

# OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 24 April 2013

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

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE JAMES TO KUN-SUN

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

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

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

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

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

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

THE HONOURABLE WONG KWOK-HING, M.H.

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

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

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

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

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

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING, J.P.

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

THE HONOURABLE CHAN HAK-KAN, J.P.

THE HONOURABLE CHAN KIN-POR, B.B.S., J.P.

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN, J.P.

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

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

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE CLAUDIA MO

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

THE HONOURABLE JAMES TIEN PEI-CHUN, G.B.S., J.P.

THE HONOURABLE NG LEUNG-SING, S.B.S., J.P.

THE HONOURABLE STEVEN HO CHUN-YIN

THE HONOURABLE FRANKIE YICK CHI-MING

THE HONOURABLE WU CHI-WAI, M.H.

THE HONOURABLE YIU SI-WING

THE HONOURABLE GARY FAN KWOK-WAI

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

THE HONOURABLE CHARLES PETER MOK

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN

DR THE HONOURABLE KENNETH CHAN KA-LOK

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

THE HONOURABLE LEUNG CHE-CHEUNG, B.B.S., M.H., J.P.

THE HONOURABLE KENNETH LEUNG

THE HONOURABLE ALICE MAK MEI-KUEN, J.P.

DR THE HONOURABLE KWOK KA-KI

THE HONOURABLE KWOK WAI-KEUNG

THE HONOURABLE DENNIS KWOK

THE HONOURABLE CHRISTOPHER CHEUNG WAH-FUNG, J.P.

THE HONOURABLE SIN CHUNG-KAI, S.B.S., J.P.

DR THE HONOURABLE HELENA WONG PIK-WAN

THE HONOURABLE IP KIN-YUEN

DR THE HONOURABLE ELIZABETH QUAT, J.P.

THE HONOURABLE MARTIN LIAO CHEUNG-KONG, J.P.

THE HONOURABLE POON SIU-PING, B.B.S., M.H.

THE HONOURABLE TANG KA-PIU

DR THE HONOURABLE CHIANG LAI-WAN, J.P.

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

THE HONOURABLE CHUNG KWOK-PAN

THE HONOURABLE CHRISTOPHER CHUNG SHU-KUN, B.B.S., M.H., J.P.

THE HONOURABLE TONY TSE WAI-CHUEN

**MEMBER ABSENT:**

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

**PUBLIC OFFICERS ATTENDING:**

THE HONOURABLE MRS CARRIE LAM CHENG YUET-NGOR, G.B.S., J.P.  
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE JOHN TSANG CHUN-WAH, G.B.M., J.P.  
THE FINANCIAL SECRETARY

THE HONOURABLE RIMSKY YUEN KWOK-KEUNG, S.C., J.P.  
THE SECRETARY FOR JUSTICE

PROF THE HONOURABLE ANTHONY CHEUNG BING-LEUNG, G.B.S.,  
J.P.  
SECRETARY FOR TRANSPORT AND HOUSING

THE HONOURABLE TSANG TAK-SING, G.B.S., J.P.  
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE MATTHEW CHEUNG KIN-CHUNG, G.B.S., J.P.  
SECRETARY FOR LABOUR AND WELFARE

PROF THE HONOURABLE K C CHAN, G.B.S., J.P.  
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE GREGORY SO KAM-LEUNG, G.B.S., J.P.  
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

THE HONOURABLE RAYMOND TAM CHI-YUEN, G.B.S., J.P.  
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

THE HONOURABLE LAI TUNG-KWOK, S.B.S., I.D.S.M., J.P.  
SECRETARY FOR SECURITY

THE HONOURABLE EDDIE NG HAK-KIM, S.B.S., J.P.  
SECRETARY FOR EDUCATION

THE HONOURABLE PAUL TANG KWOK-WAI, J.P.  
SECRETARY FOR THE CIVIL SERVICE

DR THE HONOURABLE KO WING-MAN, B.B.S., J.P.  
SECRETARY FOR FOOD AND HEALTH

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

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

MS JULIA LEUNG FUNG-YEE, S.B.S., J.P.  
UNDER SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

MR LAU KONG-WAH, J.P.  
UNDER SECRETARY FOR CONSTITUTIONAL AND MAINLAND  
AFFAIRS

### **CLERKS IN ATTENDANCE:**

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

MRS JUSTINA LAM CHENG BO-LING, DEPUTY SECRETARY GENERAL

MR ANDY LAU KWOK-CHEONG, ASSISTANT SECRETARY GENERAL

MISS FLORA TAI YIN-PING, ASSISTANT SECRETARY GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

**OBITUARY TRIBUTE**

**PRESIDENT** (in Cantonese): Before we get down to business, this Council will observe one minute's silence to mourn the victims of the earthquake in Sichuan.

(After paying one-minute silence)

**PRESIDENT** (in Cantonese): End of the obituary tribute.

**TABLING OF PAPERS**

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Schedule of Routes (Citybus Limited) Order 2013 .....	55/2013
Schedule of Routes (Citybus Limited) (North Lantau and Chek Lap Kok Airport) Order 2013 .....	56/2013
Schedule of Routes (Kowloon Motor Bus Company (1933) Limited) Order 2013 .....	57/2013
Schedule of Routes (New Lantao Bus Company (1973) Limited) Order 2013 .....	58/2013
Schedule of Routes (New World First Bus Services Limited) Order 2013 .....	59/2013
Air Pollution Control (Amendment) Ordinance 1993 (Commencement) Notice 2013.....	60/2013
Air Transport (Licensing of Air Services) (Amendment) Regulation 2011 (Commencement) Notice .....	61/2013

## Other Papers

No. 91 — The 24<sup>th</sup> Report on the Work of the Advisory Committee on Post-service Employment of Civil Servants (1 January - 31 December 2012)

Report No. 15/12-13 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

**WRITTEN ANSWERS TO QUESTIONS****Subject of Liberal Studies Under New Senior Secondary Academic Structure**

1. **MR CHAN CHI-CHUEN** (in Chinese): *President, some teachers of the subject of Liberal Studies (LS) under the New Senior Secondary (NSS) academic structure have pointed out room for improvement to the subject in three aspects, namely course content, teaching support and assessment by public examination, since its launch in 2009, and LS teachers are also facing heavy pressure in teaching the subject. In this connection, will the Government inform this Council:*

- (a) *given the criticism about the fragmentary content and unclear positioning of the LS curriculum, whether the authorities will conduct a comprehensive review of the curriculum design of the subject (for example, deleting part of the content or realigning the proportion of the core units while incorporating theoretical knowledge related to critical thinking by drawing reference to the curriculum of the subject of Ethics and Religious Studies); if they will, of the review timetable; if not, the reasons for that;*
- (b) *given that the one-off Liberal Studies Curriculum Support Grant (LSCSG) of \$320,000 provided to each publicly-funded secondary school in the 2010-2011 school year will expire on 31 August this year, whether the authorities will consider afresh providing LSCSG on a recurrent basis, so as to help schools deploy additional manpower and resources to conduct small-class group teaching for the LS subject, thus promoting the healthy development of the subject as well as alleviating LS teachers' workload and pressure; and*



- (c) *since the passing rate of the LS subject in the first Hong Kong Diploma of Secondary Education Examination (HKDSEE) held in 2012 is as high as 90.8%, why the Hong Kong Examinations and Assessment Authority (HKEAA) still reduced the number of questions in one of the LS papers in the 2013 HKDSEE and the weighting allocated to the paper on grounds of allowing ample time for students to answer the questions and grasp them more easily; whether the authorities will analyse if the high passing rate in the LS examination last year reflected that the assessment by public examination was too lax, resulting in a failure to accurately assess students' learning results?*

**SECRETARY FOR EDUCATION** (in Chinese): President, our reply to the Member's question is as follows:

- (a) In mid-2012, the Education Bureau, the Curriculum Development Council and the HKEAA jointly reviewed the New Academic Structure (NAS), including the implementation of LS. Through different channels, we had sought extensively the views of stakeholders, including academics, principals, teachers, professional bodies, students and parents, on the NAS. We had also collected relevant data through school surveys and visits. The progress report on the review of the NAS was released on 19 April 2013. As for LS, schools in general agree that the curriculum framework should be maintained in the short term, given that the current curriculum framework was formulated after comprehensive study and consultations, together with the fact that a consensus to any curriculum revision proposals could not be reached without further data collection, consultations and careful deliberations. Now teachers have started to better understand and become more familiar with LS after the first cycle of implementation under the NSS curriculum. Any major change to the subject, if introduced in the short term, will increase teachers' burden of mastering the curriculum and assessment as well as lesson preparation.

The Education Bureau will continue to listen to the views of teachers and various sectors, and will soon embark on the medium- and

long-term review of the curriculum. Drawing on the experience from the implementation of the curriculum, we will conduct a comprehensive review of the curriculum and assessment design of LS. We anticipate that the medium- and long-term recommendations on curriculum revision can be rolled out in or after the 2016-2017 school year.

- (b) Since the 2008-2009 school year, schools have been and will continue to be provided with the Senior Secondary Curriculum Support Grant (SSCSG), which can be deployed flexibly to support the implementation of the NSS curriculum, including LS. From the 2012-2013 school year onwards, the SSCSG is equivalent to the mid-point salary of 0.1 Graduate Master/Mistress per NSS class. It is worth noting that the SSCSG was originally designated to support the implementation of LS but was later integrated with other NSS provisions at the suggestion of the school sector to give schools greater flexibility. Bearing in mind factors such as their specific situations and the learning needs of students, schools should consult their teachers and seek the approval of their School Management Committees or Incorporated Management Committees on the flexible use of the SSCSG to support the implementation of LS, including, among others, deploying additional manpower and resources to alleviate teachers' workload, and conducting group teaching.
- (c) The Hong Kong Diploma of Secondary Education (HKDSE) Examination adopts a standards-referenced reporting system, under which candidates' levels of performance are reported with reference to a set of well-defined and constant standards. Results of LS for the first year of HKDSE Examination were determined on the basis of candidates' performance, level descriptors under the standards-referenced reporting system, performance levels of exemplars and comments from the subject expert panel.

Each year, the HKEAA will conduct a review upon the completion of the HKDSE Examination and make recommendations for improvement in the light of the experiences gained so as to further enhance the quality of the examination and fine-tune various

arrangements. As far as LS is concerned, the examination analysis in 2012 revealed that some candidates failed to complete Paper 1 within the examination time. It was, therefore, recommended that appropriate adjustments to the length of the data and number of sub-questions of Paper 1 should be made starting from 2013 in such a way that candidates would be able to analyse and organize their answers to the questions within the existing time limit. The adjustments received wide support from schools. In this connection, the HKEAA distributed the Practice Papers to schools in late-2012 to familiarize teachers and students with the examination requirements.

Despite the above adjustments, the level of difficulty and the weighting of Paper 1 remain unchanged. There is no lowering of the overall assessment criteria. As regards the grading for LS in the 2013 HKDSE Examination, the HKEAA will grade candidates' performance with reference to the same standards adopted in last year's examination so as to ensure comparability of year-on-year results.

### **Issuance of One-way Permits to Eligible Mainland "Overage Children" of Hong Kong Residents**

2. **MR WONG KWOK-HING** (in Chinese): *President, with effect from 1 April 2011, eligible Mainland "overage children" of Hong Kong residents (that is, Mainland residents who were under the age of 14 when their natural fathers or mothers obtained their first Hong Kong identity cards on or before 1 November 2001) may apply, in phases, for Permits for Proceeding to Hong Kong and Macao (commonly known as "one-way permits") for reunion with their natural parents in Hong Kong. The applications by overage children whose fathers or mothers obtained their Hong Kong identity cards in 1980, 1981 and 1982 or earlier were/are processed in Phases I to III respectively. In this connection, will the Government inform this Council:*

- (a) *whether it knows the respective numbers of applications for settlement in Hong Kong made by overage children which the Mainland authorities have received to date for Phases I and II, and*

*since the commencement of Phase III; the numbers of such applications which had undergone preliminary vetting, had been approved and turned down respectively after completion of the vetting procedures, together with their respective percentages in the total number of applications; the reasons why some of the applicants have not yet been or were not issued with one-way permits;*

- (b) whether the Hong Kong authorities have received, since 1 April 2011, any requests for assistance, complaints and reported cases involving overage children applying for settlement in Hong Kong; if so, of the details;*
- (c) whether it knows the number of additional vetting phases that the Mainland authorities need to launch in order to process all the applications for settlement in Hong Kong submitted by eligible overage children; and*
- (d) whether it has compiled statistics on the average time of stay in Hong Kong each year of the overage children whose applications were successful and have entered Hong Kong with one-way permits, and among such persons, of the number of those who ordinarily reside in Hong Kong; whether the authorities have conducted any survey on the overage children's lives in Hong Kong, as well as their job seeking and employment situation, and so on, with a view to finding out the assistance they need and their impact on the local labour market; if they have, of the details; if not, whether they will consider conducting such surveys expeditiously?*

**SECRETARY FOR SECURITY** (in Chinese): President, starting from 1 April 2011, eligible Mainland overage children of Hong Kong residents, that is, those who were below the age of 14 when their natural fathers or mothers, on or before 1 November 2001, obtained their Hong Kong identity card and whose natural fathers or mothers still reside in Hong Kong on 1 April 2011, may apply for one-way permit (OWP) for reunion with their natural parents in Hong Kong in an orderly manner. The phased submission of applications by overage children to the Mainland authorities will be scheduled chronologically according to the order in which their natural fathers or mothers obtained their Hong Kong identity cards.

The Mainland authorities are accepting applications from Mainland residents whose natural fathers or mothers obtained their first Hong Kong identity cards before 1982.

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

- (a) According to information from the Mainland authorities, as at end March 2013, the Mainland authorities have received some 42 000 OWP applications from overage children, of which initial assessment of over 34 000 (81%) has completed with some 30 000 (71%) approved to issue OWP. The Mainland authorities are actively processing the remaining applications with a view to allowing eligible Mainland overage children of Hong Kong residents to reunite as early as possible with their natural parents in Hong Kong. The Mainland authorities have not provided further breakdown of the statistics.
- (b) From April 2011 to present, the Immigration Department (ImmD) has received individual requests for assistance concerning OWP applications from overage children. Having regard to the circumstances and request, the ImmD will reflect to the Mainland authorities and provide practicable assistance, including assisting the applicants' parents who are aged or with limited mobility in taking samples for DNA tests in Hong Kong. Up to now, the ImmD has not received any complaint or report concerning OWP applications from overage children.
- (c) The Mainland authorities are actively processing the OWP applications from eligible overage children. Depending on the number of applications and progress, the Mainland authorities will announce the arrangement of the next phase in due course, with the aim to allowing eligible Mainland overage children of Hong Kong residents to reunite as early as possible with their natural parents in Hong Kong in an orderly manner.
- (d) The Administration does not maintain statistics on the duration of stay in Hong Kong in a year of Hong Kong residents, or the number of ordinary residents in Hong Kong. Currently, the ImmD and

Home Affairs Department collect information of new arrivals on the strength of OWP at Lo Wu boundary control point and Registration of Persons Office respectively. The information is compiled into a quarterly report which is distributed to the relevant government departments and non-governmental organizations for reference. The Census and Statistics Department also takes new arrivals on the strength of OWP into account when making population estimates, which provide a common basis for the Government in the long-term planning for education, housing, transport, social services, medical services, and so on.

The Labour Department (LD) is committed to providing comprehensive employment services to assist new arrivals to find jobs so as to facilitate their integration into society. At present, the LD provides free and diversified employment services to job seekers through a network of 12 job centres, two industry-based recruitment centres, the Telephone Employment Service Centre, the Interactive Employment Service website and numerous vacancy search terminals located throughout the territory. The LD also organizes regularly large-scale job fairs in shopping malls and community halls at various districts, as well as district-based job fairs in the job centres to help job seekers find work. To meet the employment needs of the new arrivals, the LD has specifically set up resource corners and special counters at job centres to assist new arrival job seekers. Tailor-made employment briefings are organized to help them better understand the local labour market situation and improve job search skills. New arrival job seekers can meet the employment officers in the job centres to obtain job search advice and information on training courses, and to receive career aptitude assessment as appropriate. They may also participate in various employment programmes to enhance their employability.

### **Shortage of Green Minibus Drivers**

3. **MR TAM YIU-CHUNG** (in Chinese): *President, recently, some green minibus (GMB) operators have relayed to me that under the impact of the ripple effect of the minimum wage, they have found it difficult to hire drivers. As a*

*result, quite a number of GMB routes have lost trips or have even been forced to suspend services. They therefore urge the authorities to examine the relaxation of the eligibility requirements for applying for the relevant driving licence, so that more people can become GMB drivers. In this connection, will the Government inform this Council:*

- (a) whether it knows the situation of shortage of GMB drivers in the territory in the past three years, and the number of GMB routes which have lost trips or have been forced to suspend services due to a shortage of drivers; whether the authorities have examined the implementation of measures to increase the number of GMB drivers; if they have, of the details; if not, the reasons for that; and*
- (b) whether the authorities will, on the premise of not affecting road safety, examine the relaxation of the eligibility requirements for applying for the private/public light bus driving licence tests (for example, lowering the existing requirement on the period for which the applicants have held a valid full driving licence for private car or light goods vehicle before they may take the relevant driving test, from "at least three years" to "at least one year"); if they will, of the details; if not, the reasons for that?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Chinese): President,

- (a) After the implementation of the statutory minimum wage, some representatives of the GMB trade relayed to the Transport Department (TD) the shortage of drivers for certain GMB routes. As such, the TD asked all GMB operators late last year about the matter and found that some GMB routes occasionally failed to operate fully in accordance with the frequency specified in the schedule of service because of manpower issues. Yet, according to the latest understanding of the TD, the operators concerned have reduced the impact of the driver shortage on GMB services by employing part-time and full-time drivers, redeploying existing manpower and adjusting drivers' salary, and so on. So far, no GMB routes have suspended their services due to shortage of drivers.

Regarding the manpower of GMB drivers, the TD has contacted the Labour Department (LD) and liaised with GMB operators to participate in the LD's job fairs to recruit more drivers. The first job fair with the participation of GMB operators is expected to be held shortly. In addition, some GMB operators have adjusted the salary of drivers to retain the incumbent and attract new blood to join the GMB trade. The TD will monitor closely the manpower situation subsequent to the introduction of the above measures. If GMB operators apply for fare increase on the ground of increased operating cost (including salary cost), the TD will consider such applications on a case-by-case basis.

- (b) As stipulated in Regulations 8(1) and (1A) of the Road Traffic (Driving Licences) Regulations (Laws of Hong Kong Chapter 374B), applicants for driving licences to drive taxis, light buses, medium/heavy goods vehicles or buses (commercial vehicles) must hold a valid full driving licence to drive a private car or light goods vehicle for at least three years, or a valid full driving licence issued after the completion of probationary driving period to drive a private car or light goods vehicle for at least two years immediately preceding their applications. To ensure that novice drivers of commercial vehicles have sufficient on-road driving experience for driving vehicles of a higher passenger capacity and larger size, and for the sake of road safety, we have no plan to relax the relevant requirements for the time being.

There are at present about 2 500 and 4 300 registered private light buses and public light buses respectively while the respective numbers of holders of valid driving licences for such vehicles are around 185 000 and 180 000. Based on these figures, the current numbers of respective valid driving licence holders should be sufficient to meet the manpower demand in the market.

### **Development of Spatial Data Infrastructures**

4. **MR TONY TSE** (in Chinese): *President, to promote the development and application of spatial data in Hong Kong, the Office of the Government Chief Information Officer (OGCIO) completed a study in 2007 on the need and*



*feasibility of developing Spatial Data Infrastructures (SDIs). Subsequently, OGCIO collaborated with the Lands Department and established a geo-spatial information hub to provide geo-spatial information services to the public through GovHK. In this connection, will the Government inform this Council:*

- (a) of the items which have been implemented and those which will be implemented among the recommendations made in the aforesaid study report, and the respective details, expenditure, implementation schedules and progress of such items;*
- (b) of the SDIs which have been developed and those which will be developed, broken down by the responsible Policy Bureau and government department, together with the respective details, annual expenditure and implementation schedules of such SDIs; whether the authorities will integrate the operation and management of the SDIs developed separately by various Policy Bureaux and government departments; if they will, of the details and implementation schedule; if not, the reasons for that;*
- (c) of the spatial data which are available for public use free of charge and for a fee; whether the authorities will consider digitizing all spatial data and make them available for public use free of charge; if they will, of the details and implementation schedule; if not, the reasons for that; and*
- (d) whether it has formulated specific policies on establishing SDIs; if it has, of the details; if not, the reasons for that; whether OGCIO has provided government departments with guidelines for the development and application of spatial data; if it has, of the details; if not, the reasons for that?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Chinese): President, the reply to various parts of the question is as follows:

- (a) The OGCIO conducted a study from 2007 to 2008 to examine the need and feasibility of developing SDIs. In the light of its recommendations, OGCIO released the GeoInfo Map on the GovHK

portal in 2010, consolidating spatial data from more than 10 government departments for free public consumption. OGCIO, Lands Department and relevant government departments have been constantly updating and upgrading this service to provide more spatial data to the public. Since 2011, we have also released geo-referenced data of commonly-used public facilities and other data through the Government's public sector information (PSI) portal (Data.One portal) <data.one.gov.hk>. These data are available in digital format for free downloading and re-use by the public. The costs of these projects are around \$10 million.

- (b) There are a total of five SDIs, which are either completed or under development, including the GeoInfo Map mentioned above. Details are at Annex.

SDIs of individual departments are developed to meet their operational needs and therefore have different typologies and architectures. We have no plan at this stage to integrate them.

- (c) and (d)

Since March 2011, OGCIO has been providing geo-referenced data of public facilities (for example, government offices, leisure, cultural and sports facilities, hospitals, and so on) through the Data.One portal for free use by the public. Separately, Lands Department and various departments are providing an array of chargeable digital geographical data (for example, topographic map, land boundary map, and so on) for such uses as town planning, development projects, and so on.

OGCIO will continue to work with bureaux and departments to open up government-owned PSI progressively through the Data.One portal for public use. Meanwhile, OGCIO will, in the context of the current review of the Digital 21 Strategy, explore how to further facilitate government departments to open up PSI.

## Annex

## List of SDIs

## Completed SDIs

<i>Bureaux/ Department</i>	<i>Name of Project</i>	<i>Content</i>	<i>Date of Launch</i>	<i>Non- recurrent expenditure (HK\$)</i>	<i>Recurrent expenditure (HK\$/year)</i>
Planning Department	Statutory Planning Portal	Displaying planning information (that is, statutory plans and planning applications) on digital map to enable online public inspection	April 2012 (initial launch) April 2006 (enhancement)	6.64 million	1.21 million
Development Bureau	Data Alignment Measures for the Alignment of Planning, Lands and Public Works Data	Providing formats and standards for planning, lands and public works data to facilitate sharing of data among works departments	May 2008	51.30 million	9.60 million
Lands Department	GeoInfo Map	Providing geospatial information service to the public to facilitate the search and understanding of geographical locations, the built and natural environments, and public facilities	May 2010	10.00 million	1.50 million

<i>Bureaux/ Department</i>	<i>Name of Project</i>	<i>Content</i>	<i>Date of Launch</i>	<i>Non- recurrent expenditure (HK\$)</i>	<i>Recurrent expenditure (HK\$/year)</i>
Housing Department	Geographic Information System for Development and Construction Division	Containing information from spatial data banks of works departments for feasibility study of public housing developments	January 2013	4.67 million	0.63 million

SDIs being developed

<i>Bureaux/ Department</i>	<i>Name of Project</i>	<i>Content</i>	<i>Date of Launch</i>	<i>Non- recurrent expenditure (HK\$)</i>	<i>Recurrent expenditure (HK\$/year)</i>
Housing Department	Geographic Information System for Estate Management Division	Containing information from spatial data banks of works departments to support repair works of water supplies and drainage of public housing developments	September 2013	6.64 million	0.76 million

### **Health Surveillance Assistants Working at Immigration Control Points**

5. **MR LEUNG YIU-CHUNG** (in Chinese): *President, some Health Surveillance Assistants (HSAs) employed by the Department of Health (DH) on Non-Civil Service Contract (NCSC) terms have told me that while they are responsible for conducting health surveillance on travellers at immigration control points (control points), facilities for sterilizing uniforms have not been made available to them at various control points. They worry that in case of an outbreak of Severe Acute Respiratory Syndrome or other epidemics, they will be*

*the first to bear the brunt of being infected, and the work of preventing the import of epidemics into Hong Kong will thus be affected. In this connection, will the Government inform this Council:*

- (a) whether the DH has considered providing front-line personnel, for example, HSAs, and so on, responsible for epidemic prevention work with facilities for bathing and sterilizing uniforms at control points, so as to avoid their spreading the bacteria after they are infected, and to protect their health; if not, of the reasons for that; and*
- (b) given that conducting temperature checks on travellers by HSAs at control points is a measure adopted on the recommendation of the World Health Organization (WHO), and therefore such a task does not meet the condition of being "time-limited, seasonal, or subject to market fluctuations" (one of the conditions to be met by government departments intending to recruit NCSC staff), whether the Government has considered converting the HSA posts to civil service posts, so as to facilitate the conduct of steady and effective epidemic prevention; if not, of the reasons for that?*

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

- (a) The DH attaches great importance to the occupational safety and health of its staff. Having regard that the HSA and Health Surveillance Supervisors (HSSs) are likely to have direct contact with travellers suspected of having infectious diseases when they conduct daily health surveillance at boundary control points, the DH provides all newly recruited HSAs and HSSs with induction training which covers temperature checks and screening, infection control and handling of infectious diseases, and so on. HSSs at boundary control points also frequently provide front-line staff with practical and refresher training on infection control as well as wearing and removing personal protective clothing. Information about infection control is also circulated regularly to ensure that staff are familiar with the health surveillance measures.

In addition, the DH also provides its health surveillance staff with adequate and appropriate personal protective equipment including masks, gloves, disposable gowns and caps, eye protection, antiseptic

handrub, and so on. Staff who may need to have direct contact with travellers put on the appropriate personal protective equipment prior to conducting temperature checks and health assessments for travellers, in accordance with the established screening practice.

In all, the DH has considered the prevailing risk and provides its health surveillance staff with adequate training, guidelines and disposable personal protective equipment, to ensure their work safety in handling travellers suspected of infectious diseases. At present, the DH does not require its staff to take a shower or use exceptional methods to disinfect their uniforms when they go off duty.

- (b) Under the International Health Regulations (IHR) of the WHO, members are required to assess their national public health capacity to meet IHR core capacity requirements. The requirements do not include the provision of temperature checks at boundary control points. With regard to the recent cases of novel coronavirus and avian influenza infections, the WHO has not advised members to adopt special screening at points of entry. As regards the work on disease prevention and control in Hong Kong, current port health measures were formulated and put in place by the DH with reference to the risk assessment on the situation in our neighbouring countries and regions. These measures are subject to review and adjustment as and when necessary. On the issue of manpower requirement, the DH is now reviewing the provision and operational needs of health surveillance services at various boundary control points, with a view to deciding the best service delivery practice.

### **Monitoring of Training Programmes Under Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme**

6. **MR LEUNG KWOK-HUNG** (in Chinese): *President, quite a number of members of the public and trainees under the Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme (the Scheme) of the Labour Department (LD) have relayed to me that, owing to LD's inadequate monitoring of those organizations (training bodies) appointed for providing the training programmes under the Scheme (training programmes), public money has not been put to optimal use. However, when problems concerning the training*

*programmes arise, front-line social workers as the case managers often become the scapegoats and the trainees, the victims. In this connection, will the Government inform this Council:*

- (a) *of the training bodies appointed by the Government since 2009, and set out the details of the training programmes provided as well as the amount of funding received by each training body in the following table;*

Training body	Training programme									
	Name	Date	Total number of hours planned	Total number of hours actually provided	Total number of sessions planned	Total number of sessions actually provided	Name of the school planned to co-operate with (if any)	Number of supervisory social workers or supervisors planned to include	Number of front-line social workers planned to include	Amount of funding

- (b) *whether, in appointing the training bodies, the Government has imposed strict requirements on: (i) the number of supervisory social workers or supervisors (supervisory staff) to be included in the training programmes; if it has, of the details; and (ii) regular inspections of the training programmes to be conducted by the supervisory staff; if it has, of the frequency of such inspections and the number of hours for each inspection required, as well as whether the supervisory staff are required to record each of their inspections on a log book to facilitate the Government's scrutiny; if there is no requirement for regular inspections, whether the supervisory staff monitor the programmes merely by reading in the office the reports submitted by front-line social workers;*
- (c) *whether the Government has deployed staff to regularly inspect each training programme after appointing the training bodies; if it has, of the frequency of such inspections and the number of hours for each inspection; if not, whether the Government monitors the actual situations and results of the programmes merely by reading in the office the reports submitted by the training bodies;*

- (d) *whether the Government has uncovered any problems in the training programmes (for example, failing to complete the programme as planned) since 2009; if so, of the number of programmes and names of the training bodies concerned, whether the Government has investigated the causes of the problems in each case, whether it has held the relevant training bodies or supervisory staff responsible for the improper monitoring and imposed penalties on them, or whether it has merely requested or allowed such training bodies to name a front-line social worker as the scapegoat without holding the relevant training bodies or supervisory staff responsible for the improper monitoring;*
- (e) *when the training bodies have to submit reports on the training programmes to the Government according to the contract of appointment with the Government; and*
- (f) *of the number of training bodies to be appointed by the Government in 2013-2014 to run the training programmes, and set out the details of such programmes in the following table?*

<i>Training body (if appointed)</i>	<i>Training programme</i>							
	<i>Name</i>	<i>Date</i>	<i>Total number of hours planned</i>	<i>Total number of sessions planned</i>	<i>Name of the school planned to co-operate with (if any)</i>	<i>Number of supervisory social workers or supervisors planned to include</i>	<i>Number of front-line social workers planned to include</i>	<i>Amount of funding</i>

**SECRETARY FOR LABOUR AND WELFARE** (in Chinese): President, my reply to the question raised by Mr LEUNG Kwok-hung is as follows:

- (a) The Scheme of the LD operates on the basis of Programme Year, running from September each year to August of the following year. Each year, we appoint training bodies to offer trainees courses on job search and interpersonal skills, discipline and motivation, computer



application and job-specific skills. For the 2012-2013 programme year, over 50 training bodies (including non-governmental organizations and training institutes) were appointed.

Depending on the training contents and requirements of trainees/employers, the training hours of courses vary and may be broadly grouped by category as below:

<i>Course type</i>	<i>Training hours</i>
Job-search and interpersonal skills	48 hours
Discipline and motivation	80 hours
Computer application	48 to 80 hours
Job-specific skills	Around 100 to 180 hours
Others	Below 180 hours

We provide at Annex the amount of payment to training bodies for courses launched in the 2009-2010 to 2011-2012 programme years. As the 2012-2013 programme will only end in August 2013, the figures are not available.

We have not kept information on "actual number of training sessions", "original number of training sessions" and "name of the collaborating school". We also do not require our training bodies to provide "number of supervisory social workers or supervisors" and "number of front-line social workers" for the training courses.

- (b) As stipulated in the appointment letters to the Scheme's training bodies, they are obliged to safeguard the quality of the training courses. They must provide training courses in accordance with the commitment made in the approved training proposals, including trainers' qualification, trainer-trainee ratio, training hours, training venue and facilities and course content, and so on.

The LD will monitor the quality of the training courses through a series of measures. On the other hand, the training bodies should ensure compliance with the standard set by the LD through their internal monitoring mechanism. The LD does not prescribe details of the training bodies' monitoring mechanism.

- (c) The LD monitors the quality of the training courses through various measures, including collecting trainees' opinions on the courses by means of questionnaires, and conducting sample class inspections. In the 2011-2012 programme year, a total of 56 inspections of mainstream courses<sup>(1)</sup> were conducted, including both surprise visits and visits with advance notice. Moreover, 87 inspections of other courses were conducted. The inspections focus on the overall training venue and environment; training materials and facilities; actual delivery of training; and course arrangement, and so on. The duration of each inspection visit varies.

The Director of Audit has made recommendations on our class inspection in its Report No. 59. The LD will take out a series of improvement measures to enhance the quality assurance mechanism on training courses, including a review of the strategy and overall arrangement related to training course inspections. Starting from January 2013, officers inspect in a single visit all training courses held at the same training venue as far as practicable and training bodies are requested to produce documentary proof of trainers' qualifications for verification during inspections.

Other than onsite inspections, we conduct sample telephone survey to ascertain the accuracy of the attendance records submitted by the training bodies. Besides, when evaluating training bodies' performance in the procurement exercise, we will take into account trainees' attendance and scoring in course evaluation survey in future.

Trainees can reflect their views about the training courses in person or through their case managers by means of the Scheme's hotline, chatroom of the Scheme's website, emails or by fax, and so on. We will follow up and investigate when a complaint on training course is received.

- (d) Every year, the LD invites interested training bodies to submit proposals on the Scheme's training courses. The Vetting

(1) Mainstream courses include job-search and interpersonal skills, discipline and motivation, computer application and job-specific skills training.

Committee will evaluate the proposals in terms of price and technical factors and appoint suitable training bodies to provide training courses for the Scheme which enrolls trainees round the year. To ensure provision of a wide choice of courses to trainees and sufficient training places throughout the year, the LD will make estimation of training courses required with the training bodies before the commencement of the Programme Year. Nevertheless, whether the courses may subsequently be launched depends on the actual enrolment situation and trainees' choices. We do not have information on the number of courses not launched.

In appointing the training bodies, the LD has clearly stated in the appointment letters that the training bodies are obliged to comply with all administrative requirements stipulated in the Training Bodies Manual. They are responsible for safeguarding the quality of the training courses and providing training courses in accordance with the commitment made in the training proposals. The LD takes a serious view on cases in which training body delivers sub-standard courses or commits breaches of terms and conditions. The LD will investigate on each case and issue advice or warning and ensure rectification by the training body. For very serious breaches, the LD may consider termination of contract. From the 2009-2010 programme year onwards, the LD has issued nine written advice/warnings to five training bodies consequent to breaches detected in courses, including not complying with administrative procedures, providing unqualified trainer and not enrolling trainees according to requirements. We have taken appropriate follow-up actions on all cases and the irregularities have been rectified.

- (e) According to the Scheme's Training Bodies Manual, training bodies are required to submit the attendance records online within one week after the completion of the training. They are also required to submit other reports including the summary of course evaluation questionnaires and the original course evaluation questionnaires, and so on, within two weeks after the completion of the training.
- (f) As we are still working on courses to be procured for the 2013-2014 programme year, we do not have the requested information.

