on the motion put and agreed to.

Next meeting

The President declared that the next meeting of the Council would be held on 3 December 2008 at 11:00 am.

The Council was adjourned at 9:26 pm.

(Jasper TSANG Yok-sing)  
President  
2 February 2009

Council Chamber  
Hong Kong

投票 VOTE: 1  
 日期 DATE: 26/11/2008  
 時間 TIME: 07:59:10 下午pm

動議 MOTION: 陳鑑林議員對湯家驊議員的「改革金融業監管機構」議案，作出的修正案  
 AMENDMENT BY HON CHAN KAM-LAM TO HON RONNY TONG'S MOTION ON  
 "REFORMING FINANCIAL REGULATORS"

動議人 MOVED BY: 陳鑑林CHAN Kam-lam

	功能團體 Functional Constituencies	地方選區 Geographical Constituencies	最後結果 Final Result
出席 Present	17	21	
投票 Vote	17	20	
贊成 Yes	14	9	
反對 No	0	0	
棄權 Abstain	3	11	
結果 Result	通過 Passed	否決 Negatived	否決 Negatived

個別表決如下 THE INDIVIDUAL VOTES WERE AS FOLLOWS:

議員 MEMBER	投票 VOTE	議員 MEMBER	投票 VOTE
<b>功能團體 Functional Constituencies</b>		<b>地方選區 Geographical Constituencies</b>	
何鍾泰 Dr Raymond HO	棄權 ABSTAIN	曾鈺成 TSANG Yok-sing	出席 PRESENT
李國寶 Dr David LI		何俊仁 Albert HO	棄權 ABSTAIN
吳靄儀 Dr Margaret NG	贊成 YES	李卓人 LEE Cheuk-yan	棄權 ABSTAIN
張文光 CHEUNG Man-kwong	棄權 ABSTAIN	李華明 Fred LI	棄權 ABSTAIN
梁劉柔芬 Mrs Sophie LEUNG		涂謹申 James TO	棄權 ABSTAIN
黃宜弘 Dr Philip WONG		陳鑑林 CHAN Kam-lam	贊成 YES
黃容根 WONG Yung-kan	贊成 YES	梁耀忠 LEUNG Yiu-chung	
劉皇發 LAU Wong-fat		劉江華 LAU Kong-wah	
劉健儀 Miriam LAU	贊成 YES	劉慧卿 Emily LAU	棄權 ABSTAIN
霍震霆 Timothy FOK		鄭家富 Andrew CHENG	棄權 ABSTAIN
石禮謙 Abraham SHEK		譚耀宗 TAM Yiu-chung	贊成 YES
李鳳英 LI Fung-ying	贊成 YES	陳偉業 Albert CHAN	
張宇人 Tommy CHEUNG		馮檢基 Frederick FUNG	棄權 ABSTAIN
方剛 Vincent FANG		余若薇 Audrey EU	贊成 YES
李國麟 Dr Joseph LEE		WONG Kwok-hing	贊成 YES
林健鋒 Jeffrey LAM	贊成 YES	李永達 LEE Wing-tat	棄權 ABSTAIN
梁君彥 Andrew LEUNG	贊成 YES	梁家傑 Alan LEONG	贊成 YES
黃定光 WONG Ting-kwong	贊成 YES	梁國雄 LEUNG Kwok-hung	
詹培忠 CHIM Pui-chung	贊成 YES	張學明 CHEUNG Hok-ming	
劉秀成 Prof Patrick LAU		湯家驊 Ronny TONG	贊成 YES
林大輝 Dr LAM Tai-fai		甘乃威 KAM Nai-wai	棄權 ABSTAIN
陳茂波 Paul CHAN	贊成 YES	何秀蘭 Cyd HO	棄權 ABSTAIN
陳健波 CHAN Kin-por	贊成 YES	李慧琼 Starry LEE	
梁家驊 Dr LEUNG Ka-lau		CHAN Hak-kan	贊成 YES
張國柱 CHEUNG Kwok-che	棄權 ABSTAIN	CHAN Tanya	贊成 YES
葉偉明 IP Wai-ming	贊成 YES	梁美芬 Dr Priscilla LEUNG	贊成 YES
葉國謙 IP Kwok-him	贊成 YES	黃成智 WONG Sing-chi	棄權 ABSTAIN
潘佩璆 Dr PAN Pey-chyou	贊成 YES	黃國健 WONG Kwok-kin	
謝偉俊 Paul TSE		黃毓民 WONG Yuk-man	
譚偉豪 Dr Samson TAM	贊成 YES	葉劉淑儀 Mrs Regina IP	

秘書 CLERK