## 2009-2010 Programme Year

Name of Training Body	Course Title					Amount of Course Fee Approved
	Job-search	Discipline	Computer	Job-specific Skills	Others	
Methodist Centre	✓		✓	✓	✓	1,043,337.64
The Young Men's Christian Association of Hong Kong	✓	✓	✓	✓		554,664.00
Caritas Hong Kong	✓		✓	✓	✓	2,708,891.00
The Boys' and Girls' Clubs Association of Hong Kong	✓		✓	✓	✓	777,700.00
Kwun Tong Methodist Social Service Ngau Tau Kok Youth Integrated Service Centre	✓		✓	✓		94,140.00
The Church of United Brethren in Christ Social Service Division	✓	✓	✓	✓		908,800.00
Christian Action	✓	✓	✓	✓		2,125,920.00
New Territories Association Retraining Centre	✓	✓	✓	✓		4,587,512.00
The Hong Kong Confederation of Trade Unions	✓			✓		1,995,150.00
Hong Kong College of Technology	✓			✓	✓	1,137,411.00
Hong Kong Young Women's Christian Association	✓	✓	✓	✓	✓	1,225,787.00
Yan Oi Tong	✓					55,380.00
Scout Association of Hong Kong — The Friends of Scouting	✓			✓		88,000.00

<i>Name of Training Body</i>	<i>Course Title</i>					<i>Amount of Course Fee Approved</i>
	<i>Job-search</i>	<i>Discipline</i>	<i>Computer</i>	<i>Job-specific Skills</i>	<i>Others</i>	
H.K.S.K.H. Lady MacLehose Centre	✓		✓	✓		329,070.00
Hong Kong Employment Development Service Limited	✓	✓	✓	✓	✓	2,994,000.00
Hong Kong Sheng Kung Hui Welfare Council	✓			✓		436,520.00
Holy Carpenter Church Community Centre	✓					42,000.00
HKFTU Occupational Retraining Centre	✓			✓	✓	723,004.00
The Salvation Army	✓	✓		✓		479,676.00
Christian Family Service Centre	✓	✓	✓	✓		233,000.00
The ABM Hong Kong Swatow Baptist Church Community Service Association	✓					24,000.00
The Hong Kong Federation of Youth Groups	✓		✓	✓	✓	1,957,570.00
Aberdeen Kai Fong Welfare Association Social Service Centre	✓				✓	232,900.00
Hong Kong Lutheran Social Service	✓					71,400.00
Hong Kong Children and Youth Services	✓	✓	✓	✓	✓	726,852.00
Yang Memorial Methodist Social Service					✓	39,800.00

<i>Name of Training Body</i>	<i>Course Title</i>					<i>Amount of Course Fee Approved</i>
	<i>Job-search</i>	<i>Discipline</i>	<i>Computer</i>	<i>Job-specific Skills</i>	<i>Others</i>	
Evangelical Lutheran Church Social Service — HK	✓	✓	✓	✓	✓	1,565,414.00
Free Methodist Church Tuen Mun Children & Youth Integrated Services Centre	✓					7,200.00
Chinese YMCA of Hong Kong	✓			✓	✓	466,120.00
Chinese Evangelical Zion Church, Youth Employment Training and Creativity Development Centre	✓		✓	✓		281,140.00
Stewards Limited	✓			✓		66,000.00
Hong Kong PHAB Association Jockey Club Shatin Integrated Service Centre for Children and Youth	✓	✓				55,000.00
The Neighbourhood Advice-Action Council	✓				✓	137,120.00
The Federation of Hong Kong & Kowloon Labour Unions	✓		✓	✓		279,570.00
Vocational Training Council	✓				✓	509,200.00
Hong Kong Travel & Tourism Training Centre				✓	✓	478,053.86
Hong Kong Playground Association	✓	✓	✓	✓	✓	532,066.40

<i>Name of Training Body</i>	<i>Course Title</i>					<i>Amount of Course Fee Approved</i>
	<i>Job-search</i>	<i>Discipline</i>	<i>Computer</i>	<i>Job-specific Skills</i>	<i>Others</i>	
Irene Beauty Professional Training Institute				✓		1,223,939.80
Members Institute Limited				✓	✓	720,940.00
Youth Centre of the True Word Lutheran Church, Ltd	✓	✓	✓	✓		2,175,700.00
Hong Kong Communication Art Centre			✓	✓	✓	567,185.20
UNISOFT Education Centre			✓	✓		126,984.00
Tung Wah Group of Hospitals Community Services Division	✓					15,000.00
Hong Kong-Macao Conference of Seventh-day Adventist Shan King Integrated Children & Youth Services Centre	✓	✓	✓	✓		479,320.00
Yuen Long Town Hall	✓			✓		337,500.00
Farida Hair & Beauty Education Centre				✓		331,029.13
Knowledge Education Centre				✓		602,448.00
Choi Wan Rhenish Integrated Children and Youth Services Centre			✓			11,880.00
Youth Outreach	✓			✓		74,100.00
Jenny Beauty College				✓		180,800.00
Touch Up Production Limited				✓		50,540.00

<i>Name of Training Body</i>	<i>Course Title</i>					<i>Amount of Course Fee Approved</i>
	<i>Job-search</i>	<i>Discipline</i>	<i>Computer</i>	<i>Job-specific Skills</i>	<i>Others</i>	
Bio Beauty Culture Limited				✓		266,000.00
Pui Ching Academy					✓	218,393.00
Hong Kong Southern District Women's Association Limited					✓	202,500.00
Footprint Training and Consultancy Company Limited		✓				60,000.00

## 2010-2011 Programme Year

<i>Name of Training Body</i>	<i>Course Title</i>					<i>Amount of Course Fee Approved</i>
	<i>Job-search</i>	<i>Discipline</i>	<i>Computer</i>	<i>Job-specific Skills</i>	<i>Others</i>	
Methodist Centre	✓	✓		✓	✓	1,097,048.69
The Young Men's Christian Association of Hong Kong	✓	✓		✓		308,438.00
Caritas Hong Kong	✓		✓	✓	✓	1,495,574.00
The Boys' and Girls' Clubs Association of Hong Kong	✓				✓	503,400.00
Kwun Tong Methodist Social Service Ngau Tau Kok Youth Integrated Service Centre	✓		✓	✓		89,254.00
The Church of United Brethren in Christ Social Service Division	✓		✓	✓		523,100.00
Christian Action	✓			✓		1,270,408.50
New Territories Association Retraining Centre	✓	✓	✓	✓		3,614,628.00



<i>Name of Training Body</i>	<i>Course Title</i>					<i>Amount of Course Fee Approved</i>
	<i>Job-search</i>	<i>Discipline</i>	<i>Computer</i>	<i>Job-specific Skills</i>	<i>Others</i>	
The Hong Kong Confederation of Trade Unions	✓		✓	✓		1,234,392.00
Hong Kong College of Technology	✓			✓	✓	676,606.00
Hong Kong Young Women's Christian Association	✓	✓		✓	✓	663,278.00
Yan Oi Tong	✓					17,040.00
Scout Association of Hong Kong — The Friends of Scouting	✓			✓	✓	261,520.00
H.K.S.K.H. Lady MacLehose Centre	✓		✓	✓	✓	137,670.00
Hong Kong Employment Development Service Limited	✓		✓	✓	✓	3,227,650.00
Hong Kong Sheng Kung Hui Welfare Council	✓					92,160.00
Holy Carpenter Church Community Centre	✓					12,500.00
HKFTU Occupational Retraining Centre	✓			✓		511,936.00
The Salvation Army	✓			✓	✓	514,571.00
Christian Family Service Centre	✓					16,500.00
The ABM Hong Kong Swatow Baptist Church Community Service Association	✓					12,000.00
The Hong Kong Federation of Youth Groups	✓			✓	✓	1,588,784.00

<i>Name of Training Body</i>	<i>Course Title</i>					<i>Amount of Course Fee Approved</i>
	<i>Job-search</i>	<i>Discipline</i>	<i>Computer</i>	<i>Job-specific Skills</i>	<i>Others</i>	
Aberdeen Kai Fong Welfare Association Social Service Centre	✓				✓	173,600.00
Hong Kong Lutheran Social Service	✓					20,000.00
Hong Kong Children and Youth Services	✓	✓	✓	✓	✓	533,272.00
Evangelical Lutheran Church Social Service — HK	✓	✓		✓	✓	891,105.00
Chinese YMCA of Hong Kong	✓			✓	✓	192,100.00
Chinese Evangelical Zion Church, Youth Employment Training and Creativity Development Centre	✓		✓	✓	✓	52,050.00
Stewards Limited				✓		51,500.00
Hong Kong PHAB Association Jockey Club Shatin Integrated Service Centre for Children and Youth	✓	✓				43,800.00
The Federation of Hong Kong & Kowloon Labour Unions	✓			✓		72,852.00
Vocational Training Council	✓			✓	✓	624,600.00
Hong Kong Travel & Tourism Training Centre				✓	✓	314,420.99
Hong Kong Playground Association	✓			✓	✓	563,716.00

<i>Name of Training Body</i>	<i>Course Title</i>					<i>Amount of Course Fee Approved</i>
	<i>Job-search</i>	<i>Discipline</i>	<i>Computer</i>	<i>Job-specific Skills</i>	<i>Others</i>	
Irene Beauty Professional Training Institute				✓		1,302,230.80
Members Institute Limited				✓	✓	511,160.00
Youth Centre of the True Word Lutheran Church, Ltd	✓	✓	✓	✓		1,889,000.00
Hong Kong Communication Art Centre			✓	✓	✓	278,265.39
Tung Wah Group of Hospitals Community Services Division	✓				✓	146,002.00
Hong Kong-Macao Conference of Seventh-day Adventist Shan King Integrated Children & Youth Services Centre	✓	✓	✓	✓		227,900.00
Yuen Long Town Hall	✓			✓		173,250.00
Farida Hair & Beauty Education Centre				✓		246,037.00
Knowledge Education Centre				✓		482,668.00
Youth Outreach				✓		26,000.00
Jenny Beauty College				✓		113,200.00
Touch Up Production Limited				✓		148,000.00
Pui Ching Academy					✓	190,270.00
Hong Kong Southern District Women's Association Limited					✓	64,800.00

<i>Name of Training Body</i>	<i>Course Title</i>					<i>Amount of Course Fee Approved</i>
	<i>Job-search</i>	<i>Discipline</i>	<i>Computer</i>	<i>Job-specific Skills</i>	<i>Others</i>	
Monita Academy				✓		154,105.00
Frederique Academy					✓	2,475.00

## 2011-2012 Programme Year

<i>Name of Training Body</i>	<i>Course Title</i>					<i>Amount of Course Fee Approved</i>
	<i>Job-search</i>	<i>Discipline</i>	<i>Computer</i>	<i>Job-specific Skills</i>	<i>Others</i>	
Methodist Centre	✓				✓	295,382.04
The Young Men's Christian Association of Hong Kong	✓	✓		✓		238,708.00
Caritas Hong Kong	✓			✓	✓	853,914.00
The Boys' and Girls' Clubs Association of Hong Kong	✓				✓	166,500.00
The Church of United Brethren in Christ Social Service Division	✓					72,000.00
Christian Action	✓			✓		683,646.00
New Territories Association Retraining Centre	✓		✓	✓		1,604,192.00
The Hong Kong Confederation of Trade Unions	✓			✓		537,096.00
Hong Kong College of Technology	✓				✓	108,240.00
Hong Kong Young Women's Christian Association	✓			✓	✓	741,583.00
Yan Oi Tong	✓					15,400.00
Scout Association of Hong Kong — The Friends of Scouting	✓			✓		174,000.00

<i>Name of Training Body</i>	<i>Course Title</i>					<i>Amount of Course Fee Approved</i>
	<i>Job-search</i>	<i>Discipline</i>	<i>Computer</i>	<i>Job-specific Skills</i>	<i>Others</i>	
H.K.S.K.H. Lady MacLehose Centre	✓				✓	111,312.00
Hong Kong Employment Development Service Limited	✓			✓	✓	2,507,670.00
Hong Kong Sheng Kung Hui Welfare Council	✓					30,720.00
HKFTU Occupational Retraining Centre	✓			✓	✓	468,700.00
The Salvation Army	✓			✓	✓	199,495.00
Christian Family Service Centre	✓		✓			36,500.00
The Hong Kong Federation of Youth Groups	✓			✓	✓	1,194,716.00
Aberdeen Kai Fong Welfare Association Social Service Centre	✓				✓	74,050.00
Hong Kong Lutheran Social Service	✓					12,000.00
Hong Kong Children and Youth Services	✓			✓	✓	601,010.00
Baptist Oi Kwan Social Service					✓	368,640.00
Evangelical Lutheran Church Social Service — HK	✓			✓	✓	1,686,706.10
Chinese YMCA of Hong Kong	✓				✓	17,280.00
Chinese Evangelical Zion Church, Youth Employment Training and Creativity Development Centre	✓				✓	15,060.00

<i>Name of Training Body</i>	<i>Course Title</i>					<i>Amount of Course Fee Approved</i>
	<i>Job-search</i>	<i>Discipline</i>	<i>Computer</i>	<i>Job-specific Skills</i>	<i>Others</i>	
Hong Kong PHAB Association Jockey Club Shatin Integrated Service Centre for Children and Youth	✓					16,800.00
The Federation of Hong Kong & Kowloon Labour Unions	✓					32,300.00
Vocational Training Council	✓				✓	574,200.00
Hong Kong Travel & Tourism Training Centre				✓	✓	94,224.20
Hong Kong Playground Association	✓			✓	✓	341,294.00
Irene Beauty Professional Training Institute				✓		880,580.70
Members Institute Limited				✓	✓	378,080.00
Youth Centre of the True Word Lutheran Church, Ltd	✓		✓	✓		2,346,950.00
Hong Kong Communication Art Centre			✓	✓	✓	324,147.82
Tung Wah Group of Hospitals Community Services Division	✓			✓	✓	180,221.00
Hong Kong-Macao Conference of Seventh-day Adventist Shan King Integrated Children & Youth Services Centre	✓	✓		✓		141,720.00
Yuen Long Town Hall	✓					6,750.00

Name of Training Body	Course Title					Amount of Course Fee Approved
	Job-search	Discipline	Computer	Job-specific Skills	Others	
Farida Hair & Beauty Education Centre				✓		225,120.00
Knowledge Education Centre				✓		333,081.00
Jenny Beauty College				✓		74,900.00
Pui Ching Academy					✓	49,386.00
Monita Academy				✓		46,760.00
Excel Famous Education Centre				✓		40,000.00
Kiel Art Bartending Academy				✓		75,600.00

### Old Age Living Allowance

7. **MISS ALICE MAK** (in Chinese): *President, elderly persons who are currently receiving or have previously received Normal Old Age Allowance (Normal OAA) are all eligible for receiving Old Age Living Allowance (OALA) introduced this month. The Social Welfare Department (SWD) issued green notification letters to them in late February to enable them to receive OALA through Phase I "Auto-conversion". I have recently received quite a number of complaints from these elderly persons that they had waited for a long time but had not yet received the green notification letters. The SWD explained that the situation was due to the fact that some old data had not been transferred to the current computer system. In addition, some elderly persons have indicated that they encountered difficulties in making enquiries through the OALA hotline or with the SWD's front-line staff. In this connection, will the Government inform this Council:*

- (a) *of the number of elderly persons currently receiving OAA who are unable to receive OALA through the "Auto-conversion" procedure; among them, the respective numbers of elderly persons who are currently receiving (i) Normal OAA (for application by the elderly aged 65 to 69), (ii) Higher OAA (for application by the elderly aged*

70 or above) but have never received Normal OAA, and (iii) Higher OAA and have previously received Normal OAA;

- (b) *for how long, as estimated by the SWD, elderly persons applying for OALA through Phase 2 "Postal Submission" will lag behind those elderly persons under Phase 1 in receiving the allowance;*
- (c) *of the respective numbers of enquiries and requests for assistance received by the authorities to date since the OALA hotline came into operation in October last year; of the average number of enquiry calls received each day; among them, the total number of cases involving requests for assistance concerning elderly persons not receiving the green notification letters and how the SWD follows up such cases;*
- (d) *of the respective numbers and hours of training or briefing sessions on OALA provided by the SWD to its front-line staff to date since the announcement of the introduction of OALA in July last year, and of the number of staff members who had participated in such sessions; whether the SWD has completed the recruitment for the additional staff required for the implementation of the OALA Scheme; whether those staff have reported for duty;*
- (e) *how the SWD will handle cases involving elderly persons who did not receive OALA due to various delays caused by the SWD and passed away during the waiting period; and*
- (f) *whether the SWD will expeditiously put forward concrete improvement measures (for example, reviewing the information management of its computer system, increasing front-line manpower, strengthening training and enhancing publicity targeted at elderly persons), so as to minimize the possibility of making mistakes in the payment of OALA; if it will, of the details of the measures?*

**SECRETARY FOR LABOUR AND WELFARE** (in Chinese): President, OALA aims to supplement the living expenses of Hong Kong elderly persons aged 65 or above who are in need of financial support. Subject to a simple declaration on their financial means, eligible elderly persons will receive a



monthly allowance of \$2,200. The Administration has devised a set of simplified application procedures to enable elderly persons to receive OALA as early as possible. It is rolled out in three phases, namely "Auto-conversion", "Postal Submission" and "New Application". Various types of elderly persons can receive OALA through the relevant arrangements.

My reply to the question raised by Miss Alice MAK is as follows:

- (a) Elderly persons who are covered under Phase 1 — "Auto-conversion" arrangement include in principle those aged 65 to 69 receiving Normal OAA before the implementation of OALA, and those aged 70 or above currently receiving Higher OAA and having received Normal OAA at the age 65 to 69. The SWD issued 287 701 green notification letters on 25 February 2013 to inform the elderly persons concerned about the "Auto-conversion" arrangement.
  - (i) Eligible elderly persons aged 65 to 69 receiving Normal OAA before the implementation of OALA have largely switched to receive OALA under the "Auto-conversion" arrangement.
  - (ii) Higher OAA recipients aged 70 or above who have not received Normal OAA at the age of 65 to 69 are under Phase 2 — "Postal Submission" arrangement. The SWD issued yellow notification letters on 25 March 2013 to inform them about the "Postal Submission" arrangement.
  - (iii) Higher OAA recipients aged 70 or above having received Normal OAA at the age of 65 to 69 were supposed to be included under Phase 1 — "Auto-conversion" arrangement. The SWD's current Computerised Social Security System (CSSS) commenced its operation in 2000. For a small portion of Higher OAA recipients, while their Higher OAA data had been transferred to the CSSS, the old data related to their receipt of Normal OAA was not. Thus, some existing Higher OAA recipients aged 70 or above who had received Normal OAA before were not included in the "Auto-conversion" arrangement. If the income/asset records of the recipients in the CSSS exceeded the prescribed limits, they were also excluded from the "Auto-conversion"

arrangement. The abovementioned elderly persons will be processed under Phase 2 — "Postal Submission". The SWD issued yellow notification letters on 25 March 2013 to inform them about the "Postal Submission" arrangement. Eligible elderly persons who complete the "postal submission application forms" and return to the SWD on or before 31 December 2013 will receive OALA payment dating back to 1 December 2012 at the earliest. The SWD has not kept records of the number of elderly persons concerned.

- (b) The SWD has set up a "Centralised Team" to handle applications through "Postal Submission". Upon receipt of application forms, the "Centralised Team" will verify the eligibility of the elderly persons as soon as possible.
- (c) The SWD has set up a hotline for OALA enquiries and the hotline number is 3595 0130 (10 lines). This hotline has been in operation since 19 October 2012, providing services from 8.45 am to 6 pm, Monday to Friday. From 7 March 2013 onwards, a total of 15 lines for the OALA hotline have been installed with additional staff deployed to handle the telephone enquiries on OALA.

Since 8 March 2013, the 24-hour OALA Hotline 3142 2202 has also been in operation to enhance the hotline services. This hotline, manned by 1823 of the Efficiency Unit, has assisted in responding to general and simple enquiries on OALA.

As at 9 April 2013, the SWD's OALA hotline 3595 0130 received 57 351 enquiry calls, with a daily average of about 700 calls at present. For the 24-hour OALA Hotline 3142 2202 operated since 8 March, 15 780 enquiry calls were received (as at 9 April), with a daily average of about 500 calls.

Owing to the large number and wide range of enquiries received, the SWD has not kept any analytical data on the hotline enquires. The number of enquiries about not having received the green notification letters is not available. When such enquiries are received, the SWD staff will provide assistance as appropriate.

- (d) Before the implementation of OALA, the SWD conducted two briefings, each lasting for around three hours, to about 400 Social Security grade officers. The briefing sessions aimed to provide staff with the necessary information through explaining to them the implementation details and procedures of OALA and issuing the operational guidelines for their reference. In addition, the SWD has provided the latest information and frequently asked questions about OALA to the front-line staff so as to facilitate their handling of public enquiries. Internal hotlines have also been set up to answer enquiries from the front-line staff on the operational details of OALA.

The SWD would create a total of about 100 additional posts (including time-limited posts) for preparation and implementation of OALA. Under an expedited recruitment procedure, the SWD has completed the recruitment exercises and enhanced the manpower of the front-line Social Security Field Units and the "Centralised Team". Eighty percent of the additional manpower have commenced service and the remaining manpower will report for duty in May 2013.

- (e) After the launching of OALA in April 2013, the SWD will process the applications received as soon as possible. In the event that an elderly person passed away after having submitted an application and having their eligibility for OALA established before death, the SWD will arrange his/her allowance entitlements as estates.
- (f) In January 2013, the SWD held large briefing sessions to District Elderly Community Centres and Neighbourhood Elderly Centres. The SWD also conducted 90 briefings to district organizations and stakeholders through District Social Welfare Offices. The briefings aimed to explain the application arrangements of OALA to the relevant organizations, stakeholders and elderly persons and to answer their enquiries.

To inform elderly persons of the relevant application dates and procedures, the SWD has printed leaflets and posters, and produced three versions of TV Announcements in the Public Interest (APIs) and Radio APIs for broadcast to tie in with the rolling out of the

three phases of OALA. Relevant information has also been uploaded onto the SWD's website: <www.swd.gov.hk/oala>.

The SWD will continue to organize various training courses to the Social Security staff to help them acquire relevant knowledge and skills. The SWD will also regularly review and update the training programmes to meet the new services demand and training needs of the staff. In addition, the SWD is currently conducting the renewal of CSSS to enhance service quality.

### **Measures Against Throwing Objects from Heights in Public Rental Housing Estates**

8. **MR KWOK WAI-KEUNG** (in Chinese): *President, as incidents of throwing/falling objects from heights in public rental housing (PRH) estates have occurred repeatedly in recent years, the Housing Department (HD) has installed close-circuit television monitoring systems (monitoring systems) at the black spots of a number of estates, so as to deter such acts and gather evidence for enforcement of the Marking Scheme for Estate Management Enforcement in Public Housing Estates (Marking Scheme) by the HD against such offenders or for prosecution by the police. In this connection, will the Government inform this Council:*

- (a) *of the PRH estates currently installed with monitoring systems, the number of systems, as well as the respective models, functions and costs of such systems, set out separately by District Council district;*
- (b) *of the relevant information on incidents of throwing objects from heights that occurred in PRH estates during the period from 2009 to the end of March this year (set out in the table below):*

<i>Year</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013 (as at end of March)</i>	<i>Total</i>
<i>Number of reports on throwing objects from heights</i>						

<i>Year</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013 (as at end of March)</i>	<i>Total</i>
<i>Number of cases of PRH tenants being allotted penalty points</i>						
<i>Number of cases of PRH tenants being convicted</i>						

- (c) *of the number of criminal prosecutions instituted in the past three years against PRH tenants for throwing objects from heights; among such cases, the number of those in which the information recorded by the monitoring systems had been used as evidence; whether there were cases in which prosecution could not be instituted ultimately because there had been "blind spots" in the monitoring systems concerned, resulting in failure to record the related situations of throwing objects; if there were such cases, of the number and the details concerned;*
- (d) *of the number of appeals lodged with the HD by those PRH tenants who had been allotted penalty points for throwing objects from heights and the number of successful appeals, in the past three years; the details of the existing appeal mechanism; whether any regular review has been conducted to see if such mechanism is fair to the appellants; if not, of the reasons for that;*
- (e) *of the number of PRH tenants whose tenancies were terminated, since the implementation of the Marking Scheme in 2003, because a total of 16 or more penalty points had been allotted to them for throwing objects from heights; and*
- (f) *of the current establishment of the HD's Special Operation Teams against Throwing Objects from Height; and the respective numbers of inspections conducted and prosecutions instituted by such teams in the past three years?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Chinese): President, to deter and prevent incidents involving objects being thrown from height, the HD has installed surveillance systems, commonly called the "eyes in the sky", at black spots where throwing object from height have occurred in the past in PRH estates. To comply with the requirements under the Personal Data (Privacy) Ordinance, their deployment and recordings taken at each location will be reviewed regularly. To allow for effective follow-up action, apart from the daily patrols carried out by estate staff, the HD has set up 12 Special Squads headed by Housing Officers to take enforcement action. The HD has also procured the service of 12 Special Operation Teams of former police officers for deployment to estates by turns to detect cases of throwing objects from height.

To enhance the deterrent effect on the unscrupulous and dangerous act of throwing objects from height by the PRH residents, seven points or 15 points would be allotted under the Marking Scheme according to the seriousness of the falling object incidents to any household identified to have been involved with such an incident. Moreover, the offender will also be prosecuted under the Public Cleansing and Prevention of Nuisances Regulation. Since the introduction of the Marking Scheme in 2003, the situation of objects dropped from height has improved. The Hong Kong Housing Authority (HA) will issue a Notice-to-Quit to terminate the subject tenancy if the tenant accrues 16 penalty points or above within two years.

My reply to the six-part question of Mr KWOK is as follows:

- (a) There are three surveillance systems for prevention of falling objects from height, *viz* Falling Object Monitoring System (FOMS), Mobile Digital Closed Circuit Television System (MDCCTV) and Mobile Surveillance System (MSS).

(i) *FOMS*

Since 1998, the HD has introduced the FOMS which employs video tapes for recording purposes. The FOMS consists of CCTV cameras installed on the roof top of a domestic block so as to assist estate management staff to investigate incidents of throwing objects from height. Currently, there are 96 sets of FOMS and the cost per system is approximately \$190,000.

(ii) *MDCCTV*

The MDCCTV was introduced in 2004 by the HD using more advanced digital technology. It is designed to be re-locatable and hence can be deployed on a need and rotation basis among estates.

The cameras of the system are usually installed on roof top or in a vacant flat, with camera images recorded in a digital video recorder. The system automatically monitors the change in the television image and can detect a falling object larger than a certain size, and the system would immediately alert the management staff concerned. Currently, there are 21 sets of MDCCTV and the cost per system is approximately \$200,000.

(iii) *MSS*

The MSS was introduced by the HD in 2010 using the latest technology. It is also designed to be re-locatable and hence can be deployed on a need and rotation basis among estates.

The MSS, with one high definition camera, is compact and of light-weight. It is easy to install and can be mounted on roof top, building facades or lamp poles. The MSS has the advantages of quick deployment and high mobility. A data link can be set up between the MSS and the estate management office, so that estate management staff can perform remote control on the camera for downloading and real-time monitoring. Currently, there are 28 sets of MSS and the cost per system is approximately \$30,000.

The HD has demarcated its PRH estates into six management regions according to geographical locations. MDCCTV and MSS are co-used by the estates in each management region. The deployment of the surveillance systems for prevention of falling objects from height according to management regions is detailed at the Annex.

- (b) For cases of throwing objects from height in PRH estates, information is provided as follows:

<i>Year</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013 (up to end of March)</i>	<i>Total</i>
Number of reports of throwing objects	140	255	275	290	50	1 010
Number of PRH tenants with point-allotment	90	200	210	215	30	745
Number of PRH tenants being convicted	21	51	93	116	26	307

- (c) In the past three years, out of some 310 prosecution cases for throwing objects from height, about 70 successful cases used the evidence collected from surveillance systems. On the other hand, prosecutions of five cases in the past three years cannot be brought up because of unclear image or incomplete image during recording of the whole incident of throwing objects from height.
- (d) According to the existing appeal mechanism under the Marking Scheme, tenants can appeal to the HD against the allotment of points for throwing objects from height. In the past three years, there were 22 appeal cases from PRH tenants against point-allotment for throwing objects from height, 17 of which were successful. The HA will issue a Notice-to-quit for termination of tenancy to tenants accruing up to a total of 16 points or above within two years. However, the concerned tenants may make an appeal to the Appeal Panel (Housing), which is independent from the HA. The existing mechanism provides diverse appeal channels at different levels to handle tenants' appeals equitably and has all along been operating smoothly. Nevertheless, the systems are reviewed from time to time to ensure that they are in step with the overall community situation and tenants' aspirations.
- (e) Since the implementation of the Marking Scheme, five cases with misdeeds involving throwing objects from height, accrued 16 points or above and had their tenancies terminated.



- (f) As mentioned above, the HD has procured the service of 12 Special Operation Teams of former police officers for deployment to estates by turns to detect cases of throwing objects from height in addition to the enforcement actions taken by 12 Special Squads headed by Housing Officers of the HD. Each team consists of one guard supervisor and two security guards. There is an average of some 2 000 operations for detection conducted in some 160 PRH estates and 80 prosecuted cases on average per year in the past three years.

Annex

Deployment of Surveillance Systems According to Management Regions  
(As at February 2013, locations subject to changes on deployment need)

<i>Management Regions</i>	<i>Surveillance Systems (Number of Sets)</i>		
	<i>FOMS</i>	<i>MDCCTV</i>	<i>MSS</i>
Tai Po, North, Sha Tin and Sai Kung	12	5	5
Tuen Mun and Yuen Long	12	4	8
Kwai Chung	7	2	2
Wong Tai Sin, Tsing Yi, Tsuen Wan and Islands	18	3	4
Kowloon East	32	3	4
Kowloon West and Hong Kong	15	4	5
Total:	96	21	28

Note:

The HD has demarcated its PRH estates into six management regions. The surveillance systems (MDCCTV and MSS) are co-used by the estates in each management region. As the boundary demarcation between management regions and District Council districts may not be the same, so this list cannot accurately show the number of surveillance systems according to 18 District Council boundaries.

### **Support for Women from Low-income Families to Take up Employment**

9. **DR ELIZABETH QUAT** (in Chinese): *President, a survey conducted by a political party has found that almost 70% of the responding women are willing to go out to work in order to improve the financial situation of their families.*

*Owing to a shortfall in child care services, quite a number of them are forced to stay at home to take care of their young children aged below 12 to avoid committing the offence of leaving children unattended at home. Some single mothers receiving Comprehensive Social Security Assistance (CSSA) have relayed that they once intended to take up part-time jobs under the Support for Self-reliance (SFS) Scheme in order to help their families make ends meet. However, as the service hours of home-based child carers failed to dovetail with their schedules (as most of these carers get off work at 6 pm each day) and their services were unreliable, they very often had to take unscheduled leave in order to look after their children at home. Moreover, part of the income from part-time jobs would be deducted by the Social Welfare Department (SWD) when calculating the amount of allowance payable to CSSA recipients, so much so that the remaining income was even unable to cover the costs for engaging home-based child carers. In the end, they had no alternative but to give up taking up part-time jobs as the losses outweighed the gains. In this connection, will the Government inform this Council:*

- (a) as some parents have indicated that the places for services of independent child care centres, kindergarten-cum-child care centres, occasional child care and child care provided under the Neighbouring Support Child Care Project (NSCCP) in their districts have been fully taken up and they are unable to register for waiting for such services as there are no waiting lists for such services, whether the authorities will compile statistics on the number of families who were denied of such services because the places for such services had been fully taken up, and whether it will increase the quotas of such services and set up waiting lists to facilitate assessment of the service demand;*
- (b) of the details of the child care services provided by various NSCCP service operators, including the respective numbers of home-based child carers in each District Council (DC) district who provide child care services: (i) at their own homes; (ii) at clients' homes, and (iii) in the premises of the service operators;*
- (c) of the actual situation concerning the child care services provided by home-based child carers in various DC districts at present, including: (i) whether the child carers have received pre-employment training; (ii) the maximum and minimum service*

*charges, and (iii) the percentage of those carers who provide services beyond 8 am to 6 pm;*

- (d) of the implementation details of the SFS Scheme at present, together with examples illustrating the provision of disregarded earnings (DE) under the CSSA Scheme and the calculation method;*
- (e) as CSSA recipients taking up part-time jobs may not always be exempted from making payments to home-based child carers or for child care services while the CSSA payments they receive will be deducted because of their income from part-time jobs, so much so that their income after deduction may even be unable to cover the costs for child care services, whether the authorities have assessed if the SFS Scheme can achieve its goals under such circumstances;*
- (f) given the view that the turnover rate of home-based child carers is on the high side because (i) they are not protected by the minimum wage law as they are offered incentive payments instead of wages, and (ii) there are quite a number of better-paid jobs in the market, whether the authorities have compiled statistics on the turnover rates of home-based child carers before and after the implementation of the statutory minimum wage; if they have, of the details; if not, the reasons for not studying the impact of the minimum wage on the stability of the supply of home-based child carers;*
- (g) given that the police received 61 reported cases of leaving children unattended at home in 2012, representing a year-on-year increase of 40%, whether the authorities will review the existing home-based child care services and consider afresh requiring service operators to increase the amount of incentive payments for their home-based child carers to reasonable levels to attract more experienced women to work as home-based child carers, so that working mothers may go to work without worries and hence a larger women labour force will be released; and*
- (h) focusing on the problem of home-based child care services failing to meet the actual demand at present, in particular the acute shortage of those services for young children aged between six and 12, whether the authorities have assessed the demand for child care*

*services for children aged between six and 12, as well as studied and considered any policies and measures to help the needy families solve their problem; if they have, of the details; if not, the reasons for that?*

**SECRETARY FOR LABOUR AND WELFARE** (in Chinese): President, it is the responsibility of parents to take care of their young children. Parental care would cater for young children's developmental needs and is in their best interests. To support parents who are unable to take care of their children temporarily because of work or other reasons, the Government provides subvention to Non-governmental Organizations (NGOs) to run diversified and flexible child care services, and service fee subsidy is also provided for low-income families to ensure that the needy families can get the necessary services.

My reply to the eight parts of the question raised by Dr Elizabeth QUAT is as follows:

- (a) In general, there are still unused quotas for various child care services and after-school care services. As at December 2012, the utilization rates of all kinds of child care services were below 87%, with the exception of standalone child care centres which had a utilization rate of 100%. For the Neighbourhood Support Child Care Project (NSCCP), service operators have the flexibility to provide additional home-based child care places on top of the minimum requirement to meet the actual service demand. The SWD has not received any report of needy children failing to receive such service because of insufficient service places. We will continue to review the operation of various services to ensure that the services can meet the demands from the community.
- (b) Currently, service operators of NSCCP in all 18 districts are required to provide a minimum of 26 home-based child care places and 14 centre-based care group places. That is, there are a total of at least 468 home-based child care places and 252 centre-based care group places in the territory. Service operators have the flexibility to provide additional home-based child care places on top of the

minimum requirement set by the SWD to meet the actual service demand.

- (c) As stipulated in the service agreements under NSCCP, service operators are required to recruit suitable persons as home-based carers and provide relevant training to them, and ensure their quality of service through regular home visits. At present, the basic fees for home-based child care service range from \$18 to \$24 per hour. The utilization rate of home-based child care service beyond 8 am to 6 pm accounts for about 39% of the overall service utilization.

- (d) and (e)

Regarding subsidy to NSCCP service fees, CSSA recipients are deemed to have passed the means tests. CSSA recipients will be granted fee waiving or reduction if they are identified as having social needs.

As regards the SFS Scheme, the SWD has launched this Scheme under the CSSA Scheme from 1999 onwards to encourage and help unemployed able-bodied CSSA recipients aged 15 to 59 to secure employment and move towards self-reliance.

Under SFS Scheme, unemployed CSSA recipients should find paid jobs of not less than 120 work hours per month and with income not less than the standard amount specified by the SWD. For single parents and child carers on CSSA whose youngest child is aged 12 to 14, the SWD encourages and assists them to find jobs of not less than 32 work hours per month.

To encourage CSSA recipients who have the ability to work to find jobs and remain in employment, DE arrangement is provided under SFS Scheme. Under the Scheme, a portion of the CSSA recipient's monthly earnings from employment will not be deducted from his CSSA entitlement if he has been on CSSA for not less than two months. The maximum level of the monthly DE is \$2,500 at present. An example of calculation of DE is at Annex.

The Social Security and Retirement Protection Task Force under the Commission on Poverty supported at its meeting on 18 March the implementation of a pilot scheme on savings accounts through the Community Care Fund. The objective of the pilot scheme is to save up any CSSA payments deducted in excess of the maximum level of DE for the CSSA recipients who are in employment. When the total amounts of savings exceed CSSA asset limit by a certain amount, the total savings amounts will be released to the CSSA recipients to assist them in leaving the CSSA net. Details of the scheme are being considered and followed up by the SWD.

(f) and (g)

NSCCP is a mutual-aid scheme instead of an employment project. Its objective is to foster community participation and mutual help in the neighbourhood, and provide needy families with flexible child care support service. Home-based child carers under NSCCP provide services as volunteers in the spirit of care for others and will receive incentive payments. The incentive payment for home-based child carers is part of the overall financial arrangements of the service operators, and its level is determined by the service operators concerned in light of their scope of service and the district's situation. Such level is not subject to the minimum wage requirement. In selecting service operators, the SWD will consider whether the incentive payments offered to the home-based child carers by the service operators are reasonable.

The SWD will continue to monitor the operation of NSCCP through performance statistics and reports submitted by service operators on a monthly basis as well as pre-arranged visits or ad hoc spot checks. The service agreements that the SWD signed with service operators will expire in March 2015. By then, the SWD will review the scope of service and performance outcome of individual service operators, and collect views from stakeholders and relevant social organizations.

(h) Currently, NSCCP mainly targets at children aged under six. Under special circumstances, service operators may provide child

care service for children aged above six. The service is available in the morning, afternoon and evening sessions of weekdays, Saturdays, Sundays and holidays (including school holidays). It is believed that the service can meet the needs of the parents in general.

Under the After School Care Programme (ASCP), the SWD has been providing service for children aged six to 12 through NGOs. The services provided include homework guidance, skill learning and other social activities. At present, there are a total of 142 ASCP centres offering about 5 400 service places across the territory; and with a utilization rate of 87%, there are still unused service quotas. In general, ASCP centres provide services in various sessions from Monday to Friday till 7 pm or 8 pm. To cater for the special needs of some parents, individual centres also extend their service hours until late evening and provide services on Saturdays and during Summer holidays in response to the actual demand in individual districts. To ensure efficient use of resources, the SWD will conduct regular review on the demand for fee-waiving subsidies in various districts and will also liaise with NGOs concerned to increase their ASCP places to cope with additional demand as and when required.

To ensure that needy families can afford such services, the SWD grants fee waiving or reduction for them. Currently, there are still unused fee waiving or reduction quotas for various services. The SWD will continue to review the operation of such services to ensure that they can meet the demands of the community.

Annex

Example: A four-member family comprises an unemployed able-bodied applicant, his wife who is a homemaker, and two children aged 16 and seven respectively. The elder child is a full-day higher secondary school student and needs to take lunch away from home while the younger child is studying in a half-day primary school. Monthly expenses of the family include rent of \$3,500, water and sewage charges and fares to and from school of \$400 for the two children. After obtaining CSSA for half a year, the applicant finds a full-time delivery job with a monthly salary of \$5,000. Since his first month's

income earned from a new job can be totally disregarded, the first month's salary received by him does not affect the amount of assistance payable to the family. The total monthly income of the family starting from the following month is:

	(\$)
Recognized needs:	
Standard rates	6,585.0
(for an able-bodied adult, a family-carer and two able-bodied children: that is, \$1,485+\$1,800+\$1,650×2)	
Special grants for	
rent	3,500.0
water and sewage charges	50.8
meal allowance for the student	245.0
travelling expenses to and from school	400.0
Total:	10,780.8
Minus	
Assessable income :	
\$5,000 – \$2,500 (income disregarded)*	*2,500.0
 * income disregarded:	
As the monthly income of the applicant is more than \$4,200, the maximum amount to be disregarded is \$2,500 in calculating the income.	
 =Assistance payable	 8,281 (rounded up to the nearest dollar)
 Total family income=Earnings from employment+CSSA (that is, \$5,000 + \$8,281)	 <u>13,281</u>

### **Use of Video-recording Devices and Pepper Spray by Police in Handling Demonstrations**

10. **MR KENNETH LEUNG** (in Chinese): *President, the United Nations Human Rights Committee (the Committee) has issued its concluding observations*



*after its hearing held last month on the third report in the light of the International Covenant on Civil and Political Rights submitted by the Government of the Hong Kong Special Administrative Region (HKSAR) through the Central People's Government. The Committee has expressed concern about reports of excessive use of force by the police in handling demonstrations, in particular the inappropriate use of pepper spray. Moreover, the Committee also considers that the HKSAR Government should draw up clear guidelines on the use of video-recording devices by the police during demonstrations and on records of the use of such devices, and should make such guidelines accessible to the public. In this connection, will the Government inform this Council:*

- (a) of the response of the police to the concluding observations of the Committee, including whether they will draw up and make accessible to the public the guidelines on the use of video-recording devices and records of using such devices, as suggested by the Committee; if not, of the reasons for that;*
- (b) when the police introduced large canisters of pepper spray; of the justifications for the police to introduce large canisters of pepper spray when they have already been equipped with small canisters of pepper spray; of the difference in the usage of large and small canisters of pepper spray, and whether the usage of large canisters of pepper spray includes dispersing crowds and controlling the boundaries for demonstration activities;*
- (c) whether large canisters of pepper spray are one of the standard pieces of equipment for front-line police officers; if so, when and why the police have made such an arrangement; if not, of the ranks and units of the police officers who are equipped with large canisters of pepper spray, and the ranks of the police officers whose approval must be obtained before, and the circumstances under which, police officers are permitted to carry and use large canisters of pepper spray;*
- (d) whether police officers must have received additional and specific training before they may use large canisters of pepper spray; if so, of the current number of police officers who have received such training, and whether such training includes mastering the shortest*

*safe distance at which the use of pepper spray will not cause harms to the targeted people; whether the suppliers of pepper spray have specified the shortest safe distances for spraying recommended for using large and small canisters of pepper spray, and the possible harms to the targeted people if such recommendations are not followed; if the suppliers have, of the details; if not, whether the police have consulted the professionals in order to set the shortest safe distance for spraying pepper spray; if they have not, of the reasons for that and whether they will do so expeditiously;*

- (e) whether pepper spray is classified as "firearm" under the relevant law; whether police officers are currently required to record in their notebooks and report to their supervisors after using pepper spray; if they are required to make such records, whether the details to be recorded include the situations and reasons for using pepper spray as well as the number of times the pepper spray has been used; if they are not required to make such records, of the reasons for that, and whether such requirement will be made in future; and*
- (f) whether the police had reviewed the existing guidelines on the use of pepper spray last year, if they had, of the conclusions of the review, including the recommendations made and the implementation of them?*

**SECRETARY FOR SECURITY** (in Chinese): President, Hong Kong citizens enjoy the rights and freedom of expression which are protected under the Basic Law and the Hong Kong Bill of Rights Ordinance. In exercising their freedom to express their views, participants of public meetings or processions should, under the premise of observing the Hong Kong law and without affecting public order, proceed in a peaceful and orderly manner. It is the operational policy of police to strike a balance by facilitating all lawful and peaceful public meetings and processions on one hand and on the other hand minimizing the impact of public meetings and processions on other members of public or road users, and to ensure public safety and public order.

- (a) The Administration noted the views of the Committee. The police will continue to handle all public meetings and processions in a fair,

just and impartial manner in accordance with the laws of Hong Kong.

Since 2006, the police have been using hand-held video recording devices to record incidents with law and order implications, for both investigative and evidential purposes. The police have clear and strict guidelines and procedures for handling the recorded information in order to ensure, *inter alia*, the safe custody, proper handling and timely destruction of captured footage. Footage with investigative or evidential value will be treated as case exhibits to be retained until the conclusion of the investigation and court proceedings, and shall then be destroyed. Footage carrying no investigative or evidential value or other legitimate use shall be deleted after 31 days from the date of production. If the footage is to be retained for more than 31 days, authorization from a Senior Superintendent shall be obtained and such an authorization shall be reviewed on a monthly basis by the authorizing officer. The police have uploaded the background, field trial and operation guidelines on the use of Body Worn Video Camera onto the police webpage for public inspection.

(b) to (d)

When persons are involved or likely to become involved in violence or other behaviour likely to injure themselves or others, police officers may need to use Oleoresin Capsicum (OC) foam to stop violent acts in a bid to restore public safety and public order. Safety regulations and guidelines on the use of OC foam are well in place. All front-line officers equipped with OC foam are required to undergo proper training to the effect that they have a clear understanding of the relevant safety guidelines. Officers have to ensure that the use of OC foam is in compliance with the principle of using minimum force.

OC foam in "large canisters" was introduced when the police made preparations for the 2005 World Trade Organization conference to respond to any possible large-scale confrontational situations.

OC foam in "large canisters" is not a standard equipment for front-line officers. Police officers shall obtain prior approval of the Police Tactical Unit's Commandant or Deputy Commandant before equipping themselves with OC foam in "large canisters" during operations. Officers using OC foam in "large canisters" shall receive relevant training before they are allowed to use it.

- (e) Possession of OC foam is regulated under the Firearms and Ammunition Ordinance (Cap. 238).

Officers are required to record in their notebooks and report to their supervisors every time after using OC foam. Formation commanders or officers-in-charge of the Units will then submit an initial report to their major formation commanders, covering such information as case summary for examination. In addition, at the conclusion of the operation, police officers of Superintendent rank shall assess each instance of the use of OC foam to ensure that it was well justified.

- (f) The police conduct regular reviews of the guidelines on the use of OC foam to see if there is room for improvement in respect of training, use, orders and other procedural matters.

### **Redevelopment of Kwong Wah Hospital**

11. **MR FREDERICK FUNG** (in Chinese): *President, at present, whole-day acute care services are provided for residents of West Kowloon by Kwong Wah Hospital (KWH), Queen Elizabeth Hospital, Princess Margaret Hospital and Caritas Medical Centre. The preparatory works for the redevelopment of KWH (redevelopment project) have already commenced in March this year. Some residents have expressed their concern that the project might impact gravely on the medical services provided by the hospital and lengthen the waiting time for various kinds of services, thereby delaying treatment of patients, and exerting significant pressure on other hospitals in the Kowloon West Cluster and the acute care services of the nearby Queen Elizabeth Hospital. In this connection, will the Government inform this Council if it knows:*

- (a) *the present progress and implementation timetable of the preparatory works for the redevelopment project;*
- (b) *based on the latest assessment conducted by the Hospital Authority (HA), whether the various medical services provided by KWH, such as acute care services, operations and medical check-ups, and so on, will be affected during its redevelopment; if the assessment result is in the affirmative, of the details of the corresponding measures and plans; whether, on the principle that neither the waiting time nor the medical care quality should be affected, the HA plans to arrange for members of the public to undergo operations and medical check-ups and receive other medical treatments, which have been scheduled, in nearby hospitals; if it has, of the details;*
- (c) *whether KWH has co-ordinated with other hospitals (in particular those of the Kowloon West and Kowloon Central Clusters) in respect of the following matters to avoid the situation where residents seeking acute care services converge excessively on a certain hospital: assessment of the pressure on the medical services provided by such hospitals while the redevelopment project is in progress, formulation of corresponding measures, establishment of a mechanism for the various hospitals to regularly exchange information on their acute care services and provide relevant information to the public, as well as regulation of the number of people seeking treatment and patient flow; and*
- (d) *whether the HA will regularly announce the progress of the works of the redevelopment project to enhance transparency; if it will, of the details?*

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

- (a) The Finance Committee of the Legislative Council approved in February 2013 funding of \$552.7 million for the HA to commence the preparatory work of the redevelopment project of KWH. The preparatory work, which started in March this year, has been progressing on schedule. It mainly includes site investigation, building survey, decanting works, as well as consultancy services for

outline sketch design, detailed design, tender documentation and tender assessment for the main works. It is estimated that demolition and construction works of the complex involved in the main works will be carried out in phases starting from 2016 and the entire redevelopment project will be completed by 2022.

(b) and (c)

The accident and emergency services of KWH will remain unchanged during the redevelopment period. Any disruption of non-emergency services, if unavoidable, will be kept to a minimum. To this end, the main works of the redevelopment of KWH will commence in phases.

The first phase involves the demolition of three existing hospital buildings for the phase one construction of the new complex. The new complex has a floor area larger than that of the existing hospital buildings and will be used to reprovision clinical services from the remaining buildings during their demolition in the second phase of the main works.

During the first phase of the main works, KWH will, through decanting arrangements, relocate the existing clinical services provided in the South Wing to the East Wing and the North Wing, which are not yet demolished, so as to maintain the essential clinical services onsite. Other ancillary facilities such as offices, stores and staff accommodation will be temporarily decanted offsite so that the vacated spaces in buildings not demolished in the first phase could be used to accommodate the affected clinical services so as to ensure continuity of clinical services for patients in need.

Besides the phased implementation of the project, KWH will extend service hours of the operating theatres so that patients' waiting time for operations will not be affected by the redevelopment. Specialist out-patient consultation services will not be affected as they are provided at the Tung Wah Group of Hospitals Tsui Tsin Tong Out-patient Building which will not be demolished in the redevelopment project. Ambulatory care services and support to patients in the local community will be strengthened, hence reducing

the need for hospitalization. The Kowloon West Cluster will deploy service places and services of various hospitals with flexibility according to service needs, so as to provide the public with necessary healthcare services during the redevelopment of the hospital.

- (d) The HA has maintained liaison with local bodies, such as Yau Tsim Mong District Council (YTMDC), Yau Tsim Mong District Office and different area committees in Yau Tsim Mong, and so on. KWH also consulted the YTMDC on the redevelopment project in January 2012 and has obtained its support. When the project is underway, KWH will regularly report the latest progress to, collect views from and timely address the concerns of relevant stakeholders (for example, the YTMDC, schools in the vicinity, owners' corporations of buildings in the district, as well as relevant government departments and non-government organizations) through available channels.

### Care Services for Elderly

12. **MR CHEUNG KWOK-CHE** (in Chinese): *President, regarding the care services for the elderly, will the Government inform this Council:*

- (a) *of the progress of the authorities' follow-up actions on the following three recommendations put forward in the Elderly Commission (EC)'s report on the Consultancy Study on Residential Care Services (RCS) for the Elderly: (i) devising a viable and sustainable long-term care financing model, (ii) re-considering the service matching mechanism (including the service arrangements for the elderly who are suitable for the "dual option" of either residential or community care services (CCS)), and (iii) further development of CCS;*
- (b) *of the details of the services currently provided by the hospitals participating in the Integrated Discharge Support Programme for Elderly Patients (IDSP) and by the Home Support Teams (HSTs) under non-governmental organizations (NGOs) (including the*

*number of such support teams, the numbers of the elderly and carers benefiting from IDSP, as well as the average waiting time of IDSP; whether the authorities have set separate targets on the numbers of cases to be handled by the 15 participating hospitals of IDSP; of the difference in the frequency of utilizing hospital services by the elderly before and after their participation in IDSP; of the difference in the stress level of the carers before and after their participation in IDSP; of the criteria and approach adopted by the authorities for assessing the effectiveness of IDSP;*

- (c) *given that the five-year Home Environment Improvement Scheme for the Elderly (the Scheme) had been concluded in March this year, of the respective numbers of the elderly who had applied for and those who had benefited from the Scheme in each of the past five years, broken down by Social Welfare Department (SWD) district; whether the authorities will launch this Scheme again; if they will, of the details; if not, the reasons for that; and*
- (d) *of the respective numbers of subsidized places for home-based Enhanced Home and Community Care Services (EHCCS) and Integrated Home Care Services (IHCS) provided by the Government to the frail elderly in each of the past five years (broken down by type of services); whether the Government will increase the numbers of subsidized places for such services in the coming five years; if it will, of the details; if not, the reasons for that?*

**SECRETARY FOR LABOUR AND WELFARE** (in Chinese): President, my reply to the question raised by Mr CHEUNG Kwok-che is as follows:

- (a) The EC completed the Consultancy Study on RCS for the Elderly in 2009, and launched the Consultancy Study on CCS for the Elderly in April 2010 to examine how to strengthen CCS through a more flexible and diverse mode of service delivery and encourage shared responsibilities among individuals, families and society. Following the release of the findings of the Consultancy Study on CCS for the Elderly in July 2011, the Government has adopted the Consultancy Study's recommendation on CCS voucher, and will roll out the Pilot Scheme on CCS Voucher for the Elderly (the Pilot Scheme) in



September 2013. The Pilot Scheme will adopt the "money-follows-the-user" approach, and provide subsidy directly to eligible elderly participants, enabling them to choose the service provider(s), service types and packages which best suit their needs. Through the Pilot Scheme, we hope to test the viability of voucher, which is a new funding mode, and attract different types of service providers to enter the market, thereby promoting further development of CCS. Our next step is to review the implementation of the Pilot Scheme and gather feedback from the elderly participants, and explore the feasibility of adopting this voucher subsidy mode for RCS for the elderly.

The Consultancy Study on RCS for the Elderly also recommended adjustments to the existing service matching mechanism, such that "dual option" holders (that is, those who can opt for RCS or CCS) would be encouraged, or even required, to use CCS before choosing RCS in order to promote "ageing in place" and also shorten the waiting time for residential care places for the elderly. Nevertheless, considering that CCS was still under development, and that the private/self-financing market for providing such services was far from mature, the consultant considered that the recommendation should not be taken forward until CCS would be enhanced to such an extent that it had become a viable alternative to RCS. We concur with this view. In fact, one of the objectives of the above Pilot Scheme is to promote the development of CCS. At present, to dovetail with the "ageing in place" policy, irrespective of whether the elderly persons are matched to both RCS and CCS, or RCS only according to the assessment results of the Standardized Care Need Assessment Mechanism for Elderly Services, the case workers concerned will brief the elderly persons on both RCS and CCS and encourage them to use CCS so that the elderly persons can get support as early as possible and achieve ageing in place. The SWD will from time to time review and refine the relevant mechanism as well as collect views from the sector.

- (b) The hospitals currently participating in the IDSP and the 12 HSTs operated by nine NGOs commissioned by the Hospital Authority (HA) are set out as follows:

<i>Cluster</i>	<i>The Participating Hospitals under the HA</i>	<i>The NGOs operating HST</i>
Hong Kong East	Pamela Youde Nethersole Eastern Hospital and Ruttonjee Hospital	The Methodist Centre
Hong Kong West	Queen Mary Hospital	Aberdeen Kaifong Welfare Association Social Service Centre
Kowloon Central	Queen Elizabeth Hospital	Neighbourhood Advice-Action Council
Kowloon East	United Christian Hospital	Haven of Hope Christian Service
Kowloon East	Tseung Kwan O Hospital	Haven of Hope Christian Service
Kowloon West	Caritas Medical Centre	Po Leung Kuk
Kowloon West	Princess Margaret Hospital	Po Leung Kuk
Kowloon West	Kwong Wah Hospital	The Salvation Army
Kowloon West	Yan Chai Hospital	H.K.S.K.H. Lady MacLehose Centre
New Territories East	Alice Ho Miu Ling Nethersole Hospital and North District Hospital	Tung Wah Group of Hospitals
New Territories East	Prince of Wales Hospital	Evangelical Lutheran Church of Hong Kong (Evangelical Lutheran Church Social Service — Hong Kong)
New Territories West	Tuen Mun Hospital and Pok Oi Hospital	Evangelical Lutheran Church of Hong Kong (Evangelical Lutheran Church Social Service — Hong Kong)

IDSP provides services to high-risk elderly patients aged 60 or above who are admitted to hospitals under the HA. These elderly patients usually suffer from more complicated conditions. There is thus a high risk of unplanned re-admission. They also need more support after discharge. In the early stage of patients' hospitalization, the Discharge Planning Team of the hospitals will identify high-risk patients by using a validated risk-stratification tool. Nurses will then proactively conduct comprehensive needs assessment for the high-risk patients, and formulate a personalized nursing care and rehabilitation plan for them accordingly. Nurses will also co-ordinate support services on a need basis. For example, patients who have rehabilitation needs will be referred to geriatric day hospitals for nursing care and rehabilitation services. As regards HSTs, they will provide transitional community care and support services to the elderly persons in need of personal and home care services. It is estimated that IDSP provides services to about 33 000 elderly persons each year. At present, the patients can use IDSP services directly without the need to wait.

The HA evaluated the effectiveness of IDSP based on the data collected during its trial run in 2009. The results showed that there was a remarkable drop in the number of times the elderly persons participating in IDSP used the accident and emergency services, and the acute in-patient services of hospitals. There were also improvements in the measuring indicators on their functional capacity, ability in performing daily self-care activities, and quality of life, such as the Barthel Index and the SF12: Physical Component and Mental Component Summary Scale. The HA also used the Relative Stress Scale to measure changes in the carers' stress level. It was found that carers' stress level had also significantly reduced. Since the aforementioned statistics all fully reflected the effectiveness of IDSP, the services were regularized in January 2012 and implemented across the territory. At present, the HA has continuously collected carers' opinions on HSTs through a questionnaire survey. The relevant statistics showed that carers were highly satisfied with HSTs services and training.

- (c) The Government earmarked a one-off funding of \$200 million in the 2008-2009 Budget to implement the Scheme for five years to assist elderly persons who live in dilapidated homes with poor fittings and lack financial means to improve their home conditions. A total of 41 District Elderly Community Centres throughout the territory assisted in running the Scheme. The number of applications received and the number of eligible applications by each district and year since the implementation of the Scheme are set out at Annex I and II.

While the Scheme ended successfully on 31 March 2013, needy elderly can still receive assistance through various channels. Some local organizations and charitable funds also provide home maintenance services, or purchase essential household items for needy elderly and families.

- (d) The number of service places of the EHCCS and the IHCS for frail elderly persons in the past five years (that is, from 2008-2009 to 2012-2013) are set out below:

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
EHCCS	3 466	3 579	3 579	5 079	5 579
IHCS (Frail Cases)	1 120	1 120	1 120	1 120	1 120

In addition to EHCCS and IHCS (Frail Cases), the Administration also provides other types of CCS to help frail elderly persons age in the community. These services include day care services for the elderly, the Pilot Scheme on Home Care Services for Frail Elders, as well as the Pilot Scheme on CCS Voucher for the Elderly which will be rolled out in September 2013, and so on. We expect that 182 new day care places for the elderly will commence operation in 2013-2014. The SWD will continue to attend to and follow up on the needs of the elderly persons.

## Annex I

## Number of Applications Received under the Scheme

<i>Financial Year</i> <i>District</i>	<i>Number of Applications Received</i>					
	<i>2008-2009</i>	<i>2009-2010</i>	<i>2010-2011</i>	<i>2011-2012</i>	<i>2012-2013 (As at December 2012)</i>	<i>Total</i>
Central and Western	342	360	213	488	418	1 821
Southern	420	425	369	417	486	2 117
Islands	271	384	118	126	116	1 015
Eastern	913	733	939	1 260	691	4 536
Wan Chai	293	98	159	439	256	1 245
Kwun Tong	1 257	1 135	1 736	1 803	1 114	7 045
Wong Tai Sin	801	839	928	1 072	925	4 565
Sai Kung	190	559	539	662	387	2 337
Kowloon City	601	540	497	691	608	2 937
Yau Tsim Mong	237	492	537	562	458	2 286
Sham Shui Po	1 303	818	961	956	1 089	5 127
Sha Tin	769	679	966	894	1 015	4 323
Tai Po	185	288	268	556	308	1 605
North	299	330	447	433	284	1 793
Yuen Long	665	1 024	1 120	705	680	4 194
Tsuen Wan	245	248	298	428	325	1 544
Kwai Tsing	770	1 073	1 258	1 047	975	5 123
Tuen Mun	883	740	744	755	309	3 431
Total	10 444	10 765	12 097	13 294	10 444	57 044

## Annex II

## Number of Eligible Applications under the Scheme

<i>Financial Year</i> <i>District</i>	<i>Number of Eligible Applications</i>					
	<i>2008-2009</i>	<i>2009-2010</i>	<i>2010-2011</i>	<i>2011-2012</i>	<i>2012-2013 (As at December 2012)</i>	<i>Total</i>
Central and Western	320	311	158	439	342	1 570
Southern	385	370	322	351	456	1 884

<i>Financial Year</i> <i>District</i>	<i>Number of Eligible Applications</i>					
	<i>2008-2009</i>	<i>2009-2010</i>	<i>2010-2011</i>	<i>2011-2012</i>	<i>2012-2013 (As at December 2012)</i>	<i>Total</i>
Islands	247	367	108	51	43	816
Eastern	869	625	796	1 083	615	3 988
Wan Chai	274	81	139	408	234	1 136
Kwun Tong	1 167	966	1 527	1 569	959	6 188
Wong Tai Sin	728	691	767	913	828	3 927
Sai Kung	169	423	467	560	346	1 965
Kowloon City	564	467	413	594	543	2 581
Yau Tsim Mong	215	452	481	512	421	2 081
Sham Shui Po	1 237	621	726	724	945	4 253
Sha Tin	746	614	905	821	939	4 025
Tai Po	184	263	248	505	283	1 483
North	267	292	399	389	249	1 596
Yuen Long	613	926	1 005	625	598	3 767
Tsuen Wan	216	200	250	401	287	1 354
Kwai Tsing	713	889	1 107	937	903	4 549
Tuen Mun	799	588	601	618	263	2 869
Total	9 713	9 146	10 419	11 500	9 254	50 032

### **Enforcement of Tobacco Control Legislation**

13. **MR CHRISTOPHER CHUNG** (in Chinese): *President, I have recently received complaints from members of the public about the ineffective enforcement of the tobacco control legislation by the Tobacco Control Office (TCO) under the Department of Health (DH). Regarding the enforcement of the tobacco control legislation, will the Government inform this Council:*

- (a) *of the number of fixed penalty notices/summonses issued to smoking offenders in each of the past five years, broken down by law-enforcement agency in the following table;*

	<i>Number of fixed penalty notices/summonses issued</i>				
	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
<i>TCO</i>					
<i>Hong Kong Police Force</i>					

	<i>Number of fixed penalty notices/summons issued</i>				
	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
<i>Food and Environmental Hygiene Department</i>					
<i>Leisure and Cultural Services Department</i>					
<i>Housing Department</i>					
<i>Total:</i>					

- (b) *whether there is any difference between the TCO's procedure for handling complaints about smoking offences received during office hours and outside office hours; if so, of the details; of the criteria adopted by the TCO for deciding whether or not to send their officers to the scene to look into a complaint;*
- (c) *of the mode (unannounced or regular) and frequency of inspection by the TCO's officers on the black spots of smoking offences and other no-smoking areas;*
- (d) *of the number of complaints received by the authorities from members of the public in the past three years about the ineffective enforcement of the tobacco control legislation by the TCO, and the top five situations with most complaints about the ineffectiveness in law enforcement; whether they have assessed the effectiveness of the TCO's law-enforcement work; if they have, of the details; if not, whether they will conduct such an assessment;*
- (e) *how the TCO follows up those complaints with evidence of smoking offences (for example, photographs as well as information about time and places) and complainants' contact information attached;*
- (f) *of the measures taken by the authorities to tackle the situations where the venue managers condone smoking offences in their venues and disregard related complaints;*
- (g) *of the current number of the TCO's law-enforcement officers and whether the authorities have assessed if it is adequate; if the*

*assessment outcome is in the negative, whether they have plans to increase the manpower in the short term; and*

- (h) *whether it is an offence to smoke electronic cigarettes in no-smoking areas?*

**SECRETARY FOR FOOD AND HEALTH** (in Chinese): President, the Government has been taking a progressive and multi-pronged approach in its tobacco control policies, comprising legislation, enforcement, publicity, education, smoking cessation and taxation, with a view to minimize the harmful effects of tobacco on the public and the community. To further enhance tobacco control, the DH established the TCO in 2001 to promote a smoke free culture. The TCO promotes smoking prevention and cessation through publicity and education programmes, and operates a Smoking Cessation Hotline to co-ordinate the provision of smoking cessation services in Hong Kong. China is also a signatory of the World Health Organization Framework Convention on Tobacco Control, and the relevant aspects have been extended to Hong Kong since 2006.

My reply to Mr CHUNG's question is as follows:

- (a) The number of fixed penalty notices and summonses (in brackets) issued by various law-enforcement agencies in relation to smoking offence in the past five years is set out below:

	<i>Number of fixed penalty notices/summonses issued</i>				
	<i>2008<sup>(1)</sup></i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
TCO	- (7 305)	1 477 (4 180)	7 952 (93)	7 637 (170)	8 019 (179)
Hong Kong Police Force	- (2 335)	175 (1 603)	456 (465)	844 (339)	917 (384)
Food and Environmental Hygiene Department	-	19 (0)	33 (0)	24 (0)	19 (0)
Leisure and Cultural Services Department	-	1 (1)	16 (2)	57 (2)	83 (1)



	<i>Number of fixed penalty notices/summons issued</i>				
	<i>2008<sup>(1)</sup></i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Housing Department	-	92 (0)	369 (0)	435 (2)	325 (2)
Total:	- (9 640)	1 764 (5 784)	8 826 (560)	8 997 (513)	9 363 (566)

Note:

- (1) The Fixed Penalty (Smoking Offences) Ordinance came into effect on 1 September 2009. The Ordinance extends the enforcement power from the TCO and Hong Kong Police Force to public officers responsible for public venues management, including the Food and Environmental Hygiene Department, Leisure and Cultural Services Department and Housing Department. Since the Ordinance only took effect on 1 September 2009, figures for 2008 are not available.
- (b) Tobacco Control Inspectors (TCIs) of the TCO are mainly responsible for front-line enforcement work, which includes handling enquiries and complaints about smoking, and inspections and prosecutions under the Smoking (Public Health) Ordinance. As the act of smoking usually lasts for a short period of time, and given the larger number of public areas and indoor workplaces designated as no smoking areas designated in various districts, it is impossible for TCIs to inspect the concerned venues immediately upon receiving reports of smoking offence. The TCO follows up on all complaints about smoking offences received during and outside office hours according to established procedures, and contacts complainants for the details of each case, including the time and location of the smoking offence. Based on the information received in a complaint, surprise inspections on these premises may be conducted at specific time in the future.
- (c) Besides during office hours, TCIs also conduct inspections on Saturdays, Sundays and public holidays as well as at night time and in the early morning. In premises where smoking offences are prevalent, the TCO takes vigorous enforcement actions and initiates more frequent inspections. From time to time, the TCO conducts

joint inspections and enforcement actions with other law-enforcement agencies such as the police. In 2012, TCIs received about 18 000 complaints on smoking offences, conducted more than 26 000 inspections and issued over 8 000 fixed penalty notices and about 180 summonses.

- (d) The number of complaints received by the TCO in relation to enforcement in the past three years (that is, 2010 to 2012) is set out below:

	<i>2010</i>	<i>2011</i>	<i>2012</i>
Number of complaints in relation to enforcement	39	29	33
Complaints in relation to enforcement as a percentage of the total number of complaints received by the TCO	0.23%	0.18%	0.18%

The major areas of complaints include inadequate manpower of the TCO, failure for TCIs to arrive immediately at the venue concerned in a complaint and demand for expansion of no smoking areas.

The Administration monitors closely various statistics and indicators relating to tobacco control. The proportion of daily smokers (people who have a habit of smoking daily) among the population aged 15 and above dropped steadily from about 23.3% in the early 1980s to 11.1% in 2010. The declining trend in smoking prevalence is a useful indicator on the effectiveness of the progressive and multi-pronged approach in tobacco control and the sustained efforts by the community as a whole.

- (e) Upon the receipt of a complaint on smoking offence from the public, the TCO will contact the complainant for information and inspect the locations concerned to collect evidence in accordance with established procedures. Where there is sufficient evidence, the TCO will take prosecution action.

- (f) The Smoking (Public Health) Ordinance empowers the manager of no smoking areas to enforce the relevant law to ensure that no person smokes in the premises he manages. The manager may call for police assistance if necessary. To enhance the knowledge of tobacco control legislation of managers of no smoking areas and to provide them with procedures and practical tips on implementing smoke free policy, the TCO has drawn up a series of guidelines on implementing smoke free policy and organized regular talks on tobacco control legislation. Moreover, TCIs also disseminate these messages to venue managers when conducting inspections. Members of the public may express their views to the TCO by telephone, facsimile or email. The TCO follows up and carries out investigation on every case, and arranges for TCIs to inspect and take enforcement action on the premises concerned.
- (g) The number of the TCO staff carrying out front-line enforcement duties is 99. The Administration will review the manpower establishment from time to time to cope with needs.
- (h) Smoking of electronic cigarettes in a no smoking area is also an offence. If TCIs witness an offence, they will prosecute in accordance with relevant legislation and established procedures.

### **Access to Computer with Criminal or Dishonest Intent**

14. **MR CHARLES PETER MOK** (in Chinese): *President, in 1993, the authorities amended, through the Computer Crimes Bill 1992, the Crimes Ordinance (Cap. 200) by adding section 161, which provides for the offence of "access to computer with criminal or dishonest intent" (section 161). During the resumed debate on the Second Reading of the Bill, the then Secretary for Security pointed out that the making of "the new offence of access to a computer with criminal or dishonest intent" aimed at penalizing "access to a computer for acts preparatory but falling short of the commission of a fraud". In this connection, will the Government inform this Council of the following since section 161 came into operation in 1993:*

- (a) *the annual numbers of cases in which prosecutions were instituted (prosecution cases) under section 161 (and among them, the number of cases in which the charge was laid as an alternative charge); and among such cases, of the respective numbers of convicted cases and acquitted cases (set out in the table below);*

<i>Year</i>	<i>Number of prosecution cases (among them, the number of cases in which the charge was laid as an alternative charge)</i>	<i>Number of convicted cases</i>	<i>Number of acquitted cases</i>
<i>1993</i>	( )		

- (b) *the annual numbers of prosecution cases under section 161 which involved "access to a computer for acts preparatory of the commission of a fraud"; and among such cases, the respective numbers of convicted cases and acquitted cases (set out in the table below); and*

<i>Year</i>	<i>Number of prosecution cases</i>	<i>Number of convicted cases</i>	<i>Number of acquitted cases</i>
<i>1993</i>			

- (c) *the annual numbers of prosecution cases under section 161 other than those mentioned in part (b), and among such cases, the respective numbers of convicted cases and acquitted cases (set out in the table below and type of crime involved)?*

<i>Year</i>	<i>Number of prosecution cases</i>	<i>Number of cases by type of crime</i>		<i>Number of convicted cases</i>	<i>Number of acquitted cases</i>
		<i>Type of crime</i>	<i>Number of cases</i>		
<i>1993</i>					

**SECRETARY FOR SECURITY** (in Chinese): President, it is stipulated under section 161 of the Crimes Ordinance (Cap. 200) (that is, access to computer with criminal or dishonest intent) that any person who obtains access to a computer:

- (i) with intent to commit an offence;
- (ii) with a dishonest intent to deceive;
- (iii) with a view to dishonest gain for himself or another; or
- (iv) with a dishonest intent to cause loss to another,

whether on the same occasion as he obtains such access or on any future occasion, commits an offence.

The above section aims at combating acts of "access to computer with dishonest or criminal intent", such as technology crimes like online fraud and illegal access to a computer system, as well as other crimes committed through the use of computer. Any persons who commit such an offence are subject to a maximum penalty of five-year-imprisonment upon conviction.

(a) to (c)

The Administration has maintained the figures of prosecution cases, convicted cases and acquitted cases pertaining to "access to computer with criminal or dishonest intent", section 161 of Crimes Ordinance (Cap. 200), from 1997 onwards. Details are at the Annex. The Administration, however, did not maintain information on whether the charges in prosecution cases were laid as alternative charges, or whether the cases involved "access to a computer for acts preparatory of the commission of a fraud".

In 2012, the Hong Kong Police Force set up a Cyber Security Centre in a bid to further enhance Hong Kong's resilience against various forms of cyber threats, by means of collaboration with relevant government departments and industry stakeholders (including Internet service and critical infrastructure operators). The police will also continue to adopt multi-pronged strategies to combat technology crimes, such as maintaining professional competence and

advanced capability in technology crime investigation, digital forensics and training; working closely with overseas law-enforcement agencies, other government departments and key industry stakeholders; as well as raising public awareness of technology crime prevention through public education and community engagement.

## Annex

Figures of prosecution cases, convicted cases and acquitted cases pertaining to "access to computer with criminal or dishonest intent", section 161 of the Crimes Ordinance (Cap. 200) (1997-2012)

<i>Year</i>	<i>Number of prosecution cases</i>	<i>Number of convicted cases</i>	<i>Number of acquitted cases</i>
1997	1	1	0
1998	18	13	5
1999	9	5	4
2000	10	8	2
2001	13	12	1
2002	9	8	1
2003	22	22	0
2004	30	23	7
2005	22	18	4
2006	25	19	6
2007	32	26	6
2008	26	19	7
2009	28	21	7
2010	25	18	7
2011	34	32	2
2012	39	32	7

Note:

The respective year of the above figures represents the year in which the trial was concluded. The year in which a case was prosecuted may be different from the year in which the trial was concluded.



- (c) *the lowest, highest and average amounts of accrued benefits in the MPF accounts of scheme members who are currently aged 55 to 65 and, among them, the number of those who have stayed in employment for more than five years (broken down by age and set out in Table 3 and Table 4 respectively); and*

(Table 3)

<i>Accrued benefits in MPF accounts</i>	<i>Amount of accrued benefits in the MPF accounts of scheme members of the following age</i>										
	<i>55</i>	<i>56</i>	<i>57</i>	<i>58</i>	<i>59</i>	<i>60</i>	<i>61</i>	<i>62</i>	<i>63</i>	<i>64</i>	<i>65</i>
<i>Lowest amount</i>											
<i>Highest amount</i>											
<i>Average amount</i>											

(Table 4)

<i>Number of scheme members of the following age who have been employed for more than five years</i>										
<i>55</i>	<i>56</i>	<i>57</i>	<i>58</i>	<i>59</i>	<i>60</i>	<i>61</i>	<i>62</i>	<i>63</i>	<i>64</i>	<i>65</i>

- (d) *whether the rates of investment returns, in the past 10 years, of those MPF accounts from which accrued benefits had been withdrawn had attained 5%, an assumption previously made by the Mandatory Provident Fund Schemes Authority; whether the authorities have reviewed the investment situations (gains/losses) of the MPF accounts of those scheme members who are approaching the age of retirement; if not, whether they will consider conducting such reviews regularly; if they will not consider, the reasons for that?*

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

- (a), (b) and (c)

The information which MPF trustees are required to submit to the Mandatory Provident Fund Schemes Authority pursuant to the Ordinance does not cover the requested data.



- (d) The information submitted by MPF trustees pursuant to the Ordinance does not cover the requested analysis. Moreover, there is no target rate of return set for the MPF System. The MPF trustees have been offering different types of funds, in accordance with the requirements under the Ordinance, to provide investment portfolios with different expected risk exposures and rates of return. Scheme members may choose among the funds according to their personal needs.

### **Manpower of Nursing Staff for Clinics and Health Centres Under Department of Health**

16. **DR JOSEPH LEE** (in Chinese): *President, some members of the public have relayed to me that with changes in society, public demand for primary healthcare and medical services (in particular services of Maternal and Child Care Centres and dermatological specialist out-patient services) provided by the clinics and health centres under the Department of Health (DH) (clinics and health centres) is growing day by day, and the manpower requirement for nursing staff providing such services has also been rising. In this connection, will the Government inform this Council:*

- (a) *of the number of person-times receiving various services in clinics and health centres last year, the average waiting time for first appointments and the establishment of nursing staff at present, with a breakdown by clinic and health centre;*
- (b) *of the factors taken into account by the authorities in setting up clinics and health centres, and whether the adequacy of nursing staff has been assessed; if so, of the criteria for calculating the manpower requirement for nursing staff; if not, the reasons for that;*
- (c) *given that some members of the public have relayed that their demand for the services provided by clinics and health centres is keen but the waiting time is very long, whether the authorities have regularly assessed if there is sufficient manpower of nursing staff for various services in clinics and health centres; if they have, of the details; if not, the reasons for that; and*

- (d) *given the changing demographic structure (for example, ageing population, and children born in Hong Kong to Mainland women whose spouses are not Hong Kong permanent residents coming to reside in Hong Kong), there is an increasing demand for primary healthcare and medical services (including various services provided by the DH), whether the authorities have a comprehensive plan to increase the number of clinics and health centres so as to meet the demand; if they have, of the details; if not, the reasons for that?*

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

- (a) The DH provides preventive healthcare services to different age groups mainly through its Clinical Genetic Service, Family Health Service, Student Health Service, School Dental Care Service and Elderly Health Service. Specialized out-patient clinics under the DH also provides curative services to patients with tuberculosis (TB) and chest diseases, skin diseases or human immunodeficiency virus (HIV) infection. Moreover, Child Assessment Service is provided to children with developmental problems. The attendances for these services, the waiting time of new cases, as well as the nursing manpower in various units in 2012 are set out at Annex.

- (b) and (c)

The Government will introduce healthcare policies and services in the light of the needs of the overall population and individual districts. If there is increasing public demand for health services, the DH will ensure the standard and quality of its service by re-engineering work procedures, enhancing efficiency and staff deployment.

Given variations in the area, nature and complexity of work in respect of nurses serving in different units under the DH, nursing manpower is arranged according to the actual circumstances and needs of individual services. For instance, the DH will deploy more nurses to clinics with higher service volume and demand.

Besides, the DH will conduct regular reviews on the service delivery models, service demand and waiting time so as to arrange staff deployment accordingly. Recruitment of nurses will also be conducted where necessary to fill up vacancies arising from the provision of new services.

- (d) Having regard to an ageing population and the increasing demand for healthcare services, the Government has mapped out a long-term primary care development strategy and implemented a number of measures and pilot projects in the past few years. These include the development of conceptual models and reference frameworks in primary care settings for common chronic illnesses and age-specific groups, development and promotion of the Primary Care Directory, and devising feasible models for service delivery such as establishment of community health centres.

As regards health services for the elderly, in addition to elderly health centres of the DH, there are various primary care service providers in the community including the Hospital Authority, non-governmental organizations (NGOs), private doctors and other private healthcare service providers. The Government also implements, in collaboration with the private sector, the following specific projects for the elderly:

- (i) launched on a pilot basis in January 2009, the Elderly Health Care Voucher Scheme provides the elderly with subsidy for using private primary care services. To further enhance the Scheme, the voucher amount has been increased and the Scheme will be converted from a pilot project into a recurrent support programme for the elderly in 2014;
- (ii) the Elderly Vaccination Subsidy Scheme launched in October 2009 subsidizes Hong Kong elders aged 65 or above in receiving seasonal influenza and pneumococcal vaccination;
- (iii) launched in April 2011 in collaboration with NGOs, the Pilot Project on Outreach Primary Dental Care Services for the Elderly in Residential Care Homes (RCHEs) and Day Care

Centres (DEs) provides primary dental care to elders in RCHEs or DEs through outreach services; and

- (iv) the Elderly Health Assessment Pilot Programme to be launched in collaboration with NGOs aims at promoting preventive care for elders and encouraging provision of such services in the community. The Programme is expected to be launched in mid-2013.

In view of the increase in public demand for obstetric and child health services in recent years, the DH expanded the Fanling Maternal and Child Health Centre (MCHC) in 2012. A new MCHC is also planned to be opened in mid-2013 in the newly constructed Joint-user Complex at Bailey Street, Hung Hom.

Annex

Main Services Provided by the DH in 2012

Service Unit		Number of clinics	Number of attendances	Waiting time for the first consultation	Number of nurses (as at the end of 2012)
Clinical Service	Genetic	3	4 600	Median is about eight weeks	3
Family Health Service	Child Health Service	31 MCHCs provide such service	680 000	Normally within one to three days, based on the needs of individual children	472
	Maternal Health Service	27 MCHCs provide such service	197 000	According to gestational age	
	Family Planning Service	29 MCHCs provide such service	125 000	No appointment needed	
	Cervical Screening Service	31 MCHCs provide such service	98 000	Ranged from two days to four weeks	
	Women Health Service	three Women Health Centres and 10 MCHCs provide such service	33 000	Median is about six weeks	
Student Service	Health	12 Student Health Service Centres and three Special Assessment Centres	A total of 696 000 secondary and primary students attended the service in 2011-2012 school year	Not Applicable (arranged by service unit)	146

<i>Service Unit</i>	<i>Number of clinics</i>	<i>Number of attendances</i>	<i>Waiting time for the first consultation</i>	<i>Number of nurses (as at the end of 2012)</i>
School Dental Care Service	eight School Dental Clinics	A total of 307 000 primary students attended the service in 2011-2012 school year	Not Applicable (arranged by service unit)	Not Applicable
Elderly Health Service	18 Elderly Health Centres	175 000	Median is about 54 weeks	58
Dermatological Service	nine clinics provide such service	242 500	Median is less than 12 weeks	88
TB and Chest Service	- 12 full-time and six part-time Chest Clinics - one Pneumoconiosis Clinic	715 000	- Booking of appointment not necessary for TB patients who can generally be seen on the same day  - Median waiting time for Pneumoconiosis Clinic is about three weeks	162
Special Preventive Programme	one Integrated Treatment Centre	16 300	Median is less than one week	29
Child Assessment Service	6	33 800	Normally within three weeks	26

### **Professional Development of Mediation Services**

17. **MR ALBERT HO** (in Chinese): *President, the Mediation Ordinance (Cap. 620) was passed by the Legislative Council on 15 June 2012 and, with the support of and promotion by the Department of Justice, the Hong Kong Mediation Accreditation Association Limited (HKMAAL) was incorporated as a non-profit-making company limited by guarantee in August of the same year. The HKMAAL will discharge mediation-related accreditation and disciplinary functions. In this connection, will the Government inform this Council:*

- (a) *of the respective requirements on the professional qualifications for accredited mediators and instructors of mediator training courses;*
- (b) *whether the authorities will propose to the HKMAAL to provide mediator training courses directly; if they will, of the details; if not, the reasons for that;*

- (c) *of the authorities' policy on promoting more use of mediation by the public in resolving disputes;*
- (d) *given that three of the member organizations of the Council of the HKMAAL are legal professional bodies, whether the authorities have assessed if the professional development of mediation services will be dominated by the legal profession; if they have, of the assessment outcome; how the authorities ensure that mediators will come from different professions; and*
- (e) *given that at present, some mediation accrediting organizations assess student mediators by means of role-plays, in which student mediators take turns to play the roles of the mediator and the parties in dispute, resulting in the grading of a student being possibly affected by the performance of other students; whether the authorities know when the HKMAAL will establish a standardized accreditation system to enhance public confidence in mediation services?*

**SECRETARY FOR JUSTICE** (in Chinese): President, my reply to the various parts of the question is as follows:

- (a) The HKMAAL, a non-statutory industry-led accreditation body for mediators incorporated in August 2012 as a company limited by guarantee, is formulating accreditation standards and training requirements for mediators. For these purposes, the HKMAAL has set up a Mediation Accreditation Committee and a Working Group on Accreditation Standards. The HKMAAL will arrange briefings and discussion sessions and will release details of the accreditation criteria and training requirements in due course. The Administration will continue to monitor the development of accreditation and training of mediators through the Steering Committee on Mediation (Steering Committee) chaired by the Secretary for Justice and its Accreditation Sub-committee.
- (b) The HKMAAL is essentially a regulatory body. Its main function is to establish an accreditation system for mediators in Hong Kong

with a view to maintaining and unifying the standards of mediators and ensuring the professionalism of mediators in Hong Kong.

According to the Memorandum and Articles of Association of the HKMAAL, its objectives include (i) setting standards for accredited mediators, supervisors, assessors, trainers, coaches and other professionals involved in mediation in Hong Kong and accrediting them on satisfying the requisite standards; and (ii) setting standards for relevant mediation training courses in Hong Kong, and approving them on satisfying the requisite standards.

The Administration considers it more appropriate for the HKMAAL to focus on setting standards for accredited mediators and other personnel involved in mediation and approving mediation training courses rather than providing mediation training courses. Organizations and bodies other than the HKMAAL may continue to provide mediation training courses. In other words, the policy intent is to separate accreditation from training so as to avoid any possible conflict of interests.

- (c) The Steering Committee chaired by Secretary for Justice will take the lead in promoting mediation as a cost-effective means to resolve disputes. The Public Education and Publicity Sub-committee (the Sub-committee), one of the three sub-committees of the Steering Committee, is tasked to propose and implement, in collaboration with the Judiciary, other government departments, organizations, stakeholders and the community, ongoing and new initiatives for promoting and enhancing mediation as a means to resolve disputes.

The Sub-committee has since met and is now considering various proposals for promoting the use of mediation in different sectors.

- (d) The four Founder Members of the HKMAAL comprise two legal professional bodies, the Hong Kong International Arbitration Centre (HKIAC) and the Hong Kong Mediation Centre. The latter two are not legal professional bodies and have the largest panels of mediators from a diverse background including commercial, construction, accountancy, finance, medical and social work sectors.

Notably, the HKIAC also has a panel of Family Mediators which consists mainly of social workers. It is anticipated that other non-legal professional bodies will be admitted as members of the HKMAAL, and the HKMAAL's panel of mediators will also come from a diverse background.

- (e) As mentioned in part (a) above, the HKMAAL together with its Mediation Accreditation Committee and Working Group on Accreditation Standards is currently working on the HKMAAL's accreditation standards and the requisite assessment arrangements. The HKMAAL is aware of the concern arising from the arrangement by which candidates subject to accreditation assessments will participate in role plays for the accreditation assessments of other candidates. The effectiveness of this arrangement will be reviewed.

### **Procurement and Disposal of Electronic Products by Government Departments**

18. **MR CHAN HAK-KAN** (in Chinese): *President, according to government information, more than 70 000 tonnes of waste electrical and electronic equipment is generated in Hong Kong annually, and such quantity is rising continuously. It has been learnt that the novelties in the functions and designs of mobile phones, notebook computers and tablet computers, which make users frequently replace old products with new ones, have contributed to the increasing quantities of the waste of such products. Regarding the procurement and disposal of the three kinds of electronic products by government departments, will the Government inform this Council:*

- (a) *of the respective total numbers of the above three kinds of electronic products procured and disposed of by various government departments, the expenditure incurred in procuring such electronic products, as well as the respective average numbers of years that such electronic products had been used at the time of disposal, in each of the past five years;*
- (b) *whether various government departments have adopted the same criteria for deciding whether such electronic products should be replaced; if so, of such criteria, and whether such criteria are*



*reviewed regularly; if not, the reasons for that, and the respective criteria adopted by various departments;*

- (c) how various government departments dispose of such electronic products (including the procedure for ensuring no leakage of the information stored in such products); and*
- (d) of the specific measures put in place by the authorities for reducing the replacement and increasing the recycling of such electronic products?*

**SECRETARY FOR THE ENVIRONMENT** (in Chinese): President,

- (a) and (b)

The existing principle of the Government is to consider replacing the mobile phones, notebook computers and tablet computers only when they fail to perform their original functions or to meet the operational needs. Subject to their operational needs, various bureaux/departments may purchase mobile phones, notebook computers and tablet computers according to the Stores and Procurement Regulations of the Government. As for the electronic products disposed of by departments, we have no data on their total number, the expenditure on their procurement or the average numbers of years that such products had been used.

- (c) The Government has established clear internal security guidelines requiring all bureaux/departments, to check and examine the devices to ensure all the data has been removed before disposing computer or mobile devices with data storage capability, including mobile phones, notebook computers and tablet computer. Typical removal methods include degaussing or multiple overwriting of storage area. If complete removal of stored data on the media is not feasible, the media unit must be physically destroyed to prevent the recovery of the stored data.
- (d) The Government implements a waste management strategy with waste reduction as the top priority. Various departments reuse and

reduce the disposal of electronic equipment as far as possible. Replacement of electronic equipment will be considered only when it fails to perform its functions or to meet the operational needs. Targeting obsolete electronic equipment to be replaced, we have launched a pilot programme at the Environmental Protection Department under which repairable and reusable electronic equipment would be donated to non-profit organizations capable of handling such equipment properly. After repair, the electronic equipment would be redonated to the needy. We are consolidating our experience to facilitate our study of promoting the programme to various government departments.

### **Redevelopment of Queen Mary Hospital**

19. **DR KENNETH CHAN** (in Chinese): *President, the Government has approved the project of the Hospital Authority (HA) to redevelop the Queen Mary Hospital (QMH) by phases. Yet, the HA has not announced the concrete redevelopment arrangements and post-redevelopment service arrangements. In this connection, will the Government inform this Council:*

- (a) *whether it knows the latest progress of the redevelopment project; whether it can provide the details and schedule of the entire redevelopment project; if it cannot, of the reasons for that;*
- (b) *whether it knows the details about the number of beds and the new services to be provided as well as the healthcare manpower requirements after the redevelopment of QMH; whether the HA has adopted specific measures to ensure sufficient healthcare staff to provide services in QMH upon completion of the redevelopment project; if it has, of the details; if not, the reasons for that;*
- (c) *of the latest estimated expenditure for the redevelopment project; given the comment of some healthcare staff of QMH that the earlier estimated amount of \$7 billion might not suffice, whether there is room for the authorities to increase the budget; if there is, of the details; if not, the reasons for that;*

- (d) *given the comments of some patients that the waiting time for specialist out-patient services, examinations with the aid of advanced medical apparatus and operations is currently very long in QMH, whether it knows if the waiting time for such services will be shortened upon completion of the redevelopment project; if so, of a breakdown of the anticipated figures by specialty and type of examination item and operation;*
- (e) *whether it knows if the services provided by QMH will be reduced when the redevelopment works are in progress, and whether part of the service needs will be shared out by other public hospitals; if so, of the details; the measures to be taken by the Government and the HA to alleviate the impact of the redevelopment project on the patients of QMH and the residents on Hong Kong Island as well;*
- (f) *given that some concern groups on women's affairs have all along longed for the authorities to set up a one-stop support centre for victims of sexual violence, whether the authorities will consider taking the opportunity of the redevelopment of QMH to set up such a centre in the hospital, so as to strengthen the support for victims of sexual violence; if they will, of the details; if not, the reasons for that; and*
- (g) *whether it knows if the HA will initiate public engagement activities in the course of drawing up plans for the redevelopment project and designing the buildings, so as to gauge the views of patients, healthcare personnel and other stakeholders; if the HA will, of the details; if not, the reasons for that?*

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

(a) and (c)

In order to make the redeveloped QMH better serve its mode of service as a modernized medical centre, the Government and the HA are modifying the outline of the redevelopment project, with a view to expediting the progress of the redevelopment works and shortening the time required to complete the entire project.

The Architectural Services Department is carrying out a technical feasibility study on the modified project and it is expected to be completed in the third quarter of 2013. By then, specific project details and a working schedule could be confirmed. Since the technical feasibility study on the redevelopment project is still in progress, the estimates of expenditure in this respect are not available at this stage.

(b), (d) and (e)

The QMH redevelopment project aims to renew the hospital equipment and turn the hospital into a modernized medical centre with additional space and floor area to meet operational needs, cope with the demand of service development and facilitate research and education development so as to further enhance its function and role as an academic medical centre. The redeveloped QMH will be more capable of providing patient-oriented, inter-departmental and cross-disciplined quality services, and will provide more advanced, more appropriate and more efficient healthcare service for the public.

The details of the redevelopment project are yet to be finalized and the completion of construction works will take time. QMH will, according to the timeframe of the redevelopment project, discuss with various departments as and when appropriate the service and operational demand and consider in details the service items to be provided by individual units upon completion of the redevelopment project, so as to formulate a detailed operational plan, including the number of hospital beds and the manpower requirements of healthcare staff, and so on. To address the shortage of overall healthcare manpower, the Food and Health Bureau has established a high level Steering Committee to conduct a strategic review on healthcare manpower planning and professional development in Hong Kong. The Steering Committee is studying the manpower demand of various healthcare professions across the board. Having regard to the findings of the strategic review, it will formulate recommendations on ways to cope with the anticipated demand for healthcare manpower, strengthen professional training and facilitate professional development, so as to help us plan for the long-term

supply of high-quality healthcare professionals to ensure the sustained and healthy development of Hong Kong's healthcare system.

Since QMH will be redeveloped in situ, the project will be carried out on the principle that clinical services would not be affected as far as possible. Any disruption of services, if unavoidable, will be kept to a minimum through corresponding arrangements by the hospital. If decantation service is required, QMH will take the initiative to negotiate with other hospitals in the Hong Kong West Cluster so as to decant some services to other hospitals and provide suitable space for departments being affected by the redevelopment project.

- (f) The Social Welfare Department (SWD) set up the Multi-purpose Crisis Intervention and Support Centre in 2007 to provide one-stop crisis intervention and support services, including short-term accommodation, to victims of sexual violence and their family members through a service model involving designated social workers and multi-disciplinary co-operation. The Centre has been operating effectively. The SWD has no plan to set up another support centre for victims of sexual violence in QMH or any particular hospital.
- (g) QMH will collect views from its staff and report the work progress on a regular basis through different channels such as the staff consultative committee, seminars, website and newsletter. It will also maintain regular communication with various stakeholders within the hospital. As for the outside parties, QMH will regularly report to them the project plan and work progress, collect their views and timely address their concerns through the Central and Western District Council, the Southern District Council, patients' groups and neighbouring residents' organizations, and so on.

### **Prenatal Screening for Down's Syndrome**

20. **DR CHIANG LAI-WAN** (in Chinese): *President, at present, public hospitals will screen the foetuses of all pregnant women undergoing prenatal check-ups for Down's syndrome by means of ultrasound examinations and blood*

*tests, and so on, and will perform a further test in the form of amniocentesis for pregnant women of suspected cases. As amniocentesis is an invasive diagnostic test, it is associated with a 0.5% to 1% risk of miscarriage. On the other hand, a local university has successfully developed the T21 test, a non-invasive prenatal diagnostic technique, which can safely and accurately screen a foetus for Down's syndrome by conducting tests on chromosome 21 in the pregnant woman's blood plasma. It has been learnt that T21 tests have been used in quite a number of countries in the world, but they have not yet been commonly used in Hong Kong, and the tests are also more expensive than the traditional tests. In this connection, will the Government inform this Council:*

- (a) whether it knows the respective numbers and percentages of pregnant women who underwent amniocentesis and T21 tests in each of the past three years; among them, whether there were any miscarriages due to amniocentesis; if so, of the number of such cases; of the average age and household income of those pregnant women who underwent T21 tests in the past three years, and whether all those T21 tests performed were self-financed;*
- (b) whether it knows the total expenditure of the Hospital Authority (HA) for performing amniocentesis and the number of pregnant women who underwent such a test in each of the past three years; whether there were cases in which the expenses for T21 tests were borne by the HA; if so, of the reasons for that; of the estimated amount of public money to be spent each year should the costs for T21 tests be fully covered by public hospitals, and how such an amount compares with the public money spent annually on direct and indirect subsidies for people with Down's syndrome;*
- (c) of the number of newborn babies with Down's syndrome and the percentage of such number in the total number of live births in each of the past three years; and the total number of people with Down's syndrome in Hong Kong at present; and*
- (d) whether the Government will consider a comprehensive introduction of T21 tests for public healthcare service in the next financial year; if it will, of the details; if not, the reasons for that?*

**SECRETARY FOR FOOD AND HEALTH** (in Chinese): President, the Government attaches great importance to providing appropriate and comprehensive prenatal service to pregnant women. The Maternal and Child Health Centres under the Department of Health (DH), in collaboration with the Obstetrics Departments of the HA, provide a comprehensive prenatal shared-care programme to pregnant women to monitor the whole pregnancy and delivery process. The first prenatal check-up includes checking of personal and family medical history, physical and gynaecological examination, urinalysis for glycosuria and proteinuria, blood test, and so on. Depending on the conditions and wishes of the pregnant women, specific tests will be arranged by healthcare staff where necessary, which include ultrasound scan, blood sugar and oral glycemia tolerance test, amniocentesis, chorionic villus sampling, umbilical cord blood sampling, and so on.

My consolidated reply to the four parts of the question is as follows:

Public hospitals have been providing a series of prenatal screening for Down's syndrome, including basic blood test and ultrasound examination, for all local pregnant women since mid-2011. For suspected cases (around 6% or 2 000-odd cases per year), amniocentesis or chorionic villous sampling will be offered to identify Down's syndrome in foetuses.

The HA does not keep statistics on the number of miscarriage cases due to amniocentesis or chorionic villous sampling, nor does it have a breakdown of the expenditure incurred.

As "T21 test" is not a service currently available from the HA and the DH, we do not have information on the pregnant women who have undergone the test and the expenditure incurred. We also do not have any statistics on the number of newborn babies with Down's syndrome and the total number of people with Down's syndrome in Hong Kong, nor do we have statistics on the healthcare expenditure for patients with Down's syndrome.

It should be noted that even if a foetus is diagnosed with Down's syndrome by whatever methods, whether the pregnant woman concerned will consequently terminate pregnancy or continue with pregnancy and delivery depends on her clinical condition and personal choice. The types of tests used to screen the foetuses do not help prevent babies from having Down's syndrome, neither could

the medical services provided to persons with Down's syndrome be withdrawn accordingly.

The DH and the HA will study and make recommendations on the latest development of medical technology on Down's syndrome. A committee under the HA is in place to examine various new medical technologies. The HA will, look into the effectiveness of relevant developments for continual improvement in clinical services in accordance with the established mechanism.

### **Support Provided to Grass-roots Single Mothers**

21. **MS CLAUDIA MO** (in Chinese): *President, some grass-roots single mothers have pointed out that as they have to take up the dual role as the carers and breadwinners of their families, their lives are extremely difficult; and among them, those newly arrived for settlement in Hong Kong (hereinafter referred as "new arrivals") are even ineligible to apply for public rental housing or Comprehensive Social Security Assistance (CSSA) as they have not lived in Hong Kong for seven years. In order to make a living, most grass-roots single mothers take up low-skilled jobs with lower pay and very long working hours, and are thus unable to enjoy normal family and social lives, and there is also a lack of opportunities for them to develop their potentials. It is their hope that the Government can increase subsidized child care services and provide child care allowances for them. In this connection, will the Government inform this Council:*

- (a) *apart from providing training on low-skilled jobs, whether it will consider providing subsidies for grass-roots single mothers to learn skills which they are interested in and can provide better employment prospects, so as to help them get out of poverty; if it will, of the details; if not, the reasons for that;*
- (b) *whether it will consider granting living allowances and child care allowances to grass-roots single mothers, which are specifically designed for them, to obviate the need for them to work all day long in order to make ends meet, so that they may enjoy family life and work life which are better balanced and have the opportunities to develop their potentials; if it will, of the details; if not, the reasons for that;*



- (c) *of the measures in place to support grass-roots single mothers who are new arrivals; whether it will consider providing them with support on various fronts, such as economic and community support, and so on, so as to meet their basic needs in daily lives and assist them in integrating into Hong Kong society and understanding their own rights; if it will, of the details; if not, the reasons for that;*
- (d) *given that quite a number of new arrival women can only take up low-skilled jobs because their Mainland academic qualifications are not recognized in Hong Kong, whether the Government will consider providing subsidies for such women with higher academic qualifications to further their studies, so as to obtain academic qualifications awarded by locally-recognized institutions; if it will, of the details; if not, the reasons for that;*
- (e) *of the Government's total estimated expenditure on child care services and the detailed items concerned in the 2013-2014 financial year, and the estimated percentage of the number of new arrival women in the total number of female beneficiaries;*
- (f) *of the details of the means test mechanism for approving fee reduction or waiver applications under the Neighbourhood Support Child Care Project (NSCCP), as well as the respective numbers of service users who were granted fee reduction or waiver since NSCCP and the after-school child care services were launched, as well as the respective amounts of fees reduced or waived;*
- (g) *whether it will consider relaxing the means test requirements for the aforesaid two kinds of child care services to enable more of the indigent single mothers to benefit from such services;*
- (h) *whether it will consider giving priority to single-parent families in using the aforesaid two kinds of child care services and in granting fee reduction and waiver; if it will, of the details; if not, the reasons for that;*
- (i) *whether it will consider adjusting the operating hours of the aforesaid two kinds of child care services so as to ensure that*

*grass-roots single mothers can obtain such services also during weekends, school holidays and public holidays;*

- (j) whether it will, in calculating the amounts of allowances payable to CSSA recipients, consider exempting the income earned as home-based child carers under NSCCP, so as to encourage more women on CSSA to work as home-based child carers and enable more low-income families, especially single-parent families, to obtain child care services; if it will, of the details; if not, the reasons for that;*
- (k) given that the provision of assistance to indigent people who have not received any support from the Government or other charitable funds is one of the operating principles of the Community Care Fund (CCF), and yet students subsidized by the After-school Care Pilot Scheme (ASCPS) under CCF are confined to Primary One to Secondary Three students studying in public sector schools and Direct Subsidy Scheme schools who are from families on CSSA or have received full-fee reimbursement from the student financial assistance schemes, and while schools may exercise discretion to waive the fees of other indigent students, the maximum number of such students must not exceed 25% of the total number of participating students, whether the Government will propose to CCF to consider including students who are ineligible for CSSA or full-fee reimbursement as the target beneficiaries under ASCPS; if it will, of the details; if not, the reasons for that; and*
- (l) of the effectiveness of ASCPS since its implementation; the number of beneficiaries, the number of beneficiaries from families on CSSA, the number of students receiving full-fee or half-fee reimbursements and other relevant figures, broken down by the districts in which their schools are situated?*

**SECRETARY FOR LABOUR AND WELFARE** (in Chinese): President, the Administration attaches great importance to the service provision to single-parent families and new arrivals. By putting in place various measures, we help expedite their integration into the community, facilitate their adaption and enhance their capacity for self-reliance.

My reply to Ms MO's 11-part question is as follows:

- (a) By adopting a market-driven and employment-oriented approach, the Employees Retraining Board (ERB) offers a diversified range of training courses for all eligible employees in Hong Kong aged 15 or above and with education attainment of sub-degree or below. Eligible persons, including single parents and new arrivals, who fulfilled the entry criteria of the courses concerned may enrol in the courses according to their own interests and training needs. In this connection, priority will be accorded to applicants who are single parents with the need to look after children aged under 18.

At present, over 800 training courses are provided by the ERB, covering about 30 trade sectors and generic skills including languages, business numeracy, information technology, and so on. Moreover, some of the courses have been approved by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and uploaded to the Qualifications Register. Ranging from Level 1 to Level 4 under the Qualifications Framework, these courses provide trainees with a clearer idea of the direction and career path in obtaining the relevant qualifications.

As regards course fees and allowances, full-time placement-tied courses targeted at the unemployed are offered by the ERB free of charge. A retraining allowance is payable to eligible trainees who have attended a full-time placement-tied course with a duration of seven days or more. While course fees are charged for the half-day and evening courses, applicants with nil or low income may apply for course fee waiver or subsidies.

- (b) and (c)

On financial assistance, the CSSA Scheme, as a means-tested safety net, aims to provide financial support for families in need to meet their basic needs. Special assistance is provided to single parents and family carers under the CSSA Scheme. Higher standard rates are provided for these groups (ranging from \$1,800 to \$2,250, which are respectively \$315 to \$405 higher than those for other able-bodied adults); and single parents are provided with a monthly supplement

of \$290, in recognition of the difficulties they face in bringing up a family.

As a general rule, CSSA applicants must have been Hong Kong residents for at least seven years, except for Hong Kong residents aged below 18 who are exempted from this requirement. However, CSSA may be granted at the discretion of the Director of Social Welfare to any applicant who is in face of actual difficulties, despite not satisfying the residence requirements. The discretion will normally be exercised where a new arrival works to support his/her family members, in recognition of his/her efforts to become self-supporting.

Besides, in April 2006, the Social Welfare Department (SWD) launched the New Dawn Project specifically for single parents and child carers on CSSA whose youngest children are aged 12 to 14 to assist them in seeking employment with working hours of not less than 32 per month, thereby preparing them for re-engagement in work with a view to enhancing their capacity for self-help, helping them integrate into the community and move towards self-reliance through employment.

From January 2013 onwards, the SWD has integrated and improved various employment assistance services under the CSSA Scheme by providing able-bodied CSSA recipients with one-stop integrated employment assistance services. Single parents and child carers on CSSA with their youngest child aged 12 to 14 are included as target users of services under the Integrated Employment Assistance Programme for Self-reliance. In addition to providing employment assistance services, non-governmental organizations (NGOs) will also provide other supporting services, such as information on caretaking of children, and so on.

On welfare services, the 65 Integrated Family Service Centres (IFSCs) and two Integrated Services Centres (ISCs) over the territory provide a spectrum of preventive, supportive and remedial services including family life education, parent-child activities, enquiry service, volunteer training, outreaching service groups and

programmes, intensive counselling, assessment for compassionate rehousing, financial assistance and referral services for people in need (including new arrival single mothers). IFSCs/ISCs social workers with relevant experience and skills assess and address the welfare needs of single parents and single-parent families in the locality in a comprehensive manner, and provide them with appropriate services. The Government hopes to provide a spectrum of services by adopting the strategy of early identification and intervention, timely support, cross-sectoral collaboration and provision of specialized services, thereby facilitating positive functioning of families and supporting those at-risk.

The Home Affairs Department (HAD) also provides support services for new arrivals from the Mainland to help them integrate into the community. The services provided include updating the comprehensive "Service Handbook for New Arrivals" on a regular basis, subsidizing adaptation courses and community activities organized by local organizations, and conducting quarterly surveys to assess the service needs of new arrivals. Since 2011, the HAD has introduced three initiatives, namely "District-based Integration Programme", "Expectation Management Programme" and "Ambassador Scheme" to strengthen the support services for new arrivals from the Mainland.

To support parents who are unable to take care of their children temporarily (including single mothers) because of work or other reasons, the SWD provides subvention to NGOs to run a variety of flexible child care services, including standalone child care centres and those attached to kindergartens which provide day-time care services to children below the age of three. Some of these centres also provide occasional child care services to support parents who need to deal with urgent or important matters, and some of them also provide extended hours services to assist parents who have to work longer hours. In addition, the mutual help child care centre service and the NSCCP provide care services to children below the age of six. To ensure that families with financial difficulties can enjoy these services, the SWD has been providing fee waiving or reduction to those families in need.

Having regard to the pressure faced by single-parent families, the Administration has taken measures to provide them with support in areas of financial assistance, employment training, social welfare and child care so as to meet their needs and alleviate their pressure in discharging family responsibilities.

- (d) The ERB offers courses at all levels, ranging from courses requiring no academic qualifications to those at sub-degree level. The courses should cater for the needs of different people. New arrival women who are interested in the ERB courses and meet the entry requirements may enrol in the courses. For new arrival women with higher academic qualifications, they may choose to apply for preparatory courses for internationally recognized language proficiency tests or relevant local professional certification, so as to enhance their competitiveness.

Besides, the ERB provides tailor-made courses for new arrivals (including new arrival women). These courses aim to assist new arrivals in entering the local employment market and integrating into the community. Since some new arrival women are unable to apply for such courses as they have to take care of their young children, the ERB launched a course of "Certificate in Foundation Skills for Employment" in 2010 and child care services are also provided for these trainees through NSCCP of the SWD during the training period.

- (e) In the 2013-2014 financial year, the estimated expenditure of the SWD in the provision of child care services is \$79 million, which is mainly used for subsidizing standalone child care centres, occasional child care services, extension of service hours, mutual help child care centres and NSCCP. As regards fee waiving or reduction subsidy scheme under After School Care Programme (ASCP), the estimated expenditure is \$15 million. The SWD has not collected any data on the number of women who benefited from such services, or the percentage of the number of new arrival women in the total number of female beneficiaries.

(f) to (h)

Under NSCCP, applicants with service needs must pass both the means and social needs tests to obtain service fee waiving or reduction. Single-parent families already meet the criteria of the social needs test. According to the requirements of the means test, the applicant will be granted half-fee reduction if his/her monthly household income does not exceed 75% of the median monthly domestic household income. If the applicant's monthly household income does not exceed 55% of the median monthly domestic household income, full-fee waiving will be granted. From April to December 2012, a total of 3 305 children received fee reduction. Among them, 79% were granted full-fee waiving while 21% were granted half-fee reduction. The amount of subsidies received by the applicants may differ, depending on the service fee charged on them under NSCCP.

As for fee subsidies under ASCP, applicants should also meet the requirements of the above means test in order to obtain fee waiving or reduction. The SWD's subsidy for morning or afternoon session is \$1,000 (full-fee waiving) or \$500 (half-fee reduction) per month per person, while that for evening session is \$750 (full-fee waiving) or \$375 (half-fee reduction) per month per person. As at the end of December 2012, a total of 1 868 students have received fee reduction and 58% of which were granted full-fee waiving while 42% were granted half-fee reduction.

The current means test mechanism of the two services above has been effective in helping needy families (including single-parent families) to obtain the service. While ensuring public funds are spent properly, the Government will consider ways to further reduce the financial burden of low-income families in using the services, with a view to supporting families with financial difficulties and social needs.

At present, unused quotas and fee reduction for the two services are still available. We will continue to review the service operation to ensure that the services can meet the demands from the community.

- (i) The operating hours of the home-based child care service under NSCCP are from 7 am to 11 pm every day; the centre-based care group opens up to at least 9 pm in weekdays, and covers Saturdays and some public holidays. As for ASCP, these centres provide services in various sessions from Monday to Friday from 8 am to 7 pm/8 pm; individual centres may also consider extending the service hours until late evening and providing services on Saturday or during summer vacation in response to the actual demand in individual districts to accommodate the working hours of parents. These two services are available in the morning, afternoon and evening sessions on weekdays, weekends and holidays (including school holidays).
- (j) The difference between the total assessable monthly household income (including but not limited to employment income, assistance from relatives or volunteer subsidy (excluding travel allowance), and so on) of the CSSA recipient and his/her family and their total monthly needs as recognized under the CSSA Scheme is the amount of CSSA assistance payable. As regards the incentive payment granted to a CSSA recipient serving as a home-based carer, it is a kind of financial resources for his/her free deployment to meet daily household expenditure. As such, the incentive payment, just like other sources of income is included as the assessable income under the CSSA Scheme.

However, the Disregarded Earnings arrangement under the CSSA Scheme allows part of the recipient's monthly earnings from employment to be disregarded (up to \$2,500) when assessing the amount of assistance payable. The SWD also extends it to cover other incomes/remuneration beyond paid employment relationship, in order to recognize their endeavour in building up a work habit.

- (k) The ASCPS was introduced by the CCF in the 2012-2013 school year to subsidize schools and NGOs to identify the most needy students who come from low-income families. The Pilot Scheme aims to co-ordinate and integrate after-school learning and support activities. A total of 73 institutions (including 34 schools and 39 NGOs) have participated in the Pilot Scheme in the 2012-2013 school year.



The target beneficiaries of the Pilot Scheme are Primary One to Secondary Three students from public sector schools (including special schools) and Direct Subsidy Scheme schools. They mainly come from families receiving CSSA or full-fee reimbursement from the student financial assistance schemes of the Student Financial Assistance Agency. Schools and NGOs participating in the Pilot Scheme have discretion to include other needy students (including students from two-working-parent, single-parent and new arrival families), but the number of these students should not exceed 25% of the total number of students.

The Commission on Poverty approved the proposal of Community Care Fund Task Force in March this year to extend the Pilot Scheme for one year to the 2013-2014 school year and enlarge the scope of beneficiaries to include students receiving half-fee reimbursement from the student financial assistance schemes in the 2013-2014 school year. Participating schools and NGOs also have the discretion to include 25% needy students.

- (1) The ASCPS was introduced in the 2012-2013 school year. According to the interim report submitted by the 73 participating schools and NGOs, some (36 in total) have encountered difficulties in student enrolment, resulting in an unsatisfactory number of student intake which is lower than that proposed to CCF, while some (20 in total) have admitted a greater number of student than they originally proposed. The Education Bureau will conduct a review one year after the implementation of the Scheme.

According to the interim report submitted by the schools and NGOs, the respective number of students who benefited under the Pilot Scheme in each district is as follows:

<i>District</i>	<i>Number of participating schools/NGOs</i>	<i>Number of students benefited from the Pilot Scheme</i>
Kowloon City	2	136
Tai Po	3	142
Central and Western District	1	26

<i>District</i>	<i>Number of participating schools/NGOs</i>	<i>Number of students benefited from the Pilot Scheme</i>
Yuen Long	10	683
Tuen Mun	11	1 322
Northern District	5	173
Sai Kung	4	273
Sha Tin	5	506
Eastern District	6	374
Yau Tsim Mong	6	374
Southern District	0	0
Tsuen Wan	2	176
Sham Shui Po	3	347
Wong Tai Sin	4	122
Kwai Tsing	6	589
Islands	2	119
Wan Chai	1	40
Kwun Tong	2	71
Total	73	5 473

Of the 5 473 beneficiaries, 1 766 came from CSSA families, 2 692 received full-fee reimbursement from the student financial assistance schemes, and 1 015 participated in the Pilot Scheme through the use of discretion by participating schools/NGOs. The above 1 015 students include students receiving half-fee reimbursement from the student financial assistance schemes, and the needy students from two-working-parent, single-parent and new arrival families.

### **Law-enforcement Work Against Illegal Tree-felling, Fly-tipping, Illegal Occupation of Government Land and Unauthorized Developments on Land**

22. **MR WU CHI-WAI** (in Chinese): *President, regarding the law-enforcement work against illegal tree-felling, fly-tipping or illegal occupation of Government land, as well as unauthorized developments on Government and private land, will the Government inform this Council:*

- (a) *of the manpower deployed by the Agriculture, Fisheries and Conservation Department (AFCD) to patrol country parks and special areas to prevent illegal tree-felling and fly-tipping, as well as*

- the number of patrol conducted (with a breakdown by country park and special area) in each of the past three financial years;*
- (b) *of the amount of fines and the number of trees felled in each of the 19 convicted cases of illegal tree-felling in country park areas in the past three financial years, and whether the authorities had sought the advice of the Department of Justice on those cases in which the penalties imposed were too lenient and considered lodging appeals; if so, of the details;*
- (c) *of the number of complaints about illegal tree-felling outside country park areas in each of the past three financial years; the respective numbers of relevant prosecution and convicted cases, as well as the details of each case (including the amounts of fines);*
- (d) *of the law-enforcement procedures to be followed by the AFCD when it detects fly-tipping in country parks and special areas; as the authorities have indicated that no prosecution case could be concluded in the past two financial years due to lack of sufficient evidence, of the relevant details;*
- (e) *among the 17 cases of illegal occupation of country park land which had been referred by the AFCD to the Lands Department (LandsD) for follow-up in the past two financial years, of the respective numbers of prosecution and convicted cases, as well as the details of each case;*
- (f) *as it was reported that the LandsD had approved the building of two New Territories small houses (small houses) on a site in Shan Pui Tsuen, Yuen Long, which had been formed by illegal pond filling, but the Planning Department (PlanD) had pointed out that building small houses on that site constituted an unauthorized development and requested the owner to reinstate the site, of the reasons why the LandsD still granted approval for building small houses on that site when the PlanD had pointed out that building small houses there constituted an unauthorized development; whether the authorities*

*have assessed if this case will encourage more people to engage in illegal land developments; of the number of similar cases reported to the authorities in each of the past three financial years (with a breakdown by District Council district); and*

- (g) *apart from proceeding with the legislative work for amendments to section 16A of the Waste Disposal Ordinance (Cap. 354) to curb fly-tipping, whether the authorities have plans to review and amend the relevant legislation to curb illegal tree-felling and land developments, so as to strengthen the deterrent effect against such illegal activities?*

**SECRETARY FOR THE ENVIRONMENT** (in Chinese): President,

- (a) The enforcement actions of the AFCD against unauthorized tree-felling and illegal fly-tipping have been incorporated into regular country parks patrol. A team of 120 staff was deployed to patrol and protect country parks and special areas. The frequency and manpower of patrol varied from daily to monthly in different country parks depending on the popularity and distance of the location/site.
- (b) Details of the 19 convicted cases of illegal tree-felling in country park areas are tabulated below:

<i>Fiscal Year</i>	<i>Number of Convictions<sup>#</sup></i>	<i>Number of trees affected</i>	<i>Amount of Fine Imposed (\$)</i>
2010-2011	9	4	800 <sup>(1)</sup>
		4	1,200 <sup>(1)</sup>
		5	1,200 <sup>(1)</sup>
		1	500 <sup>(2)</sup>
		1	500 <sup>(2)</sup>
		1	600 <sup>(2)</sup>
		1	500 <sup>(2)</sup>
		1	1,000 <sup>(2)</sup>
		1	500 <sup>(2)</sup>

<i>Fiscal Year</i>	<i>Number of Convictions<sup>#</sup></i>	<i>Number of trees affected</i>	<i>Amount of Fine Imposed (\$)</i>
2011-2012	8	1	1,200 <sup>(1)</sup>
		9	800 <sup>(1)^</sup>
			800 <sup>(1)^</sup>
		1	700 <sup>(2)</sup>
		1	1,000 <sup>(2)</sup>
		1	1,800 <sup>(2)</sup>
		1	200 <sup>(2)</sup>
1	500 <sup>(2)</sup>		
2012-2013*	2	1	400 <sup>(2)</sup>
		1	400 <sup>(2)</sup>

Notes:

# Counted by the date of conviction

\* Up to 13 March 2013

(1) In accordance with regulation 8(1) of the Country Parks and Special Areas Regulations

(2) In accordance with section 21(d) of the Forests and Countryside Ordinance

^ There were two defendants in the same incident

The prosecution is carried out by the AFCD in accordance with regulation 8(1) of the Country Parks and Special Areas Regulations (Cap. 208A) and section 21(d) of the Forests and Countryside Ordinance (Cap. 96). The AFCD has not carried out any appeals on the convictions.

(c) Details of the information regarding illegal tree-felling outside country parks are tabulated below:

<i>Fiscal Year</i>	<i>Number of Complaints</i>	<i>Number of prosecution cases<sup>#</sup></i>	<i>Number of Convictions<sup>#</sup></i>	<i>Amount of Fine Imposed (\$)</i>
2010-2011	64	8	8	600
				300
				0 <sup>^</sup>
				1,000
				4,000
				5,000
				12,000
				12,000

<i>Fiscal Year</i>	<i>Number of Complaints</i>	<i>Number of prosecution cases<sup>#</sup></i>	<i>Number of Convictions<sup>#</sup></i>	<i>Amount of Fine Imposed (\$)</i>
2011-2012	69	10	10	300
				500
				900
				1,500
				400
				2,000
				2,000
				5,000
				1,200
				1,000
2012-2013*	59	8	8	2,000
				0 <sup>^</sup>
				600
				600
				4,500
				2,500
				500
				1,800

Notes:

# Counted by the date of conviction

\* Up to 13 March 2013

<sup>^</sup> The defendant was convicted but no fine was imposed

- (d) The enforcement against fly-tipping was taken under the Waste Disposal Ordinance (Cap. 354). The AFCD staff, if apprehended offender at scene, would collect personal particulars of the offenders and all site evidence related to the fly-tipping at scene. The AFCD staff would then forward the full set of documents with witness report of the AFCD staff at scene to the Environmental Protection Department for follow-up prosecution. However, as most of the dumping sites were remote and no suspected offenders could be identified, there was no successful prosecution. The AFCD will continue to step-up patrol, including night patrol, at black spots of fly-tipping within country parks to stop the irregularity.
- (e) The AFCD will refer cases of unlawful occupation of land in country parks in which no fly-tipping is involved to the District Lands

Offices (DLOs) concerned for follow-up action as appropriate. According to the LandsD's records, the AFCD referred a total of six cases to the LandsD for follow-up action in the past two financial years. They were mainly suspected cases of constructing unlawful access and excavation. The DLOs concerned have already taken appropriate land control action, including erection of "Government Land" notice boards. No prosecution was involved in these cases.

- (f) The illegal pond filling activity as quoted by Member from the media report was located in Shan Pui Village, Yuen Long. In August 2012, the PlanD, in accordance with the Town Planning Ordinance (TPO), issued an Enforcement Notice (EN) to the parties concerned requiring for termination of the unauthorized development on the relevant lot. Subsequently, the PlanD conducted site inspection which revealed that such unauthorized development had been terminated. In November 2012, the PlanD took further action to issue a Reinstatement Notice (RN) to the parties concerned, in accordance with the TPO. The notice recipients had already carried out reinstatement works as required by the RN. The Planning Authority is now monitoring the site conditions.

Moreover, even though the small house development as quoted by the media report and the illegal pond filling activity were both located in Shan Pui Tsuen, the lots involved were in fact different. In 2009, the DLO/Yuen Long (DLO/YL) received applications for the small house development concerned. The DLO/YL processed the applications according to the established procedures, including consultations with the PlanD and other relevant departments. Having regard to the fact that the development of New Territories exempted houses (including small houses) was always a permitted use in "village-type development" zones, the PlanD did not object to such applications. Site inspections were also conducted by the DLO/YL, confirming that the lots under application were flat land. Since no objection was received from the relevant departments or the local community, the DLO/YL granted building licences for the development of two small houses in July 2012. When these two small house applications were being processed by the DLO, there

was no outstanding EN issued by the PlanD concerning the lots under application.

In general, when processing a small house application, the relevant DLO checks the land lease concerned, inspects the condition of the land under application to consider whether the proposed small house can be built on that land, and consults the relevant departments. If no objection is received from the relevant departments, the DLO will continue to process the application. Apart from complying with the small house policy and the relevant lease conditions, the proposed small house development shall also comply with the relevant ordinances and other applicable government requirements. If the proposed development fails to comply with the TPO and the relevant outline zoning plan, an application for planning permission should be made to the Town Planning Board (TPB) under the TPO. Approval from the TPB shall be obtained before the commencement of the development.

In the past three financial years, none of the small house applications concerning private lots received by the DLOs involved outstanding EN issued by the PlanD.

- (g) The AFCD regularly reviews the Country Parks Ordinance and the Forests and Countryside Ordinance, including its penalty level against illegal tree-felling within and outside country parks. The AFCD will continue its efforts in patrol and the enforcement of legislation to protect country parks.

Also, under the TPO, the Planning Authority can take enforcement action against unauthorized developments within the development permission areas in the rural New Territories. The PlanD will continue its work on preparation of Development Permission Area Plans/Outline Zoning Plans for rural areas currently not covered by statutory plans as necessary, with a view to stepping up statutory planning control in areas subject to development pressure or susceptible to unauthorized use.



**BILLS****First Reading of Bills**

**PRESIDENT** (in Cantonese): Bills: First Reading.

**ARBITRATION (AMENDMENT) BILL 2013****MERCHANT SHIPPING (SEAFARERS) (AMENDMENT) BILL 2013****BETTING DUTY (AMENDMENT) BILL 2013****INLAND REVENUE (AMENDMENT) BILL 2013**

**CLERK** (in Cantonese): Arbitration (Amendment) Bill 2013

Merchant Shipping (Seafarers) (Amendment) Bill 2013

Betting Duty (Amendment) Bill 2013

Inland Revenue (Amendment) Bill 2013.

*Bills read the First time and ordered to be set down for Second Reading pursuant to Rule 53(3) of the Rules of Procedure.*

**Second Reading of Bills**

**PRESIDENT** (in Cantonese): Bills: Second Reading.

**ARBITRATION (AMENDMENT) BILL 2013**

**SECRETARY FOR JUSTICE** (in Cantonese): President, I move that the Arbitration (Amendment) Bill 2013 be read the Second time. The object of the Bill is to amend the current Arbitration Ordinance (the Ordinance) in view of new developments in the arbitration regime and relevant matters.

Firstly, Hong Kong and Macao concluded the Arrangement Concerning Reciprocal Recognition and Enforcement of Arbitral Awards (the Arrangement) in January 2013. The content of the Arrangement is similar to the arrangement

between Hong Kong and the Mainland on mutual enforcement of arbitral awards concluded in 1999. To implement the Arrangement, the Bill will introduce a statutory mechanism for the enforcement of arbitral awards made in Macao by Hong Kong courts. The relevant provisions are similar to the existing provisions of the Ordinance relating to the implementation of the arrangement with the Mainland.

Moreover, in view of the recent developments in the arbitration sector, the Ordinance is proposed to be amended in three aspects:

Firstly, since the emergency arbitrator procedure has increasingly been adopted by arbitral institutions around the world, the Bill proposes to make it clear that subject to the relevant provisions of the Ordinance and with the leave of the Court, any emergency relief granted by an emergency arbitrator before the constitution of an arbitral tribunal is also enforceable. In this connection, a new Part 3A will be added to the Ordinance to provide that after having obtained the leave of the Court of First Instance of the High Court of Hong Kong, any emergency relief granted by an emergency arbitrator in or outside Hong Kong will be enforceable.

Secondly, section 75 of the Ordinance is proposed to be amended to provide that if the parties to an arbitration have agreed that the costs of the arbitral proceedings are to be taxed by the Court, the costs are to be taxed on a "party and party" basis in accordance with the Rules of the High Court.

Thirdly, as there are four new parties to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (which is also known as the New York Convention), the Bill is required to amend the Arbitration (Parties to New York Convention) Order in order to update the list of the parties to the Convention.

Finally, in light of the new provisions, the Bill proposes to make some consequential amendments to the Rules of the High Court. We will also make some more technical amendments to certain existing sections of the Ordinance to align the wording of those sections with that of the new provisions and to make those sections more readable.

The various stakeholders within the legal and arbitration professions have been consulted on the proposals under the Bill. They were supportive of the

proposals and their comments and responses have been taken into account in the drafting of the Bill. The Panel on Administration of Justice and Legal Services of the Legislative Council has also indicated support for the proposed amendments.

President, the Administration strives to further enhance Hong Kong's position as a centre for legal services and dispute resolution in Asia Pacific. The Department of Justice has been making vigorous efforts to promote work in that regard. The Bill seeks to implement the Arrangement Concerning Reciprocal Recognition and Enforcement of Arbitral Awards between Hong Kong and Macao, and to make corresponding legislative amendments to tie in with the new developments in the arbitration sector. We believe that the Bill, when enacted, will help to reinforce Hong Kong's position as a leading international arbitration centre in Asia Pacific.

With these remarks, I urge Members to support the Bill.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Arbitration (Amendment) Bill 2013 be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill is referred to the House Committee.

## **MERCHANT SHIPPING (SEAFARERS) (AMENDMENT) BILL 2013**

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, I move that the Merchant Shipping (Seafarers) (Amendment) Bill 2013 be read the Second time.

At present, working standards, health requirements and employment conditions for seafarers are specified in the Merchant Shipping (Seafarers) Ordinance (Cap. 478) (the Ordinance) and the subsidiary legislation under the Ordinance. I now table the Bill to amend the definition of "seafarer" under the Ordinance and various technical provisions in order to align certain existing provisions under the Ordinance with the Maritime Labour Convention 2006 (MLC).

The MLC adopted by the United Nations' International Labour Organization (ILO) governs the working and living conditions of seafarers on board ocean-going vessels in 14 designated areas, namely:

- (a) Minimum age;
- (b) Medical certification;
- (c) Qualifications of seafarers;
- (d) Seafarers' employment agreement;
- (e) Use of any licensed or certified or regulated private recruitment and placement service;
- (f) Hours of work or rest;
- (g) Manning levels for the ship;
- (h) Accommodation;
- (i) On-board recreational facilities;
- (j) Food and catering services;
- (k) Health and safety and accident prevention;
- (l) On-board medical care;
- (m) On-board complaint procedures; and
- (n) Payment of wages.

The MLC will come into force in ILO members which have ratified the MLC on 21 August 2013. By then, Hong Kong-registered ocean-going vessels are also required to comply with the MLC requirements in ports of ILO members. We propose to amend the Ordinance in order to implement the provisions of the MLC and ensure that the relevant laws and regulations in Hong Kong can meet the latest international requirements.

The Bill proposes a number of amendments. One of the key amendments is to amend the definition of "seafarer" to align with the MLC. Under the existing Ordinance, the definition of "seafarer" excludes masters, officers and medical practitioners of ships from the application of certain parts of the Ordinance. Under the MLC, "seafarer" means any person who is employed or engaged or works in any capacity on board, including masters, officers and ships' medical practitioners. Therefore, we propose to amend the definition of "seafarer" in the Ordinance to align it with the MLC. However, subject to local circumstances of various jurisdictions, the MLC also allows the competent authority of the jurisdiction concerned to determine, after consultation with shipowners' and seafarers' organizations, if any categories of persons are to be regarded as seafarers. Hence, we propose the addition of a Schedule to the Ordinance to specify persons who work on board a ship but are not to be regarded as seafarers, such as a person who works on board as a pilot, the owner of the ship, the ship manager or charterer who has assumed responsibility for the operation of the ship from the owner, an officer of a law-enforcement agency carrying out law-enforcement duties, and a person whose work only relates to the construction, alteration, repair or testing of the ship or of its machinery or equipment, and does not in any way relate to the normal operation of the ship within the deck, engine room or catering department of the ship. We further propose that the Secretary for Transport and Housing may, after consultation with the Seafarers' Advisory Board, amend this Schedule by notice published in the Gazette when necessary. The abovementioned proposed amendment to the definition of "seafarer" should not affect in any substantial way the current regulatory regime.

Another key amendment is to allow seafarers' organizations to provide seafarer recruitment and placement services. Under the existing Ordinance, the seafarers' organizations, including trade unions, are not qualified to be issued the relevant permit by the Marine Department (MD) so as to provide such recruitment and placement services. Although so far no seafarers' organization has indicated to the MD an interest in the provision of such services, in line with the MLC requirement, we propose to amend the relevant provisions in the Ordinance so that a seafarers' organization may also provide recruitment and placement services to Hong Kong-registered ships.

A clause is also added to the Bill to provide for the use of "direct reference approach" in making subsidiary legislation under the Ordinance in future. Under this approach, the subsidiary legislation will refer directly to a provision of an international agreement applicable to Hong Kong so as to give effect to the

latest international requirements of technical nature in local laws in a timely manner. These include the scope of body check for seafarers and standards for seafarers' accommodation.

Apart from the key amendments mentioned just now, the Bill also makes other miscellaneous amendments of a technical nature such as removing the existing restriction that persons aged 35 years or above cannot be registered with the MD for employment as seafarers, and allow seafarers to complain directly to the Superintendent of MD in relation to any matters on board.

Subject to the passage of the Bill by the Legislative Council, I will, in accordance with the powers conferred on the Secretary of Transport and Housing by the Ordinance, formulate and amend the relevant subsidiary legislation to implement the specific provisions and other requirements of the MLC. For instance, seafarers under the age of 18 must not engage in night work, cooks working on ships must be qualified for their positions on board, and the setting up of a certification, inspection and enforcement mechanism to ensure compliance with the MLC by ocean-going vessels in the waters of Hong Kong. After the completion of all the legislative process, we will inform the Central People's Government of the applicability of the MLC in Hong Kong.

President, the implementation of the MLC is essential to enhancing the working and living conditions of seafarers on ocean-going vessels registered in Hong Kong so as to consolidate the status of Hong Kong as an international maritime centre and one of the largest ship registration places in the world. Our legislative proposals have gained the support of shipowners' and seafarers' organizations after consultation with them. We hope Members will scrutinize and approve the Bill to facilitate the early implementation of the MLC in Hong Kong.

Thank you, President.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Merchant Shipping (Seafarers) (Amendment) Bill 2013 be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill is referred to the House Committee.

**BETTING DUTY (AMENDMENT) BILL 2013**

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): President, I move that the Betting Duty (Amendment) Bill 2013 (the Bill) be read the Second time. The Bill seeks to amend the Betting Duty Ordinance (Cap. 108) (BDO) so as to adjust the horse race betting duty regime to facilitate the introduction of a two-way commingling arrangement.

Under the prevailing Licence for Horse Race Betting, the Hong Kong Jockey Club (HKJC) Horse Race Betting Limited as the only licenced horse race betting conductor in Hong Kong may conduct betting on both local and simulcast horse races.

Insofar as local horse races are concerned, the HKJC accepts bets locally, whereas non-local horse race betting conductors also accept bets outside Hong Kong. The bets in these places are managed as separate pools and the dividend distribution rates are calculated according to the size of bets managed by them. If local and non-local pools are managed in the form of a commingled pool, based on the size of bets in all pools in respect of the same bet type of the same race, the HKJC would work out a set of standardized dividend distribution rates together with non-local horse race betting conductors before the commencement of races, and pay out dividends after the races according to these standardized dividend distribution rates. Such an arrangement is known as an "inbound commingling arrangement".

As regards local bets on non-local races, the present arrangement is for the HKJC to manage such local bets in separate pools. However, local bets placed on non-local races can also be managed in a commingled pool together with other non-local bets in respect of the same bet type of the same non-local race. Such an arrangement is known as an "outbound commingling arrangement".

The implementation of a commingled pool can reduce the possibility of illegal bookmakers taking advantage of arbitrage of odds differences as a result of the existence of multiple separate pools in various jurisdictions in respect of the same race, so it can discourage off-shore and illegal bookmaking activities. The bet size in a commingled pool also makes the dividend distribution rates more stable, thus preventing great fluctuations in dividend distribution rates caused by individual major bets.

Under the existing betting duty regime of Hong Kong, it is difficult for the HKJC to find non-local partners to manage an "inbound commingled pool" because under the existing regime, betting duty is levied on non-local bets in an "inbound commingled pool" and the Government at the source of the bets also levies local betting duty on such bets, so this is virtually double taxation. This is not in line with the international norm and practice that betting duty is levied only at the source of the bets. Before the commencement of this race season, Hong Kong's only partner in managing an "inbound commingled pool" in recent years also terminated its co-operative arrangement with Hong Kong.

As regards local bets in an "outbound commingled pool", the existing approach under the BDO is no different from that for bets on local races. At present, the HKJC only adopts the approach of local separate pools in managing local bets on non-local races. However, the international norm and practice is for two regions to put in place bilateral and reciprocal arrangements for two-way commingling

In response to the proposals of the HKJC, we now introduce the Bill to facilitate the introduction of a two-way commingling arrangement.

The Bill mainly consists of the following two parts:

First, to facilitate the introduction of an "inbound commingled pool" arrangement for non-local horse race betting conductors and Hong Kong, we propose that the betting duty on non-local bets on local horse races be abolished. The existing betting duty regime applicable to local bets on local races will remain unchanged.

Second, to establish a new betting duty regime for non-local horse races by changing the original progressive rates to a standardized 72.5% on the net stake receipts and to deduct the fees paid by the HKJC to its non-local partners from the tax base, so as to facilitate the implementation of an "inbound commingled pool" by Hong Kong and non-local operators.

I have to stress that the aim of the Bill is not to increase tax revenue. Nevertheless, we also wish to ensure that the implementation of the amendment would not lead to a decrease in tax revenue at the initial stage. To this end, the Bill provides for a three-year guarantee period. During the guarantee period, the annual amount of betting duty receipts arising from Hong Kong bets placed on



non-local races receivable by the Government would be the actual amount as computed based on the relevant provisions under the Bill or the guaranteed amount of \$175 million, whichever is the higher.

The conception of this proposal began several years ago. In February this year, we also listened to the views of the Betting and Lotteries Commission and the Panel on Home Affairs of the Legislative Council. We understand that some members of the public and concern groups are worried that the proposed Bill would aggravate the gambling trend. The overriding principle in introducing the Bill is that horse race betting opportunities would not increase as a result of the amendment. The Government has not increased the numbers of local race days and broadcasts of non-local races organized by the HKJC annually. The HKJC will not give greater publicity to horse race betting because of the commingling arrangement, and basically, the commingling arrangement will not change the chances of bettors receiving dividend payouts.

We will continue to consult the Ping Wo Fund Advisory Committee with a view to strengthening the services targeting problem gamblers and pathological gamblers, as well as formulating publicity and education programmes targeting problem gambling.

Our gambling policy is to restrict gambling opportunities to a limited number of authorized and regulated outlets to prevent the public from placing bets with illegal operators, with the authorities being tasked with monitoring its implementation. A tax regime facilitating two-way commingling can reduce illegal bookmaking and is in line with our established policy.

President, I now introduce the Betting Duty (Amendment) Bill 2013 into the Legislative Council for scrutiny. We hope that the Bill can be passed in this Legislative Session and come into effect on 1 September, that is, the beginning of the 2013-2014 race season. We will strive to work in concert with the relevant Bills Committee of the Legislative Council in its scrutiny of the Bill by providing further information and responding to Members' views and concerns about the Bill.

President, I so submit.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Betting Duty (Amendment) Bill 2013 be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill is referred to the House Committee.

### **INLAND REVENUE (AMENDMENT) BILL 2013**

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): President, I move that the Inland Revenue (Amendment) Bill 2013 (the Bill) be read the Second time to amend the Inland Revenue Ordinance, so as to enable Hong Kong to enter into standalone tax information exchange agreements (TIEAs) and to enhance the existing exchange of information (EoI) arrangements under comprehensive avoidance of double taxation agreements (CDTAs) to meet the international standard adopting a minimum necessary approach.

All along, the Administration has been committed to establishing a network of CDTAs with our major trading and investment partners, so as to provide certainty on taxation of cross-border activities and relief for double taxation, thereby facilitating flow of trade, investment and talent between Hong Kong and the rest of the world, as well as to enhance Hong Kong's position as an international business and financial centre. Up to the end of March 2013, Hong Kong has signed CDTAs with 27 jurisdictions. These signatories include 11 of our top 20 trading partners.

As a responsible member of the international community, Hong Kong is also committed to enhancing tax transparency and preventing tax evasion. All the CDTAs that Hong Kong has signed incorporate an EoI article that is on par with the prevailing international standard as far as practicable.

Nevertheless, on the international front, there have been increasing aspirations to enhance tax transparency with a view to preventing and combating fiscal evasion. According to the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) of the Organization for Economic Co-operation and Development (OECD), the latest international standard for EoI is that a jurisdiction should make available both CDTA and

TIEA as an instrument for EoI with other jurisdictions. The Bill introduced by the Government today has two policy objectives.

First, under the existing IRO, Hong Kong can only enter into CDTAs with another jurisdiction. The existing legislation does not permit Hong Kong to enter into TIEAs.

As a member of the Global Forum, Hong Kong is now undergoing a peer review by the Global Forum to evaluate Hong Kong's compliance with the international EoI standard. Phase 1 of the peer review on Hong Kong was completed in October 2011. This affirmed our efforts in enhancing tax transparency. In December 2012, the Global Forum launched the Phase 2 review. As advised by the Global Forum, whether Hong Kong could pass the Phase 2 review will largely hinge on the availability of a legal framework for TIEAs. Failing the Phase 2 review, Hong Kong may run the risk of being labelled as an unco-operative jurisdiction, which is highly undesirable for Hong Kong's international reputation and may in turn undermine our position and competitiveness as an international business and financial centre. Other jurisdictions may also impose unilateral sanctions on Hong Kong.

In view of the aforementioned international situation, to show Hong Kong's continual determination in enhancing tax transparency and strive to ensure that Hong Kong can pass the review without problem, it is critical for Hong Kong to have in place the relevant legal framework by mid-2013, before the Global Forum finishes its review report on Hong Kong in September 2013.

Meanwhile, we have also run into practical difficulties in further expanding Hong Kong's CDTA network. Our existing EoI regime is generally based on the 2004 version of the EoI Article of the OECD, except for certain modifications to address local needs, including confining the scope of EoI to taxes covered by the CDTAs and only exchanging information that does not relate to any period before the relevant provisions of the relevant CDTA come into effect.

However, according to our experience in negotiating agreements, it is necessary for us to enhance the arrangements in respect of our restrictive position in the area of tax types and limitation on disclosure adopting a minimum necessary approach. In other words, in order to strive for a breakthrough in our future CDTA negotiations, we have to make it possible for the EoI arrangements under CDTAs to cover various tax types when necessary by way of legislative

amendments and enable the Commissioner of Inland Revenue to disclose information if he is satisfied that the information requested relates to the carrying out of tax assessment in respect of any period that starts after the arrangements have come into operation.

I must stress that after the passage of the Bill, the Government will adopt the existing highly prudent safeguards in the EoI arrangement under the two types of agreements to protect the taxpayers' privacy and confidentiality of the information exchanged. In this regard, we will strive to include the relevant safeguards in the texts of future TIEAs, which will be implemented as subsidiary legislation domestically subject to negative vetting by the Legislative Council. Meanwhile, the Inland Revenue (Disclosure of Information) Rules will also be applicable to TIEAs to be signed in future and serve as the domestic statutory safeguards.

President, I now introduce the Inland Revenue (Amendment) Bill 2013 into the Legislative Council for scrutiny. We will strive to work in concert with the relevant Bills Committee of the Legislative Council in its scrutiny of the Bill. We hope that the Legislative Council can pass the Bill within this Legislative Session, so that Hong Kong can fulfil its international obligations on the one hand and further expand Hong Kong's CDTA network on the other.

I so submit. Thank you, President.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Inland Revenue (Amendment) Bill 2013 be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill is referred to the House Committee.

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

**PRESIDENT** (in Cantonese): Council will now continue with the debate on the Second Reading of the Appropriation Bill 2013. Members who did not speak at the meeting on 17 April but wish to speak today will please press the "Request to speak" button.

**APPROPRIATION BILL 2013****Resumption of debate on Second Reading which was moved on 27 February 2013**

**DR ELIZABETH QUAT** (in Cantonese): President, a Mr LAU living in Sha Tin asked LEUNG Kwok-hung not to filibuster again and desist ere it is too late. Mr LAU bade me ask Mr LEUNG Kwok-hung what his point in filibustering is. All that he does is to foment unrest in Hong Kong. If Hong Kong is paralysed, what remedy does he have? Actually, the Government has never said that it does not want to have any discussion. The Government wants to do its work but he is going to hinder it and prevent it from doing so. To use an analogy, this is like having taken a wife, you want her to guarantee that she would bear you a child. It is not possible that having married you today, she could give birth to a child tomorrow. Although she does not bear any child now, it does not mean that she can never bear any child in the future, so is it necessary to threaten her and confine her, not letting her have any meal? Now, in filibustering, does he want the Government to improve the people's living, or does he want the elderly to go without food? I hope Mr LEUNG Kwok-hung can ponder Mr LAU's words seriously.

Concerning the Budget this time around, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) welcomes the introduction of a basket of one-off relief measures for the public and new subvention schemes for the relevant universities, so as to promote the commercialization of research and development (R&D) results. However, I wish to stress that the Budget has not addressed the demands of middle-class women and its vigour in promoting innovation and technology and new economic development is insufficient, so I hope that the Government will allocate more resources to these areas in the future.

The investments in technological research in Hong Kong have all along been on the low side. If it is calculated as a proportion of the GDP, it amounts to about 0.7% only, which is half of that of the Mainland and one third of that of Singapore. In fact, it is essential for Hong Kong to increase in its investments in R&D before it can promote the development of the technological industry effectively. Such government schemes as the Research and Development Cash Rebate Scheme and the Small Entrepreneur Research Assistance Programme can all serve to promote R&D, but if the Government wants to bring itself on par with

other advanced economies, it must increase its vigour. The Chief Executive promised in his election manifesto to double the Government's investment in R&D in five years to 0.8% of our GDP. We have even higher expectations and the industry also hopes that he could fulfil his promise as soon as possible.

In fact, green technology is an R&D area that is worthy of heavy investments. By uniting environment protection with technology, it can kill two birds with one stone granting proper development. The Government can consider establishing a green technology R&D centre to promote the development in this area more vigorously.

The next step in R&D is to commercialize the results of R&D to tap their economic benefits. At present, the measures of the Government to finance the commercialization of R&D results have begun to provide support in such realms as technology transfer, professional support services and co-operation and liaison with the industry. This is a good start, but if we want a product to become a hit, whether or not it is attractive, useful and easy to use is critical. The process of "usability testing" is absent from Hong Kong products from R&D to commercialization. This kind of testing means continually inviting the targeted group to undergo testing at various stages of product design to collect such data as physical reactions and emotional responses to different designs, so as to improve the usability, popularity and quality of the products. This kind of testing is very common in Europe, the United States and Japan, so the Hong Kong Government should support and encourage the industry to develop and adopt "usability testing" in order to enhance the competitiveness of various types of Hong Kong products and services.

In addition, the Government is also gradually providing more free Wi-Fi services at its venues and facilities. This is well-intentioned but the cost is quite high and the coverage is limited. Moreover, there is no scope for development of the information and technology (IT) industry. I believe that the Government should consider co-operation with telecommunications companies in rolling out Wi-Fi networks throughout Hong Kong, so that visitors and the public alike can surf on the Internet any time and anywhere, so as to turn Hong Kong into a genuine "Wi-Fi city".

With the increasing prevalence of technology, society also faces network security risks. The business sector and government services will also make greater use of cloud technology in the future. The Government should step up

the security of networks and cloud technology, clamp down hard on technology crime and educate the public to be more vigilant. At present, the education in schools on how to use the Internet properly is inadequate and young people lack awareness of protecting themselves on the Internet. Frequently, young people fell into traps on the Internet and the number of cases of young girls being raped or indecently assaulted by people whom they got acquainted with on the Internet is on the increase. The Government cannot overlook this and should increase the manpower for Internet patrols and step up education and publicity.

The passages devoted to the IT industry in the Budget this year are rather limited, so this is disappointing. I hope the Government is just saving the best to the last and that in due course, more measures will be introduced one after another as they are ready.

President, small and medium enterprises (SMEs) are the major driving force of the Hong Kong economy, but quite a number of SMEs have reflected to me the view that at present, when the Government makes procurement or puts out tenders, often, the party offering the lowest prices would get the award. This is quite unfavourable to the development of SMEs. Since large companies can enjoy lower production costs and have great financial strength, they can even adopt a predatory pricing strategy and force other competitors out of the market by under-cutting them and seizing their market shares.

In fact, in many overseas places, the governments would not just consider the price when making procurement. Take Australia as an example, when putting out tenders, apart from the price, the local government also attaches importance to whether or not the bidders' proposals are environmentally-friendly, if there is any element of innovation, if any strategic contribution can be made, and so on. The Government should make reference to relevant experience and evaluate the factors in various aspects when making procurement and putting out tenders. It should also carry out "production cost analysis" and prescribe "reference prices". In the event that prices lower than these reference prices are offered, the Government has to look into the circumstances in detail to prevent companies from "offering dirt cheap prices" to undercut other companies, then compromise the quality of the goods having regard to the price. In that event, the quality cannot be guaranteed and there is also the risk of delivery failure. This will also stymie the development and survival of SMEs. Our mode of economic development should be to strive to outdo and excel over others rather than being cheaper than and undercutting other people. The Government's

procurement policy should keep abreast of the times in order to truly support the development of SMEs.

With the rapid development of our country's economy, the needs of the Mainland in respect of enterprise development and intellectual property rights are ever growing. According to China's strategic planning on intellectual property rights, by 2020, China will have developed into a nation with higher standards in the creation, use, protection and management of intellectual property rights. Since Hong Kong is a place where the East and the West converge and is supported by the huge Mainland market, coupled with its strengths in terms of its legal system, professional services and well-developed market network and particularly given that Hong Kong is a region with the highest standards in the regime for the protection of intellectual property rights in Asia, it has the conditions to develop into an intellectual property trading hub that link up the Mainland and overseas countries.

The DAB believes that for Hong Kong to develop into an intellectual property trading hub, the Government should start in three aspects strategy-wise: First, it has to put in place macro policies to boost and encourage the development of the innovation and technology industry in Hong Kong; second, it has to provide financing and financial support to companies in the innovation and technology industry; and third, it has to train intermediaries in intellectual property trading, establish Hong Kong's status as a centre for arbitration on intellectual property rights and put in place such specific promotional measures as establishing a sizeable platform for intellectual property trading.

President, in order to encourage and assist local SMEs to increase their investments in innovation and R&D, the SAR Government should further enhance its subvention and tax concessions for the R&D carried out by enterprises, including considering the functions of the loans under the existing SME Financing Guarantee Scheme and expanding them from being used as operating funds and for the procurement of business-related equipment and assets to investments in R&D and intellectual properties. In addition, the fund allocation mechanisms of the schemes under the existing Innovation and Technology Fund should also be streamlined by lowering the thresholds and relaxing the restrictions, so as to remove the obstacles and barriers and give companies greater incentives in participation.



The DAB also proposes that the Government supports Hong Kong's SMEs in acquiring technical intellectual properties and commercializing these intellectual properties, so as to increase the funds needed by SMEs for meeting legal costs, as well as the costs incurred by them at the initial stage of research, making prototypes and conducting usability testing and market tests in the process of commercialization.

In respect of the development of tourism, at present, there are acute shortages in sightseeing spots, hotel rooms and the supply of shops in Hong Kong. If we want to attract high value-added visitors from new sources to visit Hong Kong, the supply of hotel rooms must be increased and at the same time, the various natural, historical and cultural resources in Hong Kong must be put to good use, including developing Lantau and the outlying islands, so as to develop the eco-tourism and cultural tourism markets.

The DAB also believes that in order to fully tap the business opportunities arising from the great confidence that Mainland visitors have in goods in Hong Kong, the SAR Government should also actively explore the feasibility of establishing dedicated sales areas for Hong Kong goods designed specifically for Mainland visitors. This measure would serve to eradicate the smuggling of Hong Kong goods and reduce its impact on the daily lives of the public. It can also directly divert visitors who come to Hong Kong with the sole purpose of buying goods to these "dedicated sales areas for Hong Kong goods" for one-stop shopping, so as to reduce the burden arising from the flow of people and traffic on the urban areas.

At present, there are still 15 hectares of land for development in the North Commercial District of the Hong Kong International Airport. The planning and works can be carried out at any time. The Government should make use of this "disposed site" to develop such exhibition and convention facilities as hotels and retail, catering, commercial, leisure and entertainment facilities as soon as possible, open up and develop the Sky Pier, further enhance the business environment of the North Commercial District and develop a large-scale "mall of brand-name outlets", so as to expand the scale of the existing retail facilities in the North Commercial District and offer more diversified activities to visitors visiting the Asia-World Expo, attending conventions or watching performances.

President, it can be said that the Budget this year has completely neglected the demands of women. Although the Government encourages procreation and

talks about releasing the productivity of women, this is all just empty talk and no actual action has been taken. As we all know, due to the inadequacy of child care services in Hong Kong, many women are forced to stay home to look after their young children, so their productivity is wasted. The Government should put resources to optimal use by flexibly increasing the places for temporary day care for children, particularly for those aged six to 12 years, according to the needs of various districts. It should review the existing home-based child care service and raise the subsidy for home-based child carers to a reasonable level to attract more experienced women to work as home-based child carers, so that women can work outside of their homes with peace of mind.

In addition, according to the information of the Hong Kong Cancer Registry of the Hong Kong Hospital Authority, breast cancer is the most common type of cancer among women in Hong Kong, with an average of eight women confirmed to have breast cancer and at least one person dying of breast cancer daily. Meanwhile, cervical cancer is the only kind of cancer for which vaccines are available but women in Hong Kong can only visit private clinics and pay over \$3,000 to receive a vaccination. This is practically unaffordable to lower-class families.

It is said that "prevention is better than cure". President, what else can be more important than saving lives? In the past few years, I have kept calling on the Government to commit resources to providing universal free screening for breast cancer and cervical cancer at a regular interval of three years and free cervical cancer vaccines for all girls of the relevant age cohort in Hong Kong, as well as enhancing health education in schools and raising health awareness among women through various channels. May I ask the Government if it hears the voices of women and when it is going to respond? When will it attach importance to our aspirations and lives?

President, I so submit. Thank you, President.

**MR MARTIN LIAO** (in Cantonese): President, I support this year's Budget and the Appropriation Bill 2013. All along, the Financial Secretary has upheld the philosophy of financial management of "committing resources as and when needed". Despite the substantial surplus recorded by the coffers, the Financial Secretary is still inclined to increasing non-recurrent expenditure by handing out one-off sweeteners to avoid aggravating the Government's long-term financial

commitment. Basically, I approve of his prudent philosophy of financial management. After all, good times do not last long. In view of the current extremely volatile external economy, I agree that we should save up for a rainy day. However, the Financial Secretary should be reasonable when it comes to the application of his principle. Handing out one-off sweeteners can only provide temporary relief. It can simply not resolve the structural problems in our society and economy, not to mention promoting the sustainable development of the economy. On the contrary, society will only harbour increasing unrealistic expectations for sweeteners, which will turn into habitual demands, thereby creating a vicious circle of fast knots.

In this fiscal year, the consolidated surplus is estimated to be around \$64.9 billion, and the reserves to reach \$734 billion. Despite the coffers being flush with funds, I have not seen the Budget making effective use of public resources to address Hong Kong's deep-rooted economic and social problems. On the contrary, I have seen quite a number of cases of "not committing resources as and when needed" when it comes to diversifying our industries and offering financial assistance to small and medium enterprises (SMEs) and the middle class. I have also seen a mismatch between planning and the long-term policy drawn up in the Policy Address. The Budget must complement the general direction of the Government's administration, for policies without financial support will hollow out. For this reason, I think that such a mismatch is relatively short-sighted.

As regards the diversified development of industries, I think that the Budget has failed to formulate adequate measures to actively promote the development of emerging industries. As I already explored scientific research and the development of creative industries in a motion moved earlier in this Council, I do not wish to dwell on the relevant topics again here. However, I wish to point out that there is a lack of support measures in the Budget for both scientific research and the development of creative industries. For instance, although the Financial Secretary recognizes the enormous potential of creative industries, the Budget has merely proposed an additional funding of \$50 million for the acquisition of outstanding artworks for public exhibition, which seems to have nothing to do with the promotion of creative industries and the laying of a sustainable foundation for their development. Furthermore, the Budget has only devoted three paragraphs to research and development (R&D) and announced that Hong Kong will become a hub for intellectual property trading. The actual commitment made is merely a subvention of up to \$12 million to each of the six

universities in Hong Kong for commercializing R&D results. How many resources will the Government inject into promoting Hong Kong to become a hub for intellectual property trading? What preliminary financial proposals have been made? Without mentioning a word about all these questions, the Budget has only said that a working group will be set up to study these issues. Whether or not the Government will eventually come up with a set of relevant policies and inject resources is simply doubtful. The financial support measures mentioned are just like scratching the surface. Not only are they weak, they have also failed to demonstrate the Government's determination and vision of promoting the aforesaid industries.

As for other emerging industries, environmental, shipping and logistics industries are Hong Kong's future focuses, but the Budget has not offered focused and targeted assistance to these industries. Insofar as the environmental industry is concerned, it is not only facing difficulties in recovery, but it is also caught in a long-standing deadlock resulting from the lack of recycling. At present, the quantity of municipal solid waste recovered annually takes up approximately 48% of the overall quantity of waste, but most of the recovered recyclable materials are exported to the Mainland and other countries, with only 1% of the recyclable materials remaining in Hong Kong for recycling into useful products. In other words, Hong Kong's recycling industry still adopts the low value-added recovery and export *modus operandi*. Undoubtedly, the EcoPark launched by the Government a decade ago was an attempt to assist the sector in developing in the high value-added direction, but due to the long-standing problem of inadequate recovery and high technical costs, the sector finds survival difficult. So, how can it have the capital to develop in the high technology and high value-added direction? Neither can we afford to be optimistic about the current operation of the EcoPark. Of the existing 14 tenants, only six recycling companies are in normal operation, whereas the remaining eight companies are not yet in operation due to machine failure, renovation, and so on. Of these six companies, only four recycle waste into green products, with one of them turning recovered used cooking oil into biodiesel. The remaining recycling companies are still focused on operating at a low skill and value-added level.

Although 40% of the waste is currently related to food waste, the disposal of food waste is still at a pilot stage, not to mention the start-up stage. When the tender for a food waste recycling centre in Siu Ho Wan was closed in end-2011, two tenders submitted were found to be unsuccessful because their bidding prices were higher than the Government's estimated \$489 million. Although the

Budget proposes to inject \$5 billion into the Environment and Conservation Fund (ECF), the ceiling on each Community Waste Recovery Project is merely \$500,000, and funding exceeding \$2 million will have to be vetted and approved by the ECF Committee. All of these demonstrate the Government's inadequacy in land provision, recycling programmes, taxation, and financial and technical support. In fact, some Mainland cities have already surged ahead of Hong Kong in a certain aspect of the environmental industry. For instance, seven refuse power plants have already been built in Shenzhen, and a concessionary policy of immediate rebate of value-added tax was already introduced by the Central Government in end-2001. In view of this, should the Government not review afresh its support for environmental industries, and offer more tax incentives as well as financial, technical and hardware support to the sector? For instance, the Government may consider setting up a recycling fund with green tax revenue to subsidize the operating costs of some high-cost recycling trades and initiating a number of territory-wide recycling projects.

Insofar as the trading and logistics industry is concerned, the Budget has undoubtedly devoted considerable length to proposing concrete measures, including earmarking a combined total of 12 hectares of land in Tsing Yi and Tuen Mun for the development of logistics facilities, studying the construction of Container Terminal 10 (CT10), and injecting \$100 million for the setting up of a training fund for maritime and aviation transport, and so on. In fact, since 2005, Hong Kong has been replaced by Singapore and Shanghai in leading the container industry. Even Shenzhen, which is pretty close now, is believed to surpass Hong Kong in no time. One of the reasons is the lack of berths in Hong Kong, for the capacity of Container Terminal 9 has already reached or nearly reaches capacity. This reflects the Government's lack of foresight, and the situation is indeed disappointing. Despite the Government's expectation that the feasibility study of CT10 could be completed by early 2011, the study has now been delayed again and again. The Budget's failure to make any commitments for the construction of CT10, including its timetable for expected implementation and financial commitment, has called into question its intention of really launching the project. Had the construction of CT10 been completed a long time ago to allow more competition in the market, the storm recently stirred up in the container terminals might not have occurred. As for the provision of two sites for the logistics industry, I think that the crux lies in whether or not the Government has any concessionary policies, such as in terms of land premium, Government rent and taxation, to assist the development of the industry, for the mere allocation of land for bidding by enterprises without any concessionary

policies is not going to bear any fruit. To achieve this, the Government badly needs to adopt a new or even out-of-the box mindset to consider problems and stop sticking to the rut.

The training fund, which is targeted mainly at training such technical personnel as navigators, appears to exclude the talents pinpointed in the Budget, including those in such fields as shipping management, finance, insurance, and legal services, and turn a blind eye to the future scramble for talents. In view of this, I think that the Budget has not "committed resources as and when needed" in many aspects and lacks fiscal measures that can really build the future.

Lastly, I would like to say a few words about the hardship currently faced by SMEs and the middle class. As we all know, the continuous recession of the global market has affected the number of trading orders; the maintenance of the currency easing policy by major countries has pushed up local inflation, thereby leading to higher costs and prices; and soaring rents have dealt an additional blow, thereby making the business environment facing SMEs increasingly difficult and their prospects not at all optimistic. While the Financial Secretary has expressed on the Internet his concern about the global economy, has he ever thought about the middle class for, unlike the Financial Secretary, the middle-class people do not have abundant reserves? While overseas countries might not have many policy options, the Financial Secretary absolutely has the conditions to give financial support to the middle class. Is it really impossible for the Government to ride out these difficult times with them?

President, the middle class in Hong Kong has all along been complaining about constant giving without getting anything in return, but the Government has been turning a blind eye and a deaf ear to their complaints. In times of economic adversities, they are made to bear the brunt and give a lot; but when the economy turns for the better, they still have to bear heavy burdens arising from high property prices and rents, exorbitant prices, medical expenses, expenses on education for their children, and so on. For the middle class, however, the Government's concessionary measures have continued to "shrink". In last year's Budget, for instance, salaries tax and profits tax were reduced by 75%, subject to a ceiling of \$12,000. In this year's Budget, however, the ceiling is lowered to \$10,000. Despite their enormous contribution to Hong Kong economy, the middle class still cannot figure out what they have done wrong to deserve such treatment by the Government in such an indifferent manner. Why can they not enjoy more benefits while the Government has recorded a substantial surplus?

Why are they made to go through the crunch but not share the prosperity on each and every occasion? Apart from spending more time to find out more about their hardships, I think the Government may further study the introduction of a tax allowance for mortgages or rentals and examine the feasibility of setting up various types of emergency funds for SMEs to ease the heavy burdens on them and the middle class as well as the plights facing them.

President, one of the major reasons for Hong Kong's unsuccessful economic transformation to date is that enterprises and business starters who wish to switch to a knowledge-based economy lack the financial means to do so, whereas major enterprises with the financial strength still concentrate on the development of traditional industries. There were times when Hong Kong was a city of opportunities and dreams, where aspiring people with dreams could definitely climb up the social ladder and enjoy a peaceful and stable life, provided they were willing to work hard and seize the opportunities. In order to revive Hong Kong's reputation as a city of opportunities, the Government must not be miserly. Instead, it must inject resources into investment on the future, and boost its financial means to support the development of individuals, enterprises and industries.

President, I so submit.

**MR WONG YUK-MAN** (in Cantonese): President, as a result of its incompetent administration since 1997, the SAR Government has not only failed in resolving the poverty problem, but also continued to transfer benefits to the plutocrats, thereby aggravating the disparity between the rich and the poor. The fact that Hong Kong's Gini Coefficient has long since passed the alarm threshold does points to the polarization between the rich and the poor, the worsening confrontation between different strata, and the possibility of a social turmoil at any time.

Year after year, the Budget has introduced nothing new at all. It is too conservative and devoid of new initiatives. The annual Estimate of Expenditure made by the SAR Government simply seeks to muddle through by distributing "sweeteners" to obviously benefit the tycoons and doling out a small quantity of "sweeteners" to the poor. Why does the Government act in this manner? Why does it seek to return wealth to the rich rather than the poor or the people? Why does it not redistribute wealth in a proactive manner? Why should the wealth be shared in this manner? The Government has never been able to present any

philosophy of financial management or policy rationale. People with a bit of commonsense can tell that it is absolutely illogical for the Government to do so. The only special feature is that, despite its tens of billion dollars of reserve, the Government is oblivious to the plight of a million poor people.

Year after year, the pan-democratic camp either expressed dissatisfaction with the Budget, dispatched a few members to join marches or protests to express either regrets or condemnation, or gave high-sounding speeches at the top of their voices but remained indifferent even though they had accomplished nothing in the end. Anyway, they would try to show obedience after getting what they wanted. After casting opposition votes and taking the moral high ground, they would boast of the fulfillment of their responsibility. If not, how come the People Power and the four Members from the League of Social Democrats (LSD) have the opportunity today to derail this unjust Budget by means of filibustering? We can see the pan-democrats trembling with fear and maintaining a high degree of caution and alertness, expressing fears that the Government might be paralysed and people's livelihood be stifled as a result of the filibuster staged by Members. In short, they try to pin labels on others arbitrarily, consort with the Hong Kong communist regime and the pro-communist political system, do evils in collusion, and pour dirty water on opposition Members who have the courage to engage in political struggles! Their so-called withdrawal of amendments is meant to draw a line between them and the People Power and the LSD and make moral condemnation and illustrate that the Government's proposed Budget must not be opposed or overturned! It turns out that the pan-democrats were just pretending to cast opposition votes in the past. When they can really stage a filibuster to overturn the Budget, they will act like Ye Gong, who professed to love the dragon but was scared by the actual sight of it. It is most enlightening indeed.

During an interview by reporters the other day, the President said that he would definitely cut off the filibuster in due course. In other words, you might invoke "cloture" to cut off my filibuster. The President said that he had to discharge his constitutional responsibility, which meant that the Legislative Council had to discharge its constitutional duty when a crisis arises by cutting off a filibuster at a suitable time. This is baffling indeed. Does it mean that you can deprive me of my right to fulfil my vocation as a representative of public opinion to enable you to discharge your constitutional responsibility? In view of the notice given by the President, I can only fight with you until the end to see who can live longer. I guess you will cut off the filibuster in mid-May because the Government will be terrified if no action is taken to cut off the filibuster by



then. Financial Secretary "Moustache TSANG" will also be very concerned because all sorts of problems will surface by then. Sometimes, when we see all these things ..... President, excuse me for talking about all these things when you cannot possibly respond. My speech, however, is not deviating from the Second Reading debate. Although the pan-democratic camp, the pro-establishment and the Government now seek to suppress the four opposition Members, we are allowed under the Rules of Procedure to propose amendments.

Such charges as paralysing the Government and stifling people's livelihood — excuse me — I should really rebuke them. Yesterday, I attended a residents' meeting. During the past two months, I visited the districts every Monday and Thursday to help Financial Secretary John TSANG to publicize this great Budget. I am really sorry to say that when I explained to the residents yesterday why I had to "filibuster", there was an endless applause from them, probably because my speech was pleasant to their ears. What is wrong with helping the elderly by introducing "universal retirement protection"? What is wrong with the call for a \$10,000 cash refund? Has the Government not offered any cash rebate before? Despite its reluctance, the Government gave away \$6,000 last time. What was wrong with that?

We can see the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) set up stalls and post boards on the streets every day to raise objection to filibustering. Why don't they tell the group bearing the name "愛" (meaning "love") to come forward? I will not be afraid, and I will visit the districts as usual to express my views. President, I have printed tens of thousands of leaflets carrying the slogans "Filibuster to support the elderly and the weak/Introduce universal retirement protection/Give \$10,000 cash refund". People are so happy that they wish me success. If the Government remains stubborn and refuses to heed our advice and discuss with us, we will definitely fight until the end. With our will and limited physical strength, we have already arranged for a cardiac pacemaker to stand by. Will the Secretariat please render us assistance when necessary. I have recently undergone a medical check-up and found that I am suffering from hypertension and have to take medication. Although I am also suffering from glaucoma, I am prepared to risk my life this time around.

Forgive me for being so stupid, but I really hope the President and Honourable Members can enlighten me. First, what is the essence of the Legislative Council? Is it duty-bound to monitor and exert checks on the

executive authorities or endorse their perverse acts because of their threats? Or is it a venue for dialogues and discussions, political games, and negotiations and compromises of interests, or is it a place where one party is allowed to oppress the minority and the grassroots, and the other one gladly endures the hardship nonchalantly?

Second, is it the duty of Members of the Legislative Council to examine Bills, propose amendments, and speak up for the people or abandon their duty of representing the people to examine legislation and withdraw their own amendments in order to draw a line between themselves and people with different political views? Please answer my questions.

Third, since the announcement of the Budget, what actual benefits has the pan-democratic camp fought for Hong Kong people, besides having breakfast with LEUNG Chun-ying or the Financial Secretary?

Fourth, is this Budget aimed at narrowing the disparity between the rich and the poor? Of course, it is not. So, why should we allow it to be passed? Why should this Council pass this unjust Budget smoothly as a matter of ritual and endorse it? Turning a blind eye to the disparity between the rich and the poor is tantamount to aiding and abetting the evildoer.

Fifth, what method can the pan-democratic camp propose to fight against this unjust Budget or make compromises, so that the Government will eventually implement the policy considered by them to be proper (such as the universal retirement protection outlined in their political platform)? Or it cannot come up with anything, so it can only raise its hand to surrender. Casting an opposition vote should be considered as surrendering, too.

Sixth, is filibustering an approved way of putting up struggles in this Council? If so, why can we not attempt to use filibustering as a means of bargaining in discussions on issues related to people's livelihood? Why do Members believe that this strategy of "negotiating and fighting with the enemies at the same time" is doomed to failure, that the Government will definitely refuse to make any concessions, and that, the Government will eventually be paralysed and people's livelihood be harmed? We must not forget that the Basic Law provides that Hong Kong has to be executive-led. As the executive is the most powerful organ, it need not worry about being penniless, for it can definitely get

some money. President, it is so powerful that it can even dissolve the Legislative Council.

Seventh, should a politician uphold his own convictions and fight for other people's support and recognition to enable justice to be done or should he be swayed by public opinion or seize every chance to gain advantage by trickery in order to secure support and recognition, and distort the facts in order to absolve himself from blame for failing to fight for justice?

Earlier, LEUNG Chun-ying said that he did not wish to see government assistance for the grassroots being affected and, in an attempt to vilify the opposition, threatened that the Government would be paralysed if government funding was blocked. The People Power strongly condemns "689". Under Articles 50 and 51 of the Basic Law, the Chief Executive may dissolve the Legislative Council for this reason or apply for provisional appropriations. Do not argue with me over this issue. President, although we are going to make the Budget not passed as scheduled, we do not mean to refuse passing it, for it we do, the Chief Executive may dissolve the Legislative Council in accordance with the constitutional requirement. The proposal to induce "cloture" because the Budget cannot be put to a vote is distorting the facts, specious, sophistry and illogical. The United States Government once faced a crisis of being paralysed as a result of the checks imposed by the Congress. Buddy, time is running out. Moreover, I do not feel like talking about it. Check it up in books or on the Internet!

The absurdity of the composition of the legislature in Hong Kong is really awe-inspiring. It appears that the pan-democratic camp no longer smells the stench after a long while in the fish market. Not only does it not seek a breakthrough, it has even turned the spear to us and followed the line of the royalists, not knowing whether it should act like a "man" or a "devil". A line by a writer that reads "people in this city are half-man, half-devil" is the best description of the legislature today.

There is a myth that the problem of disparity in wealth can be resolved easily if there is universal suffrage. I guess only half of it is true. Universal suffrage as a system can provide a fairer platform only. Society and the economy will not become just overnight. Parliamentary struggles and political showdowns will still exist, albeit in different ways and degrees. Are there not

any parliamentary struggles in the United States or other democratic countries in Europe?

Although my script is very long, I have yet to come to John TSANG. So, I have to say a few words about him. Since he took office as Financial Secretary in 2007, an abundant surplus has been recorded by the coffers year after year. He is really lucky, right? Considering the abundant surplus recorded year after year, is the Financial Secretary very lucky? This is why he can remain in office term after term. Obviously, "689" dislikes people like him, for he is a remnant of the British-Hong Kong Administration. Mr James TIEN has already left, right? I must praise him for his remark "veteran communist". It is really brilliant to compare a "former veteran communist" with a "remnant of the British-Hong Kong Administration".

The huge surplus recorded year after year aside, the Financial Secretary was also wrong with the calculations on each and every occasion. On the one hand, he stressed the importance of breaking even, and yet on the other, a \$60 billion-odd surplus was suddenly announced. Every year, he would hand out some cash. But what purpose does the money serve? Let us refer to the Budget this year and read paragraphs 127 to 132 under the caption "Easing Pressure and Stimulating Economic Growth". The \$33 billion relief measures include, among others, a waiver of rates amounting to \$11.6 billion. Who will be benefited? According to the computation made by us last year, \$90 million in rates was refunded to a company under a property developer. Whenever I mentioned this incident at residents' meetings, the people would get mad and queried if there was anything wrong with the Government — of course, they used swear words, not the expression I am using, to criticize the Government. Other measures, including an \$8.4 billion reduction in salaries tax, with high-salaried persons earning more than \$1 million a year being subject to a ceiling of \$10,000, a waiver of \$2.1 billion in business registration fees, and a waiver of \$1 billion in profits tax, will cost the Government \$23.1 billion in total. This means that \$23.1 billion of the \$33 billion handed out by the Government will actually go to the rich people.

Some people ask me not to filibuster and cause so much trouble, for they just want the Government to build more public rental housing flats, hospitals, schools, and provide more hospital beds or residential care home places for the elderly. Has the Government done anything despite the requests made by us

over so many years? No. It has done nothing at all. John TSANG, you should hand out the surplus money to the people. Honestly, we are really compelled to stage a filibuster this time around. Do you think we are having fun? All people are scolding us. We risk committing the most unforgivable mistake of all in an attempt to open the door to bargaining. Financial Secretary, the door has now been opened for you. You should either hand out to every citizen \$10,000, or draw up a timetable and roadmap for universal retirement protection. Is our request too much? We can discuss it again. If \$10,000 is too much, then \$8,000 is acceptable. If universal retirement protection cannot be introduced in three years, then five years are still acceptable. Let us sit down and discuss terms and conditions. But you are reluctant to talk, thinking that the Budget will definitely be passed. You had better glue yourself to the chair here, I am telling you.

President, I so submit.

**MR WONG KWOK-HING** (in Cantonese): President, with respect to this Budget, I rise to speak to fulfil my duty as a Member of this Council. The Finance Committee has convened special meetings for five days with a total of 21 sessions. I attended all these meetings and raised 41 questions in total. Of these questions raised, 18 received a positive response, 13 got a so-so response and 10 got a negative response. All in all, although there is a lot of room for improvement, I would say that the mainstream view is that support should be given to this Budget.

About this Budget, what must be criticized is that despite policies devised, there are ways to circumvent them. As a result, there is a great gap between the measures in enforcement and the direction of the same. The departments are each minding their own business. The division of labour results in compartmentalization and bureaucracy, and detachment from the reality and public sentiments. In sum, it can be said that it is a far cry from being practical enough and we can see that there is no inter-departmental collaboration in trying to solve urgent issues faced by the public.

Owing to the time constraints, I can only cite two examples which require urgent attention. President, I have brought with me three presents here. Two of them are meant for the officials and one is for you.

First, I would like to talk about the first present I wish to give to the officials. President, Financial Secretary, I have brought with me once again a leg here. Today, many groups representing persons with disabilities have come here to demand repayment due to them. They have brought an IOU demand note. In paragraph 109 of the Policy Address, the Chief Executive has accepted our suggestion and stated clearly that he would allow people with loss of one limb to apply for the Disability Allowance (DA). But in the special meeting of the Finance Committee, I have asked the Government when this measure can be put into practice. The reply is that an inter-departmental review would be conducted as soon as possible. How can this be? Why is this review conducted only after the delivery of the Policy Address? This case has actually been followed up for a number of years and it is not an isolated case. But it is about all persons with disabilities, especially the question of unfair treatment received by persons with loss of one limb. However, the departments concerned, that is, the Labour and Welfare Bureau and the Social Welfare Department have all along been procrastinating and they are doing this even today. When I asked when the review would come up with any result, the reply was that it would be soon. To be frank, the Policy Address said that this would be done this year and anyhow, the Government must give us an account within this year. But there is no timetable or any roadmap to date.

So Financial Secretary, now we have come to claim and we have this IOU note. We hope that, first of all, no matter how long it takes for the departments to conduct this review, the DA for persons with loss of one limb should carry retrospective effect from the date the Policy Address was delivered and irrespective of the length of the delay, the DA should be payable starting from this January.

Second, irrespective of the delay, the concessionary fare of \$2 for every trip taken by persons with disabilities must be put into effect at once. Financial Secretary, these persons with disabilities have only got one leg and they badly need this concessionary fare of \$2 so that they can ride on the MTR and other means of transport. But the situation now is so unfair and we can see black and white and the right and wrong so very clearly. To our outrage these persons with disabilities are not given the concessionary fare of \$2. Would you not say that this is detached from the public sentiments and reality? Financial Secretary, I will post this IOU note at places all over Hong Kong Island, and I will pursue this claim.

President, I now talk about my second present. This is a pot to prepare Chinese herbal medicine. Unfortunately, Secretary Dr KO Wing-man is not here. Why should I bring along this pot to talk about this issue? This is because in paragraph 169 of the Policy Address, CY says that he wants to further the development of the Chinese medicine industry. We are very grateful to the Chief Executive for taking on board our proposal of developing Chinese medicine and the Chinese medicine industry. But the fact is, though there is a policy in existence, there are ways to circumvent it. In a special meeting of the Finance Committee, I have raised this question once again, saying that there are a number of situations. We can see that government departments are not really concerned about devising specific measures to enforce what the Chief Executive has said about the further development of Chinese medicine and the Chinese medicine industry.

President, we can first take a look at the handle of this pot. It is shaking and it is about to break. This pot has got these words on it: The century-old Chinese medicine street is killed. The Government has introduced a licensing system for Chinese medicine, but the retail and wholesale industry is not part of the pharmaceutical industry and the operators must run their business inside commercial buildings. If they do not operate inside a commercial building, their licence will not be renewed at the end of this year, nor will licences be issued. The Chinese medicine street is situated in the vicinity of Ko Shing Street, Sheung Wan, and this regulation may lead to the closure of about 100 Chinese medicine stores. Many workers will lose their jobs then. How can a policy like this serve to further the development of the Chinese medicine? Financial Secretary, I hope you can grasp a full picture of this situation. If this is the case, will it run counter to the Chief Executive's claim that the Chinese medicine industry should be developed?

Second, now the Chinese medicine industry is not part of the public sector and civil servants are not entitled to getting any reimbursements in Chinese medicine bills. In the Chief Executive's Policy Address, it is said that the Chinese medicine industry should be further developed and that the role of Chinese medicine practitioners and Chinese medicine in the public healthcare system should be expanded. In paragraph 169, it is clearly stated as the aim, but has the Government ever taken it into practice? In the relevant special meeting, I asked the Secretary for the Civil Service the question that although civil servants can apply for sick leave by furnishing a sick leave certificate issued by a

Chinese medicine practitioner, they are not entitled to getting any reimbursement of the expenses paid for Chinese medicine by showing a prescription from a Chinese medicine practitioner. The Secretary for Civil Service replied to me in the meeting that Chinese medicine was not considered to be a regular form of medicine and it was not part of the tradition. At that time, I was outraged and pointed out that I found it incomprehensible that a remark like this should come from the mouth of an accountable official. In China, Chinese medicine has a history of a few thousand years and now our accountable official in the Civil Service is still holding this outdated thinking and perspective, taking the lead to discriminate against Chinese medicine. He said that Chinese medicine did not form part of the tradition and it was not a regular form of medical treatment, and therefore civil servants were not allowed to get any reimbursement for expenses paid for Chinese medicine. The Government is taking the lead to discriminate against Chinese medicine. How can Chinese medicine be further developed? Mr HO Fat-ye, chairman of the Association of Hong Kong Workers in Chinese Medicine, has asked me to present a clear demand in the Council meeting, that the Government should be urged to incorporate Chinese medicine into the public healthcare system. I hope that that government departments can really do what they have said and must not say one thing but do another. They must incorporate Chinese medicine into the public healthcare system.

Third, the GMP as it is now does not have any matching support services. What is meant by GMP? It is "good manufacturing practice", which is a regulatory system that helps ensure production quality. The Government conducted a public hearing in this Council on this issue and representatives of workers and employers in the Chinese pharmaceutical industry all came here to air their grievances. They stated categorically that in the absence of any matching support from the Government, the current requirement of introducing GMP practically forces them into demise, stifling their operation. They said that they could not find a plant with an area of at least some 20 000 sq ft and with a height of some 10 feet for each floor and they could not find any personnel in testing and quality assurance. The Government does not render them any support in taxation, plants, depreciation and technology. They are not given any support in any way at all. In such circumstances, how can we expect the Chinese medicine industry to develop? So with this pot used to prepare Chinese herbal medicine which I have brought along today, I hope that Members here can relay a message to Secretary Dr KO Wing-man, that he could expect no development of the Chinese medicine industry this way.



President, I have given away two presents. Now it is the third one, and it is for you, President. It is a pair of scissors. It is not real but a prop. It is written on this pair of scissors these words: "Filibustering is shameful and evil, cutting off the filibuster is reasonable and sensible". This is a symbol of your power under Rule 92 of the Rules of Procedure. President, I hope you can be fair and impartial like Themis standing on the roof of the old Legislative Council Building. I hope you can act boldly and use this pair of scissors to cut off the filibuster. You must not act like last year in the same way as in the story of the farmer and snake in *Aesop's Fables*. Because the farmer is too kind, in the end the egg of a snake is hatched and it turns out to be an evil snake which eats up the time of this Council and squander public money. The senseless 12-day filibustering last year ended with a bill of some \$12 million wasted. And now some people are aiming at staging a rerun of this filibustering farce today and more outrageously.

President, as things are going, I am sure this kind of filibustering will happen every year. I therefore hope that you can cut it and set a good precedent. President, the filibustering this time on the Budget is different from that of last year and its impact can be disastrous. If we cannot pass this Budget by the end of May, the public at large will suffer. Civil servants will not be paid their salaries and there will be no resources for the welfare agencies and subvented bodies. All services will have to come to a halt. People who live on the "fruit grant" and the DA and other kinds of public assistance will suffer. Tenants of public rental housing are supposed to have two months of their rentals waived, and now there will be a delay of this concession. All of these show that the Government will come to a standstill and service delivery will be seriously hampered.

Originally, I have proposed that we should fight with this filibustering by calling on Members to attend meetings 24 hours a day and day in and day out. Regrettably, the majority of Members do not lend their support to this idea. They decide to have meetings from Monday to Friday and from nine in the morning to 10 in the night. But I do not think this is an effective way to end the filibuster because it is too regular and orderly. Anyway, since Members have decided this way, I hope the President can keep a close eye on these four fellows and apply a strict yardstick to determine if they have strayed away from the question or being repetitive. And if this is found, the President must act at once to cut off the filibuster.

The People Power demands that a cash handout of \$10,000 be given to everyone. If we check the records, we will find that in the budget two years ago, we succeeded in pressing the Government to hand out \$6,000 to every citizen. At that time these Members opposed the idea. Mr WONG Yuk-man said just now that they would consider it if the Government is to hand out \$8,000. From this we can see that they are being most hypocritical.

President, this symbolizes the debate they want to turn into, and it is long, dreary and monotonous. An end must be put to this. I hope you can use your power and cut off the filibuster. Lastly, I call on the four Members to rethink and retract because they are forsaken by even those from the pan-democratic camp.

**MR MA FUNG-KWOK** (in Cantonese): President, I wish to comment on this Budget from two perspectives. First, I will make some comments from the perspective of society as a whole, then I will start from those topics which are broad in nature, such as those in the four sectors of performing arts, culture, sports and publishing.

President, when the Government has recorded a surplus of \$64.9 billion, it announced a number of relief measures aimed at benefiting the grassroots, middle class and the SMEs in the Budget which worth \$33 billion in total. This can be said to have responded to the public demand for relieving the pressure exerted by inflation. As for livelihood issues, the Government will again issue inflation-linked bonds, that is, the iBond; add 290 acute patient beds and convalescent beds, rebuild old hospitals, inject a sum of \$15 billion into the Community Care Fund to support those commonly called the "N have-nots" who are poor and not covered by any social security system. These proposals should merit support.

In the area of economic development, the Budget talks at length about promoting traditional and emerging industries. Examples are to designate about 12 hectares of land at Tuen Mun West and Tsing Yi for the development of logistics facilities, further expand Ocean Park and Hong Kong Disneyland, expand the size of the Government Bond Programme from \$100 billion to \$200 billion, enhance the support for SMEs, and launch various major infrastructure projects. Although it can be said that not enough is done in these areas, we would agree with the direction of such initiatives.

In the past few years, as Hong Kong had abundant fiscal reserves, plus the fact that the previous-term Government did not have any long-term policy planning, the result was that it had become a yardstick used by society to judge whether a budget was worth supporting by looking at the amount of sweeteners given away. Fortunately, the Government has learnt a lesson, refrained from proposing to hand out cash again this time, put the surplus into more effective uses and made the relief measures address needs in a focused manner. This is a wise step to take.

I also note that the notion in the Budget of "committing resources as and when needed" and from now on, spending will not be limited to the hard-and-fast rule of not exceeding 20% of the GDP. Public spending will be increased when necessary and in response to public aspirations. I think that this is a responsible approach.

President, there are a number of issues which the public is very concerned about and they need more financial resources from the Government to tackle. An example is retirement protection. The Government has proposed to introduce the Old Age Living Allowance in a bid to take the first step in retirement protection. The Commission on Poverty is also prepared to undertake a study on retirement protection in the future. Regardless of what the results of that study are, resources are bound to be expanded to take the recommendations forward. Another example is the poverty problem. Now efforts are being made to set a poverty line. I would think that while work on this should be expedited, the Government should also provide enough resources to take forward its poverty alleviation initiative as it is not enough to rely on investment returns from the Community Care Fund for that purpose.

Considering the rather favourable financial situation we have at present, I suggest that the Government can make reference to the setting aside of \$50 billion for healthcare reform and designate a large sum of money for the establishment of a reserve fund specifically for social engineering projects and one-off funding should be allocated to a number of such major social engineering projects. The funds can be accumulated in the Treasury for growth. Then discussions can be opened in society on how best the funds should be used. After public opinion is collected and a consensus is reached, the reserves can be used to address these social problems. The public can then see the commitment, determination and hope in the Government to solve these problems. This can be seen as a direction for effective use of our fiscal reserves.

President, the development of the industries is vital to the promotion of economic development. We can see in the Policy Address and the Budget that much attention is paid to the development of culture and the arts, the creative industries and sports. I wish to talk about the sectors' views on the Budget.

President, I do not think one should have any right to say about anything when he has undertaken no survey or study. In the Budget we cannot see that the Government has attached much importance to policy surveys. In the case of digital broadcasting and sports policy, we are very concerned about the development of digital broadcasting, but when the Government answered questions, it was surprising to learn that it could not even provide any data on the number of listeners to digital sound broadcasting in the past few years. When data of such a basic nature are not available, we would just wonder what standards are being used by the Government to promote digital sound broadcasting and assess its performance.

In sports policy, in recent years the Government has set up the Elite Athletes Development Fund and the Arts and Sports Development Fund. The Multi-purpose Sports Complex at Kai Tak is nearing finalization. We are happy to see that more resources are allocated to the development of sports. But in other areas, such as the support for sports associations, improving the governance of sports organizations, promoting sports at the community level, and so on, they are not touched upon and we are rather disappointed by this. In addition, in reply to questions asked, the Government said that it did not have any plans to undertake a further review of its sports policy. In fact, on sports issues, after some partial studies were done in the year 2011-2012, things seem to have stopped. The correct core objectives of sports development, that is, promoting greater community participation, developing sport at the elite level and raising Hong Kong's profile as a centre for international sports events, are based on the review report "Towards a More Sporting Future" compiled 11 years ago. After 11 years of development, I consider that timely and in-depth reviews and studies are necessary as they will serve as a basis for charting the course of the further development of sports in the future.

The Budget does not talk too much about the promotion of arts and culture. A more significant initiative is the proposed additional funding of \$50 million for the Leisure and Cultural Services Department to acquire local artists' outstanding artworks, and to commission works for exhibition under public art schemes. I agree with such measures. But I must throw down a reminder here that the

Government must be careful in enforcement in order to avoid any duplication and unnecessary competition with the procurement work of M+ in the West Kowloon Cultural District. In fact, the amount of government expenditure on culture and the arts this year is as much as \$3.7 billion and from this we can see that government commitment to culture and the arts is increasing.

While the Government may have increased its input of resources into local culture and the arts, I think that its support for the sector should still be enhanced. This applies especially to certain areas which have been neglected, such as the local literary circle. People in this circle play an important role and effect far-reaching impacts on the local publishing industry, movies, television, drama and literary criticism. But the support given to them is small in comparison. The Government should consider increasing its funding for the Arts Development Council and rendering greater support to various domains in the cultural and arts sectors.

Cultural and creative industries are emerging industries which the Government avows to support in the Budget. These industries should be given much attention by the top echelons in the Government and the Policy Bureaux should share the same goal and work for the development of these industries together. But the division of labour between the two bureaux in charge of cultural and creative industries is not clear. The Chief Executive has originally tried to set up a bureau for culture to handle the tasks of these two bureaux. However, after the attempt to restructure the government framework has been shelved, it is not known when the proposal can be introduced again. The Government should therefore think of ways to work out the division of labour between these two bureaux and their relationship.

On the other hand, if we are to promote culture and the arts in Hong Kong, we cannot confine our efforts to the territory. We should work through our offices on the Mainland and promote the unique characteristics of our culture to people on the Mainland. We must foster more exchanges. Unfortunately, our offices abroad and on the Mainland do not perform any basic function in the promotion of culture. I hope the Administration can give serious thoughts to the idea of deploying certain staff dedicated to cultural affairs in some overseas and Mainland offices. These people should be tasked with publicity efforts and promoting cultural exchanges.

President, I come from a background of cinema and television, so I am keenly concerned about the development of the sector. I have just been appointed as the Chairman of the Film Development Council. The film industry forms a key part of the local cultural and creative industries. Although no mention is made in this Budget of providing more support to the film industry, the Policy Address has announced that a First Feature Film Initiative will be launched to nurture a new generation of film production talents and other initiatives to promote the development of the film industry will continue. These are aimed at, for example, enabling film production activities to return to the territory, ensuring that there is room for survival for the cinemas, nurturing new talents and making possible that there will be successors to the film industry in Hong Kong. I agree very much with these initiatives. I hope that initiatives coming out of discussions with the industry on rendering support to the film industry can be given due weight by the Government and that the Government can provide financial as well as policy support, such that the relevant work can be done well.

President, I would like to comment on policies related to the local cultural and creative industries. First, I will talk about the policy on revitalizing factory buildings. It seems that there is a need to undertake a review of it.

On 1 April 2010, the policy of revitalizing factory buildings was launched by the Government to redevelop old factory buildings and converting whole blocks of such buildings. The original intention was that by revitalizing these factory buildings, support can be given to the development of the creative industries. But since the introduction of the initiative, the effect has been that rentals in these factory buildings have gone up drastically and affected the vitality of many local creative artists and cultural workers who rent these factory buildings as their studios. This so-called revitalization of factory buildings is still subject to many constraints and it is not as flexible as we might think. Now many people have opened leisure and sports venues in the factory buildings, like table tennis courts, golf ranges and mini soccer pitches, and even physical fitness facilities. These venues run by the private sector will help provide leisure and sports facilities to supplement the inadequate provision by the Government. However, as at end February 2013, the Lands Department has only approved 10 applications involving conversion. I have also received some cases of seeking assistance, stating that the Government takes very severe enforcement action against those leisure and sports venues in factory buildings. The operators are often required to restore the venues to their original uses. I think that provided

that no problem is created in safety and fire protection, the Government should adopt a tolerant and compassionate stand and handle these applications flexibly. This will achieve the aim of providing support to the development of cultural and creative industries.

The next issue I wish to talk about is very important, which is about intellectual property rights. The Budget makes special mention of the Government continuing to provide great support to the development of cultural and creative industries and open up more business opportunities and markets. However, we should know that business opportunities and even room for survival of these industries would to a very large extent depend on a precondition, namely, whether or not there is an environment which can give enough protection and respect to creative ideas and the intellectual property rights of owners of such ideas. The last time when the Copyright Ordinance in Hong Kong was amended was already 11 years ago. But to date the Government has not introduced any specific measures or initiatives on intellectual property rights. It has yet to revisit the Copyright (Amendment) Ordinance which was postponed last year. I know that there are people who are worried that the Amendment Ordinance will affect creation and the freedom of expression. But I must stress that the industry and members of the public likewise respect and treasure creation and the freedom of expression and they are willing to adopt an open attitude in discussing the details of the Amendment Ordinance, including the right to derivative creation or the commonly called "derivative works". Doubtless if we are to promote the development of the local cultural and creative industries, there must be sound protection in law, a correct awareness of intellectual property rights and free room for creation. These three are all indispensable. If the Government is to lend its support to the cultural and creative industries, then we cannot afford to any delay in restarting the consultation for amendment of the intellectual property rights law so that discussions can commence among the public and the industries. Besides, the Government should draw reference from overseas experience and provide full protection to local creations so that they can have a better chance of survival.

President, I would also like to talk about environmental protection issues. In terms of green policies, the Budget will set aside \$10 billion to subsidize the replacement of diesel commercial vehicles. It must be noted, however, that this kind of subsidy may only benefit the motorcar companies and other related companies, whereas the vehicle owners will still have to bear the expensive outlay in replacing their vehicles. This imposes a burden in particular on individual operators who make a living with their vehicles. The benefit they get

is limited. When the Government is to launch this initiative, it must study the effect on the actual vehicle price and how concrete support can be given to vehicle owners. More importantly, some quantifiable indicators should be devised on the relevant uses of public money and initiatives in improving air pollution and the environment, such that they can be used to assess the impact of the relevant schemes on the environment.

President, I am sure Members will agree that both the public and the industries concerned would like to see the Budget inducing improvements in various areas. Overall, society is supportive of this Budget. Some Members of this Council wish to engage in filibustering because of the divergent views they hold. This move may paralyse government operation and as I see it, it is irresponsible. President, I would support the appropriation and I hope that in the Budget next year, the Government can take on board views from all quarters and compile a Budget which will meet public demands better. I hope that the Government can make good use of its surplus, plan for the sustainable development of Hong Kong and achieve the goal of making progress while maintaining stability. Thank you, President.

**MR VINCENT FANG** (in Cantonese): President, "best jobs" have now become a fad. An example is an open recruitment of a tourism ambassador conducted worldwide by a province in Australia a few years ago. Recently, Hangzhou has also launched a similar open recruitment campaign for a "best job".

Financial Secretary, I would say that your job is actually one of the "best jobs", too. Why? Let us look at the financial ministers in other developed economies. In what circumstances are they making their best efforts? In most cases, they are working where budgetary constraints or huge fiscal deficits prevail or where the expenditures are outgrowing revenues, and they must continuously find ways to increase government revenue, or else they would not be able even to meet salary payments. A case in point is the "Iron Lady", Mrs Margaret THATCHER, whose funeral was held recently. In order to increase the government's fiscal revenue, she came up with the idea of a poll tax which nevertheless put a full stop to her political career in the end.

However, the SAR Government has amassed a huge fiscal reserve and surplus, without anything to worry about on the finance front. Besides, the SAR Government does not have to think up new initiatives to facilitate government



spending and economic growth because all it has to do is to draw up a deficit budget every year and keep expenditure within the limits of revenues. How is he going to explain this to the public? Simple enough, as all he needs to do is to copy the measures of "giving out candies" adopted in last year's Budget or Budgets in the past few years, and this is actually a characteristic of this year's Budget, too. But on my part, I am not going to mingle what I had said in my speeches during the budget debates in the past few years.

What should the Budget be like? I think it should be linked with the Policy Address. It must explain how it will support the philosophy of governance of the Chief Executive, while ensuring that resources obtained from the public are spent on developing a city where the public can make a living and creating a better environment to facilitate sustainable economic development and enable the public to live in peace and work with contentment, thereby driving Hong Kong to ascend to another level. However, the Budget has only responded to the voices of the people and society to a very limited extent and adopted a "quick-fix" approach in putting forward piecemeal measures which cannot be implemented in a coherent manner.

The fiscal reserve and surplus of Hong Kong already add up to over \$2,000 billion but the Financial Secretary has only taken great pride in acting as "Scrooge". He even told us in all earnestness in the Budget that the reserve is maintained to cover, among other things, the payment of pension to civil servants, and must not be squandered frivolously.

The Financial Secretary has always used these two expressions: "keeping the expenditure within the limits of revenues" and "committing resources as and when needed". The former means that it is necessary to estimate the amount of revenues and then spend money accordingly. However, the Financial Secretary's estimate of revenues has invariably turned out to be wrong and worse still, a gross underestimate of revenues every year. For example, in 2012-2013, he estimated a \$3.4 billion deficit but after the close of accounts, a surplus of \$64.9 billion was recorded. Summing up the five Budgets delivered by Financial Secretary John TSANG, his erroneous projections have added up to a fiscal surplus of as much as \$315.1 billion. There is indeed no reason for him to make such outrageous mistakes in his estimates. Had he been a financial controller in the private sector, he would have been given a demotion, if not dismissal, even if he eventually turned a deficit into a surplus.

Why did he misjudge the financial situation every year? I do not think that being conservative is an acceptable explanation, and I hold that there are two reasons: First, he does not know the economy very well and so, he can never settle the accounts accurately; and second, he has to keep the expenditure within the limits of revenues and with less revenues, he naturally needs to do less work. This is why the budget debate every year is turned into an assembly for censuring and apportioning blame. In this debate, for instance, many colleagues have blamed the Government for the increasingly serious wealth gap problem.

My view is that the wealth gap problem can be ameliorated through economic development. Some colleagues may ask: While the economic conditions in Hong Kong fare better than those in European countries and the United States, why do we see an increasing poverty population in Hong Kong? I think this is closely related to the Hong Kong economy putting an excessive emphasis on the financial services, real estate and service industries without making an effort to expand the scale of the economy by, in particular, developing the more labour-intensive innovation and technology industry which can provide more opportunities of upward mobility.

As the former requires a higher level of professional competence, the grass-roots people cannot benefit from their development. As regards the failure to expand the scale of the economy, let me cite the retail industry as an example to illustrate this point. As we mentioned in the debate on the motion on "Increasing the business floor areas of the retail industry" some time ago, since the Individual Visit Scheme (IVS) was introduced by the Mainland, the total sales volume of the retail industry in Hong Kong has increased by over three times but the floor areas of the retail industry have increased by 1.3 times only, resulting in a substantial increase in the rent for the limited business floor areas of the retail industry. In order to recover the cost, the shops can only sell such goods as jewellery, watches or cosmetics with higher sales or wider profit margins. As a result, the small and medium enterprises (SMEs) in traditional industries which are financially less competent are all forced to leave the market and, as colleagues have said, all that is left in the retail market is identical chain stores.

Moreover, owing to the exorbitant rent, it has become difficult to start a business in the retail industry which used to have no entry threshold. It is very difficult to operate a business, whereas consumers are also made to share part of the rent in buying expensive goods. To cool down the market, the Government need only increase the provision of matching support according to the scale of the

development of the industry, such as providing more shopping arcades and training up more practitioners for the industry. As some colleagues have mentioned, since consumers in the Mainland have confidence in the daily necessities in Hong Kong, more shopping arcades can be developed in the North District for more SMEs to operate there. This way, Mainland visitors under the IVS can be diverted to these places and this can, in turn, address the problem of these visitors scrambling for goods and food with the local residents. Environmental protection is another example. The proposals made in the Budget regarding the levy on plastic bags, the disposal of waste electrical and electronic equipment, the disposal of solid waste, and so on, are all fee-charging measures. But can the Government eliminate these wastes after imposing the levies on them? Not necessarily.

We have recently visited Seoul, Korea to learn from their experience in the disposal of waste. Seoul has been doing a great job in waste management and environmental protection, and the people have strong awareness of environmental protection. Although waste levies are also imposed in Seoul, their success is indeed attributable to the staunch support provided by the state and municipal governments. Their success is premised on taxation and financial support as well as education over a long period of time. There is indeed a world of difference between their approach and the SAR Government's piecemeal measures which aim to impose a ban by levying a tax.

I wish to particularly point out that waste recycling in Korea has developed into an industry. In Korea, through the application of innovative technology, waste is recycled into new products. This can solve the problem of waste while promoting the development of a new industry and in the process, financial support from the Government is indispensable. Why can Korea break away from its serious economic depression in the wake of the Asian financial turmoil and turn into a technology power as it is today? Because their Government can make use of innovation and technology to facilitate transformation. It seems that the Financial Secretary should also visit Seoul to learn from their experience.

As the Government's policies are introduced in a piecemeal manner, I think the various measures proposed in the Budget can hardly be implemented. For example, in order to meet the needs of elderly care services, the Financial Secretary proposed to add 100 day care places and construct three contract residential care homes for the elderly (RCHEs) this year. While the Liberal Party supports these proposals, it was reported on the television some time ago

that after the minimum wage is increased to \$30 per hour, more care workers in RCHEs are expected to switch to other sectors and so, as many as 5 000 vacancies will arise in the sector. The Budget has only proposed to provide more hardware by constructing RCHEs for the elderly but without adequate care workers, how can the elderly be taken care of?

The Budget has quite rarely admitted a shortage of labour in some industries (including the construction, retail and catering industries) and therefore proposed to inject \$15 billion into the Employees Retraining Board for training more employees, adding that the Government will follow its existing policy and mechanisms in dealing with labour importation. I hope that the Financial Secretary is genuinely sincere in studying the importation of labour this time around because insofar as employment is concerned, Hong Kong is basically in a state of full employment. Without an injection of new blood into the workforce, manpower needs will have to be met by the same, limited pool of workers and in that case, the cost of manpower will naturally rise accordingly, and similar to the case of shop rental, the increase will be shifted onto the consumers while Hong Kong will lose its competitiveness at the same time.

To resolve the wealth gap problem in Hong Kong, it is necessary to, on the one hand, improve the business environment and lower the threshold for business operation and on the other, upgrade the standard and level of the local workforce in Hong Kong to enable local workers to move upwards and take up jobs with better prospects, rather than leaving the industries to compete with each other for workers. Particularly, should we consider hiring foreign workers to take up jobs at the lower levels? As in the case of domestic helpers, there were times when local domestic helpers did complain about their livelihood being affected by foreign domestic helpers but nowadays, nobody is making these complaints anymore. I, therefore, hope that the Government can promptly take actions and expeditiously draw up labour importation schemes for the obnoxious industries. Having said that, I agree that the premise must be protecting the employment of local workers.

President, some people may ask me whether I support the Appropriation Bill 2013 since I have been criticizing the Budget. I did ask myself whether I am opposed to any proposal in the Budget. Frankly speaking, there is none. On the contrary, I hope that many projects proposed in it can be implemented as soon as possible, such as the provision of \$8 billion for the redevelopment of Kwai Chung Hospital. Over the last 12 years since I have taken up the office of

Chairman of the Hospital Governing Committee of Kwai Chung Hospital, we have been lobbying support for this project. Apart from this, the Budget has also proposed measures to promote innovation and technology, and so on. Therefore, I will not oppose the allocation of funds.

However, as I have said before, when I say that I support it, I only mean that I do not oppose it. It does not mean that I am happy with this Budget as well as the principles of governance and philosophy of fiscal management underlying it. After over 160 years of development, Hong Kong has built up certain advantages and strengths in the international community. Hong Kong should capitalize on such tangible and intangible wealth that has been accumulated over time to consolidate the established strengths of Hong Kong. Then, we can start on this foundation and develop Hong Kong into a stronger city with more promising prospects of development. There is absolutely no room for the mindset of relying purely on our past strengths or making no mistake by doing nothing or making less mistakes by doing less.

President, these tendered are my sincere advices. I so submit.

**MR CHAN KIN-POR** (in Cantonese): President, the Financial Secretary has recently written an article in his blog, and there is this paragraph which I think worth sharing with Members. The Financial Secretary said, "Nowadays, foreign government senior officials are arriving at Hong Kong almost every week and bringing with them their incentive programmes to meet with the management of our enterprises, inviting them to move their bases away from Hong Kong. They are indeed coming to snatch our clients away!"

His article is supposedly meant to defend overseas visits by senior officials but it also shows clearly that the Hong Kong economy is indeed in great peril. Frankly speaking, over the last decade, the four pillar industries and emerging industries where Hong Kong enjoys clear advantages have made no significant progress. Hong Kong is still relying on our past strengths. The Financial Secretary is cautioning us that our businesses in Hong Kong are continuously being snatched away from us and if we do not drum up the resolve to put in great efforts to take forward economic development, we might end up losing even our past strengths one day.

In this Budget, we can see an obvious change in the attitude of the Financial Secretary towards economic development, compared with that of the last government. The last government was minded to firmly stand by the obsolete principle of "big market, small government" under which a passive attitude was often taken towards economic development and this explains why Hong Kong has let many opportunities slip by as a result. In this Budget, the Financial Secretary is eventually taking a more proactive attitude by putting forward concrete proposals to promote and even taking the initiative to plan industrial development. For example, the study on the construction of Container Terminal 10, expansion of Ocean Park and Disneyland, promotion of the development of the bond market, provision of tax incentives for captive insurance companies and private equity funds, and enhancement of training for practitioners in relevant industries. Although these measures are still far from inadequate, they reflect that the Financial Secretary has given serious consideration to economic development in the long term, unlike the passive approach taken in the past. I hope that the Government will continue to take a positive attitude in future and make the utmost effort to promote economic development. Particularly, those priority industries proposed a few years ago also need proactive government support. As the Financial Secretary has said, we must take the initiative to compete head on with our rivals for more business.

I wish to focus on the insurance industry in my following speech. This year, there are indeed many issues relating to insurance that warrant our discussion. First, to the insurance industry, the biggest highlight is obviously the Government's proposal to develop captive insurance business by granting a 50% profits tax concession on offshore insurance business of captive insurance companies to attract enterprises to form captive insurance companies in Hong Kong. These have been appeals made by the insurance industry for years.

Currently, there is only one captive insurer in Hong Kong established by a Chinese enterprise. In contrast, our competitor, Singapore, has over 60. Apart from its own business, captive insurance will drive the development of the legal, accountancy and actuarial professions, which will help develop Hong Kong into a centre for re-insurance. Hence, the benefits will be comprehensive. It is noteworthy that a vast majority of the top 500 American companies engage in captive insurance business, and major Chinese enterprises are likely to follow their footsteps. Therefore, so long as we are well-equipped, Hong Kong certainly will be their preferred location for establishing captive insurance companies.

However, the question is: Are the conditions provided by us attractive? Singapore is outstanding in promoting the formation of captive insurance companies because their biggest selling point is actually the generous tax incentives they offer. Hong Kong is currently offering a profits tax concession of 50% but Singapore offers a tax holiday of 10 years, which is far better than the conditions we offer in Hong Kong. Moreover, Mainland enterprises might face double taxation for their insurance operations in Hong Kong. If we cannot resolve these problems and enhance our attractiveness, we might lose out to our rivals in attracting business and worse still, we would be handing over clients on a silver platter to our rivals. I believe this proposal is a right step taken forward but as the proposal is uncompetitive, further improvement is still necessary.

Another issue that I have to discuss is the health protection scheme proposed by the Government. This scheme has aroused grave concern in the insurance sector lately. The details of the scheme, which include operational technicalities, are being drafted by the Government. Under the original plan of the last government, the health protection scheme and private health insurance are two systems which would co-exist in the market and operate separately. The Government would provide a high-risk pool and no-claim bonus for the original health protection scheme to help achieve universal coverage with improved attractiveness. Besides, savings for future payment for post-retirement private health insurance would receive public subsidy. The latest thinking of the Government, however, is to merge the health protection scheme and private health insurance as a single system for regulation.

Frankly speaking, if incentives were substantially reduced, the revised health protection scheme would not meet the people's aspirations and the public would not find it attractive, but it would practically put private health insurance entirely under government regulation and seriously interrupt business activities. In turn, the private health insurance market would shrink and the public would definitely swarm to public hospitals once they fall sick. We very much hope that the Government can think twice and revert to the original plan based on which further discussions can be conducted seriously in order to come up with practicable, concrete proposals. Otherwise, if the Government is insistent on taking forward an impracticable plan, I think the Government might as well stop doing it.

Another issue of concern to us is the protection fund for policyholders. Legislation is being drafted on this fund but the insurance industry still has some

misgivings about it, particularly as outstanding policies of underwriters in liquidation will continue to be underwritten by the fund until the expiry of policies. But as the policies issued by the defunct underwriters might have hidden problems or the policies were actually approved and issued indiscriminately by the underwriters in liquidation, the fund would have to bear substantial risks if it has to underwrite these policies, though this arrangement is simple. As the levy for the fund is payable by insurance companies, in case the fund is depleted by claims in huge amounts, other insurance companies which have operated effectively will have to pay for a higher levy and this will eventually be shifted onto consumers. It is grossly unfair. I hope that the Government can seriously consider this problem.

Independence of the Office of the Commissioner of Insurance (OCI) is also a prime concern to the industry. The Government has stated that it is giving detailed consideration to the views of the industry and the public, with a view to tabling the Bill this year. Close dialogues will be maintained with the industry. As independence of the OCI has far-reaching implications for the entire industry, intermediaries and insurers have given a lot of input, particularly in respect of the industry's participation in the OCI in future, the legal status of insurers and intermediaries and introduction of heavy penalties on insurance intermediaries. I hope that the Government can seriously discuss these various issues with the insurance industry and propose solutions before tabling the Bill.

Mandatory Provident Fund (MPF) fees are another issue of great concern to all sectors of the community. It is stated in the Budget that the Mandatory Provident Fund Schemes Authority (MPFA) is preparing proposals on imposing a cap on MPF fees in case of market failure and intends to consult the public within this year. In fact, the MPFA has implemented a number of measures, which include promoting electronic platforms, consolidating employees' accounts, and rationalizing the types and numbers of MPF funds, to help contain operating expenses. Studies by consultants show that these measures have effectively reduced the administrative costs and hence lowered the fees. Therefore, the Government should not hastily introduce a cap on the fees which will otherwise produce a great many side-effects. Rather, it should consider implementing a cap on the fees as the last resort only if these various measures are found to be ineffective after implementation.

Lastly, I would like to say a few words on welfare. The Budget has allocated as much as \$56 billion to the recurrent expenditure on welfare this year,



an increase of 31% over last year. New measures are proposed in respect of elderly care services, rehabilitation for the handicapped and the sick, and poverty alleviation. Although the resources deployed for these purposes are enormous, I very much support these initiatives.

Among these provisions is the further injection of \$15 billion into the Community Care Fund for poverty alleviation by plugging the gaps in the existing system. The Commission on Poverty (CoP) is considering a new proposal, under which the Fund will help recipients of Comprehensive Social Security Assistance to open savings accounts with banks. When part of the wages earned by a recipient is deducted by the Social Welfare Department, the Fund will deposit the equivalent amount into the recipient's account and the savings in this account can be withdrawn when the account balance reaches a certain target. The objective is to encourage recipients to find jobs. The proposal made by the CoP happens to coincide with my proposal to enhance the Support for Self-reliance Scheme. I always think that in order for recipients to become self-reliant, they must be able to put every penny of their earnings into their own pockets. The recipients will be willing to work hard so long as their efforts are equitably rewarded. This is a humane policy. I hope that the Government, in introducing other new measures, will give up its fossilized attitude and make consideration more from the humane angle. This way, the Government's policies will naturally command public support.

I so submit.

**MR LEUNG CHE-CHEUNG** (in Cantonese): President, Mr WONG Yuk-man, Mr LEUNG Kwok-hung, Mr Albert CHAN and Mr CHAN Chi-chuen from the radical camp intend to paralyse the Government by means of filibustering. However, their action will affect people's livelihood, particularly the poorest in society whose life would come to a halt if they fail to get the financial assistance from the Government as a result of the possible filibuster.

The practice of filibuster they resort to this time around is farcical. It will not only cause the public to suffer but will also waste public funds. Despite that, they recklessly press on with their filibuster, not only on political subjects but also on livelihood subjects. They have become addicted to filibustering. Perhaps the Government may have to consider helping them to quit filibustering, *a la* the committee on anti-smoking helping smokers to quit smoking. Their

addiction to filibusters should be attributed to their radical temperament, yet the early indication of cutting off the filibuster by President Jasper TSANG may have encouraged them to pursue filibustering, for they know for sure that their action will not end up in a disaster. With this in mind, they venture all out to filibuster to hog the limelight.

Here, allow me to remind the several colleagues pursuing the filibuster: Filibuster is bad for the body, worse still, it prevents Members from engaging in genuine debates in the legislature. Again, I have to advise them to stop filibustering and do something pragmatic instead. Mr WONG Ting-kwong has given me two verses and I would like to give these verses to them, "Beware of extreme grumbling, it hurts; broaden your breadth of mind and be far-sighted." I hope they will not become too restless.

President, the conservative approach adopted by the Financial Secretary in the Budgets in the past few years has brought the Government a colossal amount of fiscal reserve. Certainly, at this time when the global economy is volatile, the Government should not be criticized for tightening the belt, but still, it should commit resources as and when needed. The Chief Executive had indicated on numerous occasions that poverty alleviation was the most important task of the current-term Government. However, in the Policy Address just released and the present Budget, the part on poverty alleviation was incredibly small, which only mentioned the injection of \$1.5 billion into the Community Care Fund (CCF). In my view, the Government should not rely excessively on the CCF as a poverty alleviation project. The DAB has proposed to the Government the introduction of a maintenance grant scheme for low-income families, but the Government has not accepted the proposal, and I am extremely disappointed about this.

The original intent of setting up the CCF was to support people outside the safety net. Since the establishment of the CCF, 18 assistance programmes providing one-off assistance have been launched. As I went through the information provided by the authorities, I felt all the more concerned about the effectiveness of the CCF. Among the 18 programmes implemented in the past, only the provision of the one-off allowance of \$6,000 to new arrivals from low-income families and the provision of a lunch subsidy for students from low-income families studying in whole-day schools had received over 100 000 applications. I believe that in the former case, the large number of applications received was due to the extensive coverage that eligible new arrivals might receive \$6,000 via the CCF in response to the Government's distribution of

\$6,000 to all but new arrivals. In the case of the lunch subsidy, since schools had already established links with needy students, the students knew about the provision of such subsidy. However, apart from these two programmes, there were only 1 000-odd or even several hundred applications for other programmes. The small number of applications for the programmes may be related to the fact that many "N have-nots" simply knew nothing about the assistance programmes.

Moreover, the requirements of certain programmes are much too harsh, thus limiting the number of beneficiaries. Take the Elderly Dental Assistance Programme as an example. Applicants must be users of the Integrated Home Care Services and Enhanced Home and Community Care Services who are not recipients of Comprehensive Social Security Assistance (CSSA), and they have to meet various requirements including referral by relevant organizations. As a result, only the applications of 84 persons had been approved since the launch of the programme. I can hardly believe that only less than 100 needy elder persons are in need of dental services in the whole territory. I think the Government needs to review the accessibility of the programmes under the CCF to target beneficiaries as soon as possible.

President, as for the housing policy, I recall that before the Chief Executive announced the Policy Address, he had indicated in his blog that he would deliver results by "taking bold steps to get things done in a planned and progressive manner, guided by vision and clear targets". Eventually, a number of targets, plans and proposals on housing were put forth in the Policy Address. However, if a serious debate on the housing proposals in the Budget is to be held, there could be little to comment. Housing policies of greater importance had been announced either before or after the Budget was released, I am referring to the introduction of the Special Stamp Duty announced before the Budget and the abolition of land sale by Application Mechanism announced after the Budget.

Undoubtedly, the new "curbs measures" introduced by the Financial Secretary did have some effect in curbing speculation in the property market, whereas the accumulated effect has been gradually reflected in property prices. On the one hand, transactions at lowered prices in certain major housing estates begin to take place. On the other hand, there is an increasing trend of offering flats for rental rather than for sale, which has an indirect effect of curbing the rising rent. Regrettably, the authorities have failed to make major breakthroughs on the key issue of the supply of private and public housing, so property prices and rental will probably resume the rising trend eventually.

Take the case of "sub-divided units" as an example. Given the buoyant demand for "sub-divided units", the rent for "sub-divided units" stays high with no room for decrease, and worse still, the practice of "sub-division of units" has spread to Tin Shui Wai. According to the report of the media on 10 April, some owners of Kingswood Villas in Tin Shui Wai had divided their flats into a "one-into-five layout", where the smallest usable area of a single unit was less than 60 sq ft. However, these units are leased at over \$50 per square foot, the rent charged being close to that of "sub-divided units" in urban areas.

In the meantime, despite the measures launched by the Government in succession, some estate consultancies uphold the estimate that the rent for small to medium size residential flats will rise by 5% throughout the year. The spread of the practice of "sub-division of units" and the industry projection on the future market are an obvious indication that given the tight supply in private and public housing, the shell-less grassroots and middle stratum will have to put up with exorbitant rents in the days to come.

President, the difficulties of identifying sites is known to all. Since housing has become a persistent problem, the increasing severity of the problem has made it extremely difficult to solve. If the authorities continue to stick to the rut, the problem will only deteriorate further and aggravate public grievances. In fact, the Finance Secretary, who considers himself one of the middle class, used to practice Chinese martial arts in the past. He should understand full well the rationale that "Boldness first, forces second and skills last". For some time in the past, the Financial Secretary had definitely exhibited the "forces" in combating the speculation spree and controlling the demand. It is noted that much effort had been made, and in fact, the Financial Secretary has taken a hand on nearly all fronts in the market to address the demand concern. Since the Chief Executive considers that bold steps should be taken, we expect the Financial Secretary to boldly and forcefully bring his skills into full play in handling housing supply.

President, there are about 1 400 blocks of factory buildings in Hong Kong, some of which being located in urban areas or along the railway line and they have good potential to be developed into residential flats. Last September, the Chief Secretary for Administration proposed the relaxation of restrictions in town planning and those under the Buildings Ordinance, seeking to encourage owners of factory buildings to convert factory buildings into residential flats in order to provide interim housing. However, the proposal of Mrs LAM had only aroused

a round of discussion, and after the lapse of half a year or so, we have yet to see any specific response.

It is true that factory buildings have potentials for conversion. However, since the titles of factory buildings have long since been sold to different owners, it is difficult to gather the fragmented ownership for redevelopment or renovation, which is far more difficult than the redevelopment of tenement buildings. For this reason, the authorities may, in addition to the provision of administrative and financial incentives, consider taking the bolder step of examining an expansion of the functions of the Urban Renewal Authority (URA), so that the URA may act as a mediator for owners and invoke public powers in the course of the redevelopment of factory buildings where redevelopment is carried out via land resumption by the Government.

Moreover, many agricultural sites in the New Territories are now owned by private developers. Indeed, the land reserve they have at hand may exceed that of the Government. However, due to the lack of infrastructure and road support, these agricultural sites have been left unused for a prolonged period. Earlier on, an estate developer indicated the wish to donate some agricultural sites to the Government for housing construction. However, no proactive follow-up has been made expeditiously on the donation; perhaps the Government has grown too sensitive to the allegation of collusion between the Government and business. If only the Government can lay out all the details of the proposal and put all future agreements under the sun to let the public know every detail of the plans, it will naturally remove all doubts about collusion between the Government and business. The key lies in whether the authorities can free itself of the ghost allegation of collusion between the Government and business.

The last point I would like to make is about the conventional and established mindset of the authorities that private housing projects are the only option for estate development projects of the MTR Corporation Limited (MTRCL). The authorities should reconsider the possibility of diversification in housing development for sites on top of MTR stations, which may include public housing estates and Home Ownership Scheme (HOS) flats, and even joint-development by the public and private sectors. Kornhill Garden in Quarry Bay is a case in point actually. It was jointly developed by the MTR and a private estate developer, and then handed over to the Hong Kong Housing Authority for sale. Given this precedent, should not the authorities be more

open-minded in estate development at railway stations, which will offer the Government one more option in increasing public housing supply?

Regarding the failure to attract any bid for the MTR project at Tin Wing Road sometime ago, is it possible for the authorities to examine the feasibility of certain fiscal arrangements, such as the adjustment of regrant premium, buy-back of the right to development or adoption of private sector participation in the construction of HOS flats? It may consider changing the project into a development of HOS flats? We hope that the Government will adopt more flexible and innovative approaches in increasing land and housing supply.

As for health and medical care, North Lantau Hospital, for which we have striven for years, will eventually come into operation this year, and the construction of Tin Shui Wai Hospital has been confirmed. Though the hardware, the hospitals, is ready for use, the software, healthcare workers are always in shortage. North Lantau Hospital has to provide services in phases precisely due to the shortage of manpower. In a reply to my question sometime ago, the authorities said that staff from other cluster would be redeployed to support the services of North Lantau Hospital, and that additional staff would be recruited and proactive efforts would be made in staff retention. However, the prolonged working hours in public hospital resulting from the shortage of manpower has led to a brain drain, which in turn becomes a vicious cycle. The shortage of manpower in hospitals is not a new problem. All along, the situation has been likened to "ten pots with only seven lids", and the authorities have been trying to paint a rosy picture through the secondment arrangement. The litany of measures the authorities claim to adopt in recruiting additional staff and retaining staff are neither creative nor effective. Besides, the training of new doctors takes many years. I hope the Government and the authorities will formulate new measures and policies. They may as well adopt extraordinary measures at extraordinary times, say by recruiting qualified doctors from overseas to alleviate the shortage problem and address the inadequacies in terms of software (*The buzzer sounded*) .....

**PRESIDENT** (in Cantonese): Mr LEUNG, your speaking time is up.

**MR LEUNG CHE-CHEUNG** (in Cantonese): Thank you, President.

**DR LAM TAI-FAI** (in Cantonese): President, I am extremely disappointed that the Financial Secretary is not in the Chamber when I am going to speak today. I am left to speak to the empty chair, and this makes me feel down and helpless. I cannot but turn to face Secretary Raymond TAM and Secretary LAI Tung-kwok — taking them as the Financial Secretary for the moment — otherwise, I can hardly speak in an interactive manner.

President, .....

(Mr Albert CHAN stood up)

**PRESIDENT** (in Cantonese): Mr Albert CHAN, what is your point?

**MR ALBERT CHAN** (in Cantonese): Since Dr LAM is so disappointed, I now request a headcount.

**PRESIDENT** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**PRESIDENT** (in Cantonese): Dr LAM Tai-fai, please continue.

**DR LAM TAI-FAI** (in Cantonese): President, Mr Albert CHAN knows it is now the time for lunch, but he still requested a headcount, it is really annoying .....

(Some Members spoke in their seats)

**PRESIDENT** (in Cantonese): Will Members please keep quiet.

**DR LAM TAI-FAI** (in Cantonese): Having said that, I am moved that so many Members are now in the Chamber — though the Financial Secretary has not yet returned — and that I have the opportunity to speak to all of you.

President, this is the maiden Budget of the new Government, which is also the sixth "assignment" handed in by Financial Secretary John TSANG. Financial Secretary John TSANG has been in the present position for two terms of the Government. But regrettably, despite his high position and enormous power, and regardless of who his supervisor is, he makes the same mistakes — misjudging the Budget balance. Last year, under the supervision of his previous supervisor, he estimated that a deficit of \$3.4 billion would be recorded, but it turned out to be a surplus of \$64.9 billion upon the announcement of the Budget. In each of the past five years, the Financial Secretary had said that a deficit would be recorded, but every time, it turned out to be a colossal surplus. The accumulated discrepancies over the past five years amount to \$325.5 billion, which equals to nearly 40% of the fiscal reserve of Hong Kong.

Year after year, the Financial Secretary had relied on blind guess in preparing the Budget, and that meant there was no budgeting at all. Due to his erroneous estimate, the Government had adopted a most conservative approach in fiscal management. Actually, I have been worrying whether his erroneous estimate would have caused Hong Kong to lose many golden opportunities, affecting the development of Hong Kong as a whole. In fact, I also worry that it will give rise to the problem of resource mismatch, for the failure to spend money on areas where it is due has resulted in the less than satisfactory effect of many livelihood improvement projects.

The Government has emphasized repeatedly the need to keep expenditure within the limits of revenues and be prudent in finance management. Financial Secretary John TSANG projects that there will be a deficit of \$4.9 billion for the financial year 2013-2014, and I hope he will amend this as soon as possible. Honestly, he has been in the office of the Financial Secretary for 10 years, if his estimate has been erroneous in each of these years, it will definitely become a laughing stock in the international community. However, for some unknown reasons, he has all along enjoyed a higher popularity rating than his boss despite the erroneous estimate made in each of the past years. It is really strange. No wonder the Chief Executive does not believe in those opinion polls.



Despite the surplus of \$64.9 billion this year, the one-off relief measures introduced only amount to \$33 billion. Why has he not fully utilized the surplus to assist Hong Kong given the abundance of cash? It is incomprehensible. Indeed, given the series of problems in people's livelihood, the Government needs to double its efforts to resolve the problems. Problems like "sub-divided units", elderly living in poverty and public healthcare expenditure, and so on, have to be addressed. I understand full well the importance of saving for a rainy day. But since Hong Kong is not required to bear the expenditure on national defence and external affairs, and an enormous surplus is recorded every year, I do not understand why the Financial Secretary has to be so conservative or be a "skinflint" in formulating the Budget. I hope he will reflect on his conservative style.

Now, the global economy is volatile and uncertain, the Euro debt crisis is spreading, and economic recovery is nowhere in sight. It is natural that Hong Kong cannot remain intact. Adding to this the unpredictable situation between North Korea and South Korea, and the resurgence of terrorist incidents in the United States, the global market is shadowed by great uncertainties. In fact, the export trade of Hong Kong has already shown signs of slowdown, where the overall export for February was \$215.7 billion, a drop of 16.9% on a year on year basis. Hence, the business environment for medium and small enterprises (SMEs) has been deteriorating. They are worried about not getting orders, forfeited down payment, non-settlement of outstanding payment and even cancellation of orders placed.

At present, SMEs are plagued by internal and external difficulties. On the one hand, operating costs are rising continually, where electricity, rent and wages only show increases but not any drops. Moreover, society is exerting increasing pressure on the business sector every day. For instance, the upward adjustment of the minimum wage level and the intended prescription of standard working hours will increase our operating cost significantly. On the other hand, in view of the intensified conflicts between Hong Kong people and Mainlanders, the retail sector and the catering sector worry that the Individual Visit Scheme will be hindered. Furthermore, if H7N9 spreads to Hong Kong, I am certain that the retail, hotel and catering industries will suffer a severe blow. Hence, the SMEs now face a plethora of problems in running exports, domestic sales and local businesses. If the Government fails to be understanding towards SMEs and do not render support to us, SMEs will close down easily. By then, it will affect the

overall economy of Hong Kong and the employment rate of the territory, and the consequence will be extremely serious.

Actually, in the Budget, the measures offering support to SMEs are extremely "tight-fisted" and mean, and I would say it is being mercenary to SMEs. Take the SME Export Marketing Fund as an example. The Government has increased the grant from \$150,000 to \$200,000, but it has refused to heed the views of the sector of accepting revolving applications. It is as stubborn as a plate of iron. I have pointed out repeatedly that section 39E of the Inland Revenue Ordinance (IRO) has seriously impeded the upgrade and transformation of enterprises. I have been striving for this for years, a decade or so, but the Government remains obstinate, refuses to heed the aspiration of the sector and the advice of experts, and simply turns a deaf ear to all these. Worse still, the authorities have been making vigorous efforts to recover tax payment from SMEs, thus putting the sector in fear and trepidation and provoking a massive outcry. In this connection, why can the Government not consider the aspiration of the sector?

Last week, a member of the trade brought along his son for a meeting with me. He said that he was demanded by the Inland Revenue Department to settle the tax payment of more than \$990,000, which rendered him unable to continue to carry on his business. He even told me that he would jump down the Tsing Ma Bridge or commit suicide by burning charcoal. I met with him together with my assistant. My assistant had sympathy and compassion on him and kept counselling him to handle the problem gradually and to discuss with the Government. Driven by the compassionate heart of my assistant, I joined in to comfort this member from the trade, but I knew at heart that the Government would simply not listen. The Government simply does not care about the life and death of the public. It will demand payment of outstanding tax till his business was closed down. Section 39E of the IRO has seriously impeded the development of enterprises in Hong Kong. I hope the Government will not wait until someone has died because of this to start working on the issue.

President, despite the Financial Secretary's meanness towards SMEs and the indifference shown towards the industrial sector, the Budget has its merits. The Financial Secretary said that economic development should be focused on real work but not merely figures, and I share his view on this point. Given the uncertainties in prospects, he proposed that the four pillar industries be strengthened. This is a moderate approach consistent with the direction of

national development. I fully agree with this. Despite being the engine of the global economy, China refrains from making risky advancement but focuses on stable growth instead, paying attention to the risks and challenges involved. For this reason, I support and agree with the proposal of Financial Secretary John TSANG in supporting and consolidating the four pillar industries. However, his commitment of resource seems to focus on the logistics and shipping industries, while touching lightly on the other two pillar industries.

Another point worthy of commendation in the Budget is the mention of the development of a free and open economy being the key to Hong Kong's success, which must be upheld. In times of market failure, the Government has to strike a balance between the cost borne by and the interest of society even if it intervenes in the operation of the market. This time around, the Financial Secretary stated unequivocally that the Government would insist on supporting the development of a free economy. I totally agree with this and I know that free economy is the cornerstone of the success of Hong Kong. However, I am worried whether this thinking of the Financial Secretary is merely self-contained. Has he ever reflected this thinking to his superiors and passed it on to his subordinates? Is this thinking recognized and supported by the Chief Executive and other senior government officials, as well as his colleagues?

(THE PRESIDENT'S DEPUTY, MR RONNY TONG, took the Chair)

Members should perhaps take a look at some policy measures introduced by the Government recently, which seem to go against free economy. In the midst of a shortage of powdered formula, the Government issued the "quota order on milk powder". It resorted to legislation hastily before making vigorous efforts to address the problem at the supply end. As a result, great confusion was caused in societies of Hong Kong and the Mainland. When the Government failed to solve the problem of housing supply, it thought up the "curbs" measures to suppress demand, where Hong Kong people intending to purchase flats under the name of Hong Kong companies were also affected, thus undermining the sustainable competitiveness of enterprises.

The series of measures implemented by the Government are obviously over-intervention in the operation of the market, yet failing to tackle the problem at root. Worse still, these measures have brought forth other adverse effects.

Therefore, if Financial Secretary John TSANG really believes in free economy, he must walk the talk, urging the Government to formulate policies true to this principle, so as to avoid blunders.

Deputy President, I consider the section on education in the Budget most disappointing. It is true that education expenditure has been increased to \$63 billion, but the Budget has not addressed the long-standing problems in the education sector in a focused manner. Regarding such problems as small class teaching in secondary schools, 15-year free education, integrated education and cross-boundary students, as well as support for students in need, and so on, the Government has offered no remedy at all. On the contrary, the Government has allocated \$480 million to the setting up of a "seed fund" for outstanding students. I doubt very much if the Government understands the problems now faced by the education sector. Has the Government listened seriously to the views and aspirations expressed by the education sector?

Indeed, had the \$480 million "seed fund" been spent on other areas, it would have solved many deep-rooted problems. At present, the government funding mechanism for secondary and primary schools can in no way keep abreast of the times, and a review is necessary. Take electricity expense as an example. Due to the tariff increase imposed by the two power companies every year, the electricity expenses of schools rise annually. However, the increase in government provision is always lower than that of the tariff, and the discrepancies can hardly be narrowed. Under such circumstances, how can schools cope with such expenses? Therefore, out of the resource consideration, more often than not, schools have to tolerate and compromise in operation.

Deputy President, it takes a decade to grow a tree but a century to bring up a man. This is not a mere slogan, but the vision we uphold in nurturing talents. Front-line workers of the education sector are under tremendous pressure for they have to take up additional administrative work. The management is busy hopping from one place to another to address the shortage of resources. All parties are doing their level best to deliver results. However, when the sector is looking forward to an increase in resource allocation by the Government, the Government tells the education sector to take a brief respite. Financial Secretary and Secretary for Education, the education sector is now in deep water, facing numerous problems pending solutions, so how can we take a brief respite now?

During this so-called "brief respite", the Government should not be lazy and slip into idleness. Actually, the Government can take on a more proactive role and seize this gap and opportunity to resolve the problems hidden in the drawers, so that problems which have been shelved or persisting for a long time can be solved in a progressive manner. In the past decade, the education reforms have been introduced incessantly. However, the fundamental problem of teaching manpower has never been reviewed. The education sector desperately looks forward to improvement of the class-to-teacher ratio, the upgrading of all secondary school teachers to degree level, the reduction of teachers' administrative workload and the provision of more training opportunities for serving teachers. However, the Government has paid no attention to the aspiration of the education sector at all. It on the contrary invests resources on some unrealistic policies, that is, the "seed fund" of \$480 million mentioned by me earlier. Yet, the Government continues to pay lip service by expressing that it is gravely concerned about these questions and that it will monitor these problems closely. Nonetheless, no practical action has been taken, not even vague plans to pacify the education sector.

Despite the plethora of problems faced by the education sector, the Budget has not made use of the colossal reserve to address them. Indeed, the Financial Secretary should show more enthusiasm in helping Secretary Eddie NG who is a greenhorn. The Financial Secretary should have taken the initiative to ask Secretary Eddie NG which areas under his purview require provision, whether the provision is adequate and what kind resources will his Bureau need more in order to solve the deep-rooted problems. The Financial Secretary is after all a veteran, where Secretary Eddie NG is a rookie. The Financial Secretary should help him so as to bring their team spirit into full play.

There are many criticisms against Secretary Eddie NG, stating that "his management of experts in the trade as a layman" will not be conducive to the development of education in Hong Kong. I think this is a premature judgment. However, the \$480 million "seed fund" definitely fails to command the recognition and support of the education sector. The education sector is extremely discontent, for resource is not invested on teachers, who have been quietly devoting efforts and industry every day, unwilling to take a day off even when they have fallen sick, but spent on the overseas studies for elite students. The authorities have to pray that these students will take up teaching posts for two

years after they have completed their studies. Why would the authorities pin the provision on such a faint hope rather than investing it on serving teachers?

Hence, if the Secretary really wants to implement this scheme, I hope he will make adjustments according to the aspiration of the sector, otherwise, I hope the Secretary will withdraw the scheme. If an education policy is not supported and agreed by the education sector, may I ask how this can be implemented smoothly and how the popularity rating of the Secretary will rise?

Deputy President, if there is anything wrong with the Government's policies, students will easily become guinea pigs. Members all know that many students are now studying Chinese medicine programmes, but students of Chinese medicine have no venue to practise internship in Hong Kong. Now the former campus of the Hong Kong Institute of Vocational Education (Lee Wai Lee), the most suitable site for the construction of a Chinese medicine teaching institute, will be used for the construction of luxury flats as planned by the Government. I hope that upon hearing these many views, the Government will do some real work by reinstating the site to a site for education purposes.

Despite the inadequacies of this Budget, I will support it, for the Financial Secretary has upheld the free economy mode which I support in this Budget. I support the Financial Secretary in taking the safe path amid uncertainties. Finally, I hope that this Budget will be put to vote as soon as possible and that it will not be negated as a result of the filibuster. This Council has indeed come to a disastrous state with this spectre of filibuster looming over it. We cannot rely on the President to "cut off the filibuster", nor Members from the pro-establishment camp to guard against "filibusters". We must improve the relationship between the executive and the legislature (*The buzzer sounded*) ..... to counter filibusters.

**DEPUTY PRESIDENT** (in Cantonese): Speaking time is up.

**DR LAM TAI-FAI** (in Cantonese): Deputy President, I so submit.

**DR PRISCILLA LEUNG** (in Cantonese): Deputy President, a classical Chinese poem goes like this, "Year after year the blossoms look alike while people never remain the same". Mrs Margaret THATCHER, the Iron Lady of British politics, has just passed away. She implemented the Thatcher doctrine when she was in office and also introduced a range of "small government, big market" public finance and economic policies, including opening up the market, privatization of state-owned enterprises, enlivening the financial services, tightening up public expenditure and reducing welfare benefits. However, we must not forget that, 11 years after Mrs THATCHER had implemented her doctrine, the total expenditure of the public sector in the United Kingdom still only accounted for about 40% of the GDP compared with the proportion when she newly assumed office. Although the Thatcher doctrine is highly controversial, many people remember her.

Hong Kong similarly adopts the policy of "small government, big market" and the total public expenditure has all along been controlled at less than 20% of our GDP. We definitely cannot compare the Financial Secretary with Mrs THATCHER, but what exactly does the Financial Secretary want Hong Kong people to remember most about him? This is the first Budget of the new-term Government. With his rich experience in fiscal management, the Financial Secretary would enable the new-term Government to do more and perform better those tasks that the last-term Government has already started and has been doing well. The Government should also start carrying out those tasks which should have been undertaken with a view to inheriting the past and forging ahead into the future.

In retrospect, what do we remember most about all the financial secretaries? When Henry TANG was the Financial Secretary, he was known for eliminating the deficit; when Donald TSANG was the Financial Secretary, he fought the stock predators. John TSANG has been the Financial Secretary for nearly six years, so may I ask what he would like us to remember most about him? What benevolent policy implemented through his injection of funds would be praised by posterity? I hope he could draw on the experiences and lessons of the last-term Government and the Government of the term before last, and introduce proposals that better meet the long-term development needs of Hong Kong and ameliorate our deep-rooted conflicts.

I have heard some Honourable colleagues of this Council say that it has been proven that the capitalist system does not work and the institutions in Hong Kong need an overhaul and a radical change. For example, the financial tsunami and the Lehman Brothers incident a few years ago, together with the recent economic crises of Greece and Cyprus, have caused many people to rethink the future of the capitalistic system in Hong Kong. A country and its social and economic systems cannot swing like a pendulum from one extreme to another because it would be very painful for its people and businessmen. Yet, governments cannot stick to the rut and refuse to make progress.

As specified in the Basic Law, the socialist system and policies shall not be practised in Hong Kong, Hong Kong's previous capitalist system shall remain unchanged for 50 years, and the Government shall follow the principle of keeping the expenditure within the limits of revenues and take the low tax policy previously pursued in Hong Kong as reference. Therefore, our economic system should be developed within the framework of "one country, two systems" under the Basic Law. The Mainland practises the socialist system, and the socialism it upholds has continuously developed from the primary stage to the relatively mature stage. What about Hong Kong? We cannot remain at the primary stage of capitalism and the capitalism we uphold should reach a more mature stage. Our free economy has always been excellent; we should give full play to our free economy in order to show the Mainland, Hong Kong people and the whole world how we uphold the principle of "one country, two systems" in pursuing development.

I believe the Government can actually make more efforts to reach a more mature stage of capitalism. It should allocate more resources through public spending to reduce people's grievances and narrow the gap between the rich and the poor, as well as provide greater and better protection to the elderly. For instance, the Government should boldly and decisively improve the public healthcare system, relax the restrictions on the special allowance for the elderly and build more hostels for the singleton elderly. It should also consider learning from foreign countries or the Mainland in building a village for the singleton elderly where the environment is more pleasant. There are now many more singletons in the cultural sector and they may become singleton elderly persons in the near future. Such a village would provide a place where the singleton elderly could live happily after retirement.



Moreover, the Government can help the unemployed middle-class people. I have mentioned before that I hope the Government will allocate funds to set up a "loan fund for occupation switch" specifically for the unemployed middle-class people. I remember the proposal was opposed by Mr SIN Chung-kai and Mr CHAN Chi-chuen. In particular, Mr SIN Chung-kai said these middle-class people could borrow money from banks. I think this comment was most unkind. These unemployed middle-class people may have already sold their flats, will the banks still extend loans to them? They are actually very capable persons. I have met an excellent middle-class person who had a mechanical engineering job but he failed to switch to another trade. In fact, there are many opportunities in Hong Kong and these people will be able to bring their talents into full play granting the appropriate support. I think this would assist the middle class in hopping onto the economic express.

As some young people wish to start up businesses, I think that we can consider learning from the establishment of "Angel Funds for Youth Entrepreneurship" in foreign countries. We can make use of the network of relationships of the business sector to advise young people not to spend money indiscriminately and help them to gradually bring their ideals into fruition. I always think that the Government would win the Jackpot this year and start implementing 15-year free education. In that case, people would at least remember this achievement of the Government, but it seems that the Government is stalling again. I hope the Government will take drastic actions. I know that the Financial Secretary alone is unable to achieve much and the Chief Executive must have the determination to lead the move in this direction.

I have noticed that the Financial Secretary has omitted some of the Chief Executive's pledges in the Policy Address. For example, the Chief Executive has indicated in the Policy Address that more drastic policies will be introduced in respect of a water-friendly culture and water quality; yet, the Financial Secretary has mentioned nothing about that in the Budget, which is most disappointing to us. Besides sticking to his prudent fiscal management philosophy, the Financial Secretary should explore more sources of "water" (water is money), and I also hope that he will give us more "water" and improve the water quality in Hong Kong.

I would like to spend the remaining speaking time on the recent developments, and I believe it is worth discussing the consultation on legislating

on sexual orientation discrimination. The Government should allocate funding for enhanced publicity, and I fully agree that we should minimize the prejudice caused by sexual orientation and the major contradictions in society.

I have received short messages from two friends today, and one of them is a parent representative. He was told that the human rights report of the Washington State Department mentioned that he publicly stated his opposition to legislating on sexual orientation discrimination. For this reason, he is worried and asked me if he would be denied entry into the United States. Another friend said that the body to which he belongs is also named in the report. I do not have the time to do a check but I have recently received quite a lot of related comments. One of the persons who made comments participated in an assembly on 13 January and expressed opposition to same-sex marriage.

My friends told me that some people have been besieged online, including Pastor Enoch LAM who stated his position clearly. He said that homosexuality was a sin rather than a crime under the law; and more than 100 000 netizens demanded an apology from him. Finally, he corrected what he said in an indirect manner. Another parent said that things secret or hidden about him had been disclosed online, even the divorce of his parents. A member of another group also said that he had heard someone scold him on his way home. I think these remarks will really create white terror, especially when I am not sure if some of these claims are true. If they are true — he provided me with information on the website and asked me to do a check after I have finished speaking — naming some ordinary parents who expressed their views in the report of the Washington State Department really puts enormous pressure on the parties concerned. Is this some sort of political pressure?

Dr York CHOW stated his position right after he had assumed office and expressed that the Government should legislate on sexual orientation discrimination as soon as possible. I believe he should first find out why there are strong conflicts between the supporting and opposing views. There should not be a loss of neutrality at the outset because the two sides have very important roles and functions. I trust that the two sides should first calm down regardless of whether they are asking the Government to legislate on sexual orientation discrimination or seeking to solve their differences under a certain mechanism.

I always think that there is a very close relation between sexual orientation and moral beliefs. Should we legislate to regulate issues involving moral and religious beliefs, and human relations such as polygamy and bigamy? These issues must be handled with great care. What is the purpose of legislation? It seeks to reduce social conflicts, but if legislation may increase social conflicts; for example, a well-known person opposes homosexuality but his daughter is a lesbian, there will be open contradictions .....

(Mr Albert CHAN stood up)

**DEPUTY PRESIDENT** (in Cantonese): Dr LEUNG, please pause for a while.

**DR PRISCILLA LEUNG** (in Cantonese): ..... I hope my speech will not be interrupted and that other Honourable colleagues would respect my comments. This is not the way to solve the problem .....

**DEPUTY PRESIDENT** (in Cantonese): Dr LEUNG, please pause for a while. Mr Albert CHAN, what is your point?

**MR ALBERT CHAN** (in Cantonese): Deputy President, how are Dr Priscilla LEUNG's remarks just now related to the Budget? Please make a ruling.

**DEPUTY PRESIDENT** (in Cantonese): Dr LEUNG's remarks are related to the Budget. Dr LEUNG, please continue.

**DR PRISCILLA LEUNG** (in Cantonese): Alright.

**MR ALBERT CHAN** (in Cantonese): Deputy President, if your ruling is effective, will the same scale be used when you have to make a ruling on the remarks made by other Members later?

**DEPUTY PRESIDENT** (in Cantonese): I have already made a ruling. Please sit down.

(Ms Cyd HO stood up)

**MS CYD HO** (in Cantonese): Deputy President, a point of order. Can you explain how they are related? To which subhead or head of expenditure are they related?

**DEPUTY PRESIDENT** (in Cantonese): Dr LEUNG is discussing one of the government policies, so her remarks are related to the Budget. I have already made a ruling.

**MS CYD HO** (in Cantonese): Can you tell us to which head, subhead or provision are her remarks related?

**DEPUTY PRESIDENT** (in Cantonese): I have already made a ruling, please sit down.

**MS CYD HO** (in Cantonese): I am asking for an explanation.

**DEPUTY PRESIDENT** (in Cantonese): Please sit down. Dr Priscilla LEUNG, please continue.

**DR PRISCILLA LEUNG** (in Cantonese): I would like to add .....

(Mr Albert CHAN stood up again)

**MR ALBERT CHAN** (in Cantonese): I request a headcount.

**DEPUTY PRESIDENT** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**DEPUTY PRESIDENT** (in Cantonese): Dr Priscilla LEUNG, please.

(Some Members had not yet returned to their seats)

**DEPUTY PRESIDENT** (in Cantonese): Will Members please return to their seats?

**DR PRISCILLA LEUNG** (in Cantonese): I understand that the Government is considering how to allocate funding and carry out promotion to reduce issues involving sexual orientation discrimination. Therefore, the funding is definitely related to the Budget. I am pleased that a headcount was requested just now so that more Honourable colleagues would be able to listen to what I am going to say. This precisely reflects how hegemonic some Members are. They think that the comments made by me as a Member of this Council are unpleasant to their ear.

I hope Secretary Raymond TAM would clearly understand why ordinary parents, religious groups and people who disagree with same-sex marriage, including ..... I have just given an example about a well-known father and her daughter publicly accusing each other. Should the daughter sue her father after the enactment of legislation? If the students and the teachers have different views, should the students sue the teachers if what the teachers said is actually incorrect? Bringing one's case to court is not always the best way to solve problems.

I hope that we would not create white terror. We just need to take a step back ..... even though the Pastor has said that this is a sin, we can listen first. Telling lies and extramarital affairs are regarded as sins by the Pastor who has very high moral standards. If he is not even given a chance to express his views,

he will really be worried and afraid after the enactment of legislation in the future. He should not only be allowed to express such views in the church and he may also make such comments outside the church. Can the views expressed by teachers in classroom be exempted?

The problem has just been fully revealed — I was expressing my views during my speaking time but I was interrupted. How can consultations be conducted in the future? Would all those who express opposing views be besieged? This also proves that what I have just said is true. I hope the Government and the Equal Opportunities Commission will not lose their neutrality in this issue just because of the political pressure.

I would also like to talk about Liberal Studies. I hope that the Government would conduct a review. But what should be reviewed? This review should arrive at three "naught's" : first, it would be best if there are no examinations; second, no compulsory subject; and third, no compulsory questions. The schools can teach Liberal Studies, but the subject must be diversified, including politics, the economic philosophy of Hong Kong, the science of interpersonal relationships, life education and the growth of young people, though examinations may not be necessary.

I was very happy when I studied Liberal Studies in my first year of studies at The Chinese University of Hong Kong because we did not need to sit for examinations and the scores would not affect our promotion or whether we would graduate with honours. But now, the situation is different and the students need to recite certain materials. As a practitioner in the education field, I have great doubts about this method of teaching and the compulsory questions.

First of all, I think there should not be compulsory questions; at the most, we can ask the students to select five questions out of 10. Secondly, the authorities should seriously consider not to classify Liberal Studies as a compulsory subject, and the scores in the subject should not be compulsorily counted. The scores in this subject are not counted in the university where I am now teaching, and the same applies to many overseas universities. We simply need to ask the parents and the teachers some relevant questions to find out how anxious they are. Can the authorities allow the students to learn Liberal Studies happily? We are now putting the cart before the horse. When the students find that some parts of the textbooks are too difficult and simply do not understand

them, they can only recite them, and some of the students are even reciting editorials. Does that make any sense?

Finally, I would like to talk about the Disaster Relief Fund as discussed this morning. I think that there must be trust at the outset; for instance, should a person not get married or fall in love again if the first marriage failed? Nothing is perfect; there may be some problems with the allocation of funding before; but can we show our love, be tolerant and have trust? Things done for charity should not be politicized and we can give the victims a hand. I so submit.

**MR ALBERT HO** (in Cantonese): Deputy President, in its first Policy Address and Budget, the SAR Government should fully describe the blueprint for its governance in the next five years and the vision intended to be realized within this term. All new governments should do so. But we are surprised and disappointed that the Government completely lacks comprehensive and long-term planning and it has just referred some major policy issues to the various advisory committees or special committees for study. The Government has not told us if it will take one year, two years or even three years for the studies to be completed.

Concerning the allocation of funding, large amounts of funding are allocated in this Budget to a number of funds: \$15 billion to the Community Care Fund, \$15 billion to the Employees Retraining Board and \$5 billion to the Language Fund. The total amount is \$35 billion, and coupled with other funding to be allocated, the total funds allocated to various funds amount to almost \$40 billion. In the past, a lot of money allocated to funds was not used up in one to two years. Taking the Child Development Fund as an example, a total of \$300 million was allocated in 2008, but the current balance is still a considerable amount and more funding will still be allocated to the Fund in the next few years. Therefore, we can see that a substantial part of this additional funding of \$40 billion allocated to various funds will not be used in the coming financial year. It is incorrect to say that the public expenditure in the coming year amounts to \$44 billion for we should actually deduct almost 90% from this \$40 billion.

Evidently, it is incorrect for the Government to say that the public expenditure this year accounts for 21.7% or more than 20% of the GDP. If we

take a closer look, we will realize that a lot of money is allocated to various funds. This is the Government's golden rule after all because it is unwilling to allow the total expenditure to exceed 20% of the GDP. Even though the Government has an enormous fiscal reserve and foreign exchange earnings totalling more than \$120 billion to \$130 billion, it is still very mean in spending money on much-needed relief and long-term social investment, so we are most dissatisfied with this. Another problem is that, as a number of Members have also mentioned earlier, the Government has always underestimated or miscalculated the balance of the Budget in each of the past six to seven year; hence, there was a total surplus of \$380 billion in the past seven years (I cannot clearly remember if it was seven or eight years), and the figure was simply staggering. The Government's inaccurate estimation runs on a regular pattern: it has always underestimated revenues and overestimated expenditures. Owing to its erroneous assumptions, the Government has not spent a lot of money which should have been used, and we are very sorry about that.

In the future, we have to deal with many pressing problems and we must formulate macroscopic strategies to address them. We all know that population ageing will continue in the next two to three decades and 30% of the population will be aged over 65 in 2041. Therefore, the Government should formulate a long-term strategy to cope with the social problems, including healthcare problems, brought by an ageing population. Moreover, the Government has yet to work out strong and systematic measures with determination to deal with such problems as poverty and the disparity between the rich and the poor which have created serious deep-rooted conflicts. With the weak environmental policies and the lack of investment in education, we cannot help worrying that our competitiveness may continue to decline in the future.

Deputy President, the Democratic Party has already expressed views on the above issues. We believe that the Government should set up a reserve fund for the elderly if it wishes to deal with the problem of population ageing, and we should not set aside a large sum of money every year for this fund as this will affect the coming year's budget and operations. But we should make provision for the reserve fund each year. When the Government handed out large amounts of money four to five years ago, we found it necessary to call a stop to it and asked the Government to put \$50 billion into the reserve fund. We think the Government should not lightly spend the amount through generous tax rebates or other so-called handouts. We think that the Government should allocate some money from its huge reserve and surplus to this fund in addition to making certain



provision each year, to cope with the needs in the next two to three decades. At the same time, long-term investments should be made through the fund for longer-term plans such as the construction of hostels for the elderly or the purchase of medical equipment.

The productivity at work of the elderly population should also be re-estimated. We have actually proposed that the Government should consider re-examining the retirement age and enact laws against age discrimination. However, the Government appears to have no such intention whatsoever. Insofar as the welfare of the elderly population is concerned, the transport fare concession proposed before is a desirable policy. We consider it necessary to improve elderly healthcare services and issue more healthcare vouchers. We also know that the dental services for the elderly are most unsatisfactory. Everybody knows that the elderly dental services under the Community Care Fund do not meet expectations, and few people are benefitted despite the provision of funding. Universal retirement protection is the most important cause, and the community has very clear demands and consensus on this point. The Government should also present proposals on universal retirement protection as soon as possible. Members of the community have already proposed many options, but the Government has yet to give any specific response. I trust that this issue must not be delayed further.

In connection with hostels for the elderly, including nursing homes and subsidized homes for the elderly, the Government has all along been criticized for the excessively long waiting time, which is absolutely unacceptable. Because of this a lot of people on the waiting list have passed away. In 2012, the waiting time for nursing home places is 38 months and that for subsidized homes for the elderly is 35 months. Around 2 000 people waiting for nursing homes and 3 000 people waiting for subsidized homes for the elderly have passed away. How can such figures be acceptable in such an affluent society as Hong Kong? The Government has proposed the construction of additional day care centres to increase the quota and it is going to improve the Bought Place Scheme this year, as well as provide additional nursing services in subsidized homes. Furthermore, the Government will build three new homes for the elderly in the future to provide 600 additional places. Yet, all this is just a drop in the bucket. I have mentioned earlier the number of people on the waiting list and the waiting time. I believe the Government must strengthen its planning and efforts. Why did it fail to do so in the past? It is because the Government often says that land

and manpower will not be available if the work has to be undertaken right away. That is precisely the consequence of a lack of planning.

The Government has stated that it will set aside \$380 million to launch the Pilot Scheme on Community Care Services Voucher for the Elderly, hoping that elderly people will have a choice if the "money follows the user" approach is adopted. Similarly, I do not know how the Government will allocate \$380 million. The trial period is four years and the first phase will last for two years. Nonetheless, only 200 vouchers will be issued and the voucher value is set at \$5,000. How long will the Government drag on? If the Government deals with the policy on elderly care this way, I believe this would lead to more grievances and public anger. In the future, the Government will again be condemned by the international community at the meeting of the Committee on Economic, Social and Cultural Rights and it will also be criticized for its treatment of the elderly.

Welfare policies require planning. Throughout the years, we have been asking the Government to publish a White Paper on planning by the Government in the next few years. The Government has just taken a small step so far and tasked the Commission on Poverty to draw a poverty line. Concerning the poverty line, first, we do not know how this line will be drawn; and how the Government is going to deal with the poverty problem. Is it determined to help those below the poverty line attain a level above the poverty line? How long will it take to put its poverty elimination plan into practice? The Government has not given us any relevant information so far.

According to the figures from the Hong Kong Council of Social Service, there are around 1.2 million working poor people in Hong Kong whose family incomes are below the CSSA level. How can we accept that? How can we convince others that we have tried our best to assist the unemployed and help them find jobs? We must provide sufficient incentives to the employed to make them feel that working is better than sitting at home and receiving unemployment benefits. Thus, we propose that an income subsidy or a negative income tax be introduced, to ensure that employed people would at least not be living below the CSSA level. The Government has so far failed to respond to this proposed measure, and we feel very sorry for this. A slight improvement is made this year as a special allowance for the elderly is introduced. But the Government still insists that a means test is essential, and this has aroused a great controversy. I think that a review should be conducted one year after implementation and the

means test should be abolished, so that all elderly people aged over 70 can be given a special allowance.

This year, the Government allocates \$15 billion to the Community Care Fund (CCF); however, we think the Government cannot shirk its responsibility for long-term planning and completely shift its responsibility of assisting poor people onto the CCF. We agree that a number of pilot schemes can be launched by the CCF. In that case, the Government needs not allocate such a large amount as \$15 billion. It is the Government's responsibility to monitor how public funds are properly used. If money is needed by some schemes launched by the CCF and these schemes have the support of the community, I do not see why the provision cannot be submitted to the Finance Committee for approval. Therefore, the Democratic Party insists that schemes requiring a total funding of more than \$30 million should be subject to approval by the Finance Committee. Hence, we believe that the Government should expeditiously conduct a comprehensive review of this policy, (*The buzzer sounded*) ..... to ensure that public coffers are well spent.

**DEPUTY PRESIDENT** (in Cantonese): Your speaking time is up, please sit down.

**MS CYD HO** (in Cantonese): Deputy President, I will observe the rule and speak on public finance and the Budget.

Deputy President, let me tell the government officials at the outset that I will vote against this Budget. Insofar as I can remember, I have never voted in favour of any budget since I joined this Council as there are fundamental differences between the Government's basic principle of financial management and my views. While this is my personal belief before the formation of the Labour Party, it became the general belief of the entire Party after its founding. We believe in the principles of investing for a society and equal risk-sharing, as well as mutual-dependence and love with equality. The Government, however, believes in market competition and even carries it to the extreme of survival of the fittest. Worse still, it introduces measures to help the strong and oppress the weak, and places our economy in the hands of some so-called "capable" people. However, after these "capable" people have developed to a state of monopolizing the market and causing its failure, the Government could do nothing about it. It

merely "handed out candies" to "contain" the situation, but refrained from making any long-term commitment. Today, we are going to conduct a brief review of the situation.

The poverty problem in Hong Kong has been worsening, and this is mainly attributable to the Government. It has been the Government's own making in this creation of poverty, from the formulation of the direction of Hong Kong's economic development to such major policies as housing, education and labour. Post 1997, Hong Kong's industries have been dominated by the financial and real estate sectors. Thanks to the Government's blind faith in the four major pillars, the manufacturing industry has thus dwindled. Job opportunities for the grassroots and the middle-level managers have significantly reduced, thereby causing the degentrification of the middle class and giving rise to an "M-shaped society". Notwithstanding that, the Government still failed to drum up the resolve to develop the creative and recycling industries in the earliest possibility. It was the financial services industry alone that out-performed the rest and became the mainstream of society. As a result, Hong Kong has become very dependent on the external economy. Whenever the external economy is hit by economic crises, our economy will suffer pretty soon. And yet, the pace of recovery of Hong Kong has not been as quick as our competitors in the Asian region.

Furthermore, the Government does not have a vision and dares not make investments in either society or talents. It has even cut down on its expenditure. The Labour Party reiterates that, based on this table which Mr LEE Cheuk-yan has mentioned time and again, government expenditure has lagged behind the GDP since 2003 with a shortfall of \$20 billion. This is why we have all along advocated increasing the recurrent expenditure by \$20 billion. By so doing, policies such as small class teaching, the provision of additional university places, the elimination of emissions and environmental measures for the promotion of public health can be easily put in place.

Most unfortunately, however, the Government always refuses to take the initiative to proactively implement more progressive policies on the pretext that it should remain vigilant in peacetime and prepare for crises. It is indeed acting like a soon retiring person who feels so helpless that he has to hold fast to his pension or savings and becomes hesitant in spending. And yet, Hong Kong is not a retiring city and we still have a long to-do list, including the nurturing of the next generation. Therefore, we should not adopt such a regressive approach as

the Government. Its regressive and conservative attitude has given rise to the "self-fulfilling prophecy", meaning that one's fear to move forward has made an aversive situation more prone to happen.

Also, many government policies have actually created poverty. At present, the living costs of many grass-roots families are so high that their income can hardly catch up. This is all because of the lack of commitment of the Government, which has blindly believed in the principle of "small government" and competition, thereby further weakening the bargaining power of the grass-roots workers. I can cite a few policies as substantiated examples to illustrate my point.

Firstly, it is the outsourcing and minimum wage systems. In 1999, in the wake of the financial turmoil, former Financial Secretary Antony LEUNG outsourced public services and therefore drastically reduced the income of many modestly well-off families which used to earn a stable income, especially the most junior civil servants from the Food and Environmental Hygiene Department. Their income was drastically reduced from about \$11,000 to \$6,000 as paid by the contractors. The fact is, the Government had all along failed monitor the contractors at all and many grass-roots workers only earned a mere \$4,000-odd, which was only two thirds of their previous income. After the Minimum Wage Ordinance finally was enacted, the Government had to seek a supplementary provision of \$700 million from the Legislative Council to make up for the difference between the income of outsourced workers and the minimum wage. This \$700 million is the price paid by the grass-roots workers to enable the Government to cut down on its expenditure. This is the phenomenon of poverty created by the Government. Noting that the Government has taken the lead to exploit the workers, the contractors follow suit. The \$700 million is the evidence, which proves that the Government has exploited the income of the grass-roots workers and created poverty through its policies. However, this has yet to include the meal break pay of outsourced workers over which a consensus has yet to be reached.

Secondly, it is the public housing policy. The policy of "85 000 units" should have been a good initiative, but it unfortunately fell victim to the financial turmoil. Instead of flexibly adjusting its rein, the Government rolled out the \$16.7 billion Home Starter Loan Scheme and thus placed many people who would not have become property owners in predicaments. This is precisely the after-effect of the Government's decision to boost the market for fear of

antagonizing the property developers. While it is easy to abolish the public housing policy, it is pretty difficult to reinstate it. As a result, 220 000 people are currently waiting for public housing and the target of maintaining an average waiting time of three years for allocation of flats could not be met. Worse still, while they are waiting, they have to live in sub-divided units or "coffin-sized units" with poor living conditions and use 60% of their monthly household income to meet such housing expenses.

Thirdly, I must mention the education policy. Although the old academic structure, comprising a five-year secondary course and a two-year matriculation course, could not be regarded as 12-year free education, the Government had provided an 80% grant subvention. But now, secondary education is comprised of a three-year free junior secondary course and a three-year free senior secondary course. Students who met the university entry requirements with their Hong Kong Advanced Level Examination scores in the past used to enjoy a higher entry pay point, but now it has been replaced by associate degree programmes. These self-financing associate degree programmes cost students \$100,000 to \$120,000 for two years on average. Worse still, they are not monitored and there is no assurance of quality. This precisely shows that the Government has shifted the education costs onto the families and individuals.

Furthermore, the listing of the MTR Corporation Limited has rendered the fare adjustment mechanism ineffective and raised the transport costs of members of the public. On the other hand, the sale of shopping malls and car-parking facilities of public rental housing estates to The LINK REIT at \$20 billion has also greatly increased the living expenses of the grassroots, and pushed up the stock prices of The LINK REIT from \$10 to some \$40 at present. It was true that some people have benefitted, but they are major shareholders who have spare money for investment, and their benefits were derived from the ever-increasing daily living expenses of the poor people and grass-roots families.

Deputy President, apart from the enactment of legislation on minimum wage, I fail to see the Government draw up any specific timetable for the introduction of changes to basic policies mentioned. It did make an empty promise in respect of the housing problem, but it was made under the guise of a large-scale reclamation project to provide more than 30 hectares of land. When the people's income fails to catch up with the regular living expenses as a result of the unfair public policies, the "handing out of candies and cash" is certainly not a solution. Even the provision of an extra one-month or two-month allowance

would only be regarded as "pocket money" for the grass-roots families, and fails to serve any purpose in the long run. Therefore, the Labour Party opposes the "handing out of candies" across the board. Instead of putting up a fireworks display, we should pool the resources together for use on a number of policies, with a view to reaping returns from long-term investments.

Apart from expeditiously putting the abovementioned policies back on the right track and eradicate poverty, we also wish to point out that with respect to those more detailed poverty alleviation policies, the Government would rather inject \$15 billion into the Community Care Fund (CCF) on a trial basis than formulate long-term policies. First of all, I very much agree with Mr Albert HO that the CCF should be subject to the vetting and approval by this Council. Besides, I also hope that the Chief Secretary for Administration will honour her words by expeditiously putting policies with improved administrative procedures back on the right track and from now on determine its commitment on the basis of recurrent expenditure.

Regarding the provision of \$15 billion, the Labour Party wishes to provide an alternative perspective for Members' consideration. In our opinion, poverty alleviation is not a benefit to the grassroots as everyone in society is mutually dependent. No matter how grass-roots a person is, every cent he spends daily and monthly actually goes to the pocket of the well-off people in society. The residential care and child care services which the Government refuses to provide are now supported by the contributions made by the grass-roots women and families. Therefore, when public coffers are saved or when a person becomes well off under the unfair system, it actually happens at the expense of the grass-roots people. People are mutually dependent in society, and it is precisely for this reason that an allowance for carers should be provided.

As a result of the Government's refusal to provide residential care services, the needy elders have to have in a very long queue and must therefore be taken care of by their family members who are mostly women. Not only has the provision of care by these women helped the Government save \$8,000 to \$10,000 per capita for the procurement of residential care places, the care and attention provided by them is better as the care administered and trust inspired is invaluable. Such trusted care by family members may serve as an encouragement to the elders, and help to slow down the pace of declining health, thereby lowering the medical expenditure to be borne by the public healthcare system in taking care of the elders in their twilight years. Therefore, the

provision of a carer allowance is not only a token of recognition of the women's time, but also conveys a message to society that everyone discharging their responsibilities is actually making contribution to society. Furthermore, the allowance also helps to build up the self-confidence of the carers who have spent much time taking care of the elders because they are no longer entirely financially dependent on family members who go out for work. As a result, negative sentiments among family members can be eased and incidence of domestic violence may probably be minimized.

This is how we look at the carer allowance and the same perspective has been adopted for universal retirement protection. There was no Mandatory Provident Fund (MPF) System when the elders were young. Neither was there any income for women who took care of their families. Thus, there is a need to introduce universal retirement protection for everyone. Of course, even the MPF System cannot do much help to the working class. The Labour Party supports the proposal of setting up a seed fund of \$50 billion put forward by the academics, which entails tripartite contributions by the labour side, employers and the Government. We will adopt the same attitude as in our previous struggle for minimum wage, and make the universal retirement protection our goal. At present, it is imperative for the Government to present accounts, accounts on the population policy and population projection, and let us know the reserve earmarked to make up for the insufficient workforce. Given that the Government has invited Prof Nelson CHOW to conduct a study in this regard, the relevant information could be disclosed, such that other academics and professionals can look into the matter together.

Lastly, the Labour Party will give an account of how we are going to deal with the filibuster. We reckon that filibuster is a powerful tool for negotiation with the Government and permitted under the existing Rules of Procedures, thus the minority pan-democratic camp must treasure and make good use of it. Nonetheless, the Labour Party will not take part in the filibuster on this occasion as we do not support the proposal of "handing out cash". We consider that to achieve universal retirement protection, the most pressing task now is to draw up a proper proposal and chart the direction of population policy. A filibuster lasting for two to three months will not bear any fruit. And yet, we will discuss on and criticize individual government officials, Policy Bureaux and policies during the Committee stage. In fact, the Legislative Council has reserved too little time for the discussion on the Budget. I have done some computations and found that in the week beginning 7 April, only 46 hours were spent on discussing



an expenditure of some \$300 billion, which is seriously insufficient. Noting that a number of amendments have been proposed, I call on Members who are not taking part in the filibuster to enthusiastically express their views on policies of concern to them, such that we can buy more time to thoroughly discuss the Budget.

However, here, I would like to warn the Government against using the elders and recipients of Old Age Allowance, Old Age Living Allowance, CSSA and Disability Allowance as hostages, and telling them they will not receive any allowance because of the filibuster. We have looked up section 7 of the Public Finance Ordinance and learnt that the Government can actually seek funds on account time and again. No matter you consider this a gentle reminder or warning, I would like to call on the Government not to use people receiving public assistance as hostages.

Thank you, Deputy President.

**MR ABRAHAM SHEK:** Deputy President, in this city, where rationalism is playing second fiddle to populism, we need to learn the art of distinguishing between political illusions and economic realities. A case in point, the Policy Address points to the direction of illusionary utopia path, but the Budget brings us back to economic reality.

Deputy President, the Budget delivered by the Financial Secretary in late February poured cold water over Hong Kong people's heads, jolted them from their dreams and wakened them up with nightmare. For too long, the people have been spell-bound by the words of Government leaders who vowed to tackle long-existing problems and build a better future for all. Change was promised. Changes have not come and yet to come. After the Policy Address and now the Budget, it is painfully clear that the only change has been in rhetoric, rather than in actions.

No one can be unmoved by the plight of 1.2 million people struggling to make a living in our city of affluence, and the inconvenient truth that after a life-time of hard work, the only heirloom that many fathers can pass on to their sons is poverty. The Hong Kong spirit of everyone getting a fair shot and each succeeding by their own hands has been shaken. We have a mission to restore the belief that in Hong Kong, if you are determined and work hard, then you can

reach for the stars, whoever you are. Just look around here, little as we may be in here, where we are all in the stars because of our hard work and good past government policies.

I believe education and housing are two key areas that we should work on, yet I felt the Budget did not offer enough in these two areas.

Were policies inadequate because the Government could not find the resources to foot the bill? Much criticism has been levelled against the Financial Secretary in this Chamber but no one can fault him for his ability to come up with good figures for Hong Kong. But Budget Forecast is an art and not a science, particularly in the present global economic environment. The Financial Secretary has done a remarkable job to the extent that he has given us realistic policies reflecting his personal values and bourgeois conservatism. The facts and figures speak for themselves: the sixth consecutive fiscal surplus; a total surplus, accumulated since 2007 when he first took office, of over \$300 billion; the tremendous growth of the Exchange Fund, from \$1,200 billion in 2007 to \$2,800 billion this year; and the doubling of the fiscal reserve from \$374 billion to \$734 billion over the same period.

These figures show us that the Government has the resources to spend on much-needed policies for the well-being of Hong Kong people, and I say this bearing in mind that the Financial Secretary has a duty to balance the books and keep government expenditure in line with revenue. The problem is that the money has been inappropriately spent. The solution is that those resources should be directed towards long-term and effective measures that can combat poverty.

The Financial Secretary has spent \$33 billion this year on "one-off" relief measures, but these so-called "one-off" relief measures are not "one-off" at all — they are more of the same from past years.

We have had reductions in salary taxes for at least six years in a row; extra payments for Comprehensive Social Security Assistance, Old Age Allowance and Disability Allowance for four consecutive years and electricity subsidies for three consecutive years.

Judged on their own merits, Deputy President, there is nothing wrong with these measures. I remember they were well-received in the first and second

years they were announced. I thought then that these were short-term measures to relieve temporary difficulties. However, when it is more of the same for the third, fourth, fifth year, and so on, these temporary short-term measures have become permanent features. I fear that even the Financial Secretary is starting to succumb to the populist mood, as some of his fellow colleagues have unfortunately done. Most importantly, we have to ask the question: Is repeating the same "one-off" measures the answer to resolving our long-term problems? The answer is no, and the reason is simple. You cannot keep on applying temporary fix-ups and think that problems of a deep-seated nature with deep-seated causes will just go away. You may relieve the symptoms for a time, but they will keep on returning because the problems have not been cured but have grown bigger. People in poverty may enjoy one or two months of relief because of the hand-outs, but afterwards, they are back to square one. Hong Kong people need no handouts, and what we need is the opportunity to pursue our dreams in a living and working environment of level playing fields, where hard work would be appropriately rewarded. The Government's duty is to create wealth and to ensure fair distribution to its ruled through caring policies

Poverty alleviation requires an emphatic and sustained effort in policies and recurrent spending. The Government should each year be rolling out more public housing, better labour training programmes, bigger health subsidies for the elderly and extra subsidized university places, just to mention a few needed measures. Yet, the Government has continually avoided additional recurrent expenditure like the H7N9, arguing that it could be unsustainable in the long run.

Is it unsustainable? Look at our so-called "one-off" relief measures. Over the past seven fiscal years, these have cost us a total of \$213 billion, dwarfing even the \$15 billion that was put into the Community Care Fund this year. If we had invested that \$213 billion, we could have spent \$10.7 billion every year on long-term anti-poverty measures, based on a 5% annual interest income. The money for seven years of "one-off" measures that led to temporary relief at best, could have been used to fund long-term programmes that would have brought decisive changes to the lives of the people who created the wealth.

So it is not a case of having an empty wallet, but rather a case of misspending. The problem of misspending is not confined to the "one-off" measures. There were some other areas in the Budget where I felt the measures

announced could have been shelved and the money devoted towards more appropriate and effective policies.

One such area is education, which is recognized as one of the strongest weapons against poverty, especially inter-generational poverty, by offering ladders for everyone to climb up and make a future for themselves. Yet the current view is that you have to pay to get onto a better ladder, as our education system has been criticized for favouring the well-off and perpetuating, and even widening, the rich-poor divide. I believe the Government can alleviate this injustice by helping the less well-off to meet their children's education needs.

A very basic measure in education that the Government should have implemented and for which we have been striving endlessly in this Council, is to increase the number of subsidized university places. Currently, there are many young people who studied hard to qualify for university, but see their dreams dashed and talents wasted because there are too few subsidized degree places and too many expensive self-funded programmes which they could ill afford. With a degree, young people can aspire to more rewarding careers and bring real changes to their lives. With more people with higher education, the needs of a knowledge economy can be satisfied. So this could not only benefit youngsters, but the economy as well. But again, this suggestion has fallen on deaf ears.

We have suggested many measures, and people might ask where we are to find the resources for these education measures? Again, it is not a question of not having enough money, Deputy President, but of how the Government spends it.

Look at where the Government has actually spent in education. The Government has proposed to inject an additional \$480 million into the HKSAR Government Scholarship Fund to set up scholarships for local students to take degree courses or teacher training programmes in prestigious overseas universities. It is a well-intentioned policy but a misplaced one. How many beneficiaries will there be each year for this \$480 million, Deputy President? Twenty. Who will benefit? Outstanding students, who most probably already have a bright future ahead of them without requiring Government help. When did it ever become the principle and policy of this Government to give further support to the few at the top and ignore the ordinary majority? Deputy President, teaching profession is a noble career. A good teacher teaches from

the heart. A teacher cannot teach by serving time to fill up a funding gap *vis-à-vis* a scholarship. This is a sad case of forcing people to be teachers who will have no love for teaching.

On the issue of housing, Deputy President, the Government has not done a good job either. Again, the correct principle should be devoting our public resources towards helping those most in need. In this case, it is the people who do not have a proper roof over their heads who most need our help and attention. Public rental housing, as I have always stressed, is the best hope for the people for a decent living environment. However, it seems that under the Government's policy, they will be facing an even longer wait before their hopes could be realized. There are currently over 220 000 people on the Waiting List, compared with Donald's era of 110 000, and the message they receive from the Government is that there will be 79 000 public rental housing flats available within five years for them to fight over, because there will not be enough to go around. The Government might claim that 79 000 flats, compared to Mr Donald TSANG's time of 75 000 flats, already marks an improvement, but that is playing a conjuring trick with the public, because the number of people on the Waiting List has increased and will increase further, and the waiting time will get ever longer.

The Government must spend more resources and implement measures to increase public housing and Home Ownership Scheme (HOS) flats, for example, by speeding up the process of how land uses can be changed to free more land for housing. As I have said time over time again in this Council, we should think out of the box, and have the MTR Corporation and the Urban Renewal Authority to participate in building more HOS and affordable housing. This went dead to the Government's deaf ears. However, the Government instead tasks its best brains with coming up with measures such as the Buyer's Stamp Duty (BSD) and the Special Stamp Duty (SSD) to interfere in the private housing market. A case in point, since the implementation of the SSD in November 2010 and for two years, flat prices have increased by 35% and property transaction has gone down by 40%. Are they successful regarding the SSD? The answer is "no". But the Government thinks it is. And then further, they have not learnt from this exercise. They even strengthened and lengthened the SSD and even brought about the BSD. The answer is very simple, and I hope I am wrong, Deputy President, that is, we will see prices going up further and property transaction going even further down.

Lastly, Deputy President, as my time is coming to an end, I would like to say a few words to the Financial Secretary in absentia: Do not ask Hong Kong people to settle for less; we can and should aim for more. While he was talking about building an ideal society and reminding us to be pragmatic, the Financial Secretary in absentia, borrowed a quote from the former United States President Theodore ROOSEVELT: "Keep your eyes on the stars, and your feet on the ground." My response is: We share your belief and we are aiming for nothing more than getting the disadvantaged back on their feet. But if the Financial Secretary insists on aiming for the stars, well, I quote again from the same person: "Believe you can and you are halfway there." Hong Kong people can have faith that we can, as well as the determination (*The buzzer sounded*) that we must, put an end to the miserable sight .....

**DEPUTY PRESIDENT** (in Cantonese): Your speaking time is up, please be seated.

**MR ABRAHAM SHEK**: ..... of poverty.

**DR KENNETH CHAN** (in Cantonese): Deputy President, the Financial Secretary is not present now and only a couple of officials are here to listen to our debate. I wonder if other officials have gone to the series of events supporting the Hong Kong: Our Home Campaign (Campaign), busying shuttling on the big and small streets to market LEUNG Chun-ying's regime, in the hope that the people of Hong Kong can feel their so-called "positive energy".

Yesterday, when reporters asked how much money would be spent on this Campaign, the Government replied that there was no estimation as different departments had their own way of mobilizing resources and manpower to support this Campaign that could generate the so-called "positive energy". Why does this Government not attend to its proper duties? We are here debating the Budget, the contents of which are exactly related to the various issues concerning the people's livelihood, economy, education, urban planning, and ageing, disease and death.

Deputy President, Hong Kong should have been a city that we are proud of. But in the past few years, the Gini Coefficient in Hong Kong has continued to rise and now it has reached 0.537. The Gini Coefficient is an indicator of the wealth

discrepancy in society. We have not fully utilized our financial resources, fiscal reserve, talents and our collective wisdom to rectify the situation of a wide wealth gap and social injustice.

We find that the Government is getting better and better at the tactic of "pulling one camp to pitch against the other", turning the middle class against the grassroots and the businessmen against the wage earners. Or, the Government would give you the cold shoulder, citing the principle of "big market, small government" as an excuse to shirk its responsibility. The Government in the last term was particularly lazy and stand-offish, making the problems deteriorate even further.

I am an academic and I always choose to reason over using the dominance to bully. We hope that we can always embrace our ideals, aspirations and visions and adopt a people-oriented approach in our negotiation with the Government. However, today in Hong Kong the poverty problem is worsening.

If Members are not satisfied with or do not understand why we only look at the Gini Coefficient, we can take a look at the number, design and evolution of the "sub-divided units". Some colleagues of mine who are anthropologists once paid site visits to the "sub-divided units" and they were dumbfounded at the significant changes in the past decade. Today, in Hong Kong, the poor are fighting against the poor. The so-called principal tenants and owners of these "sub-divided units" are actually people living on a tight budget. They exhaust all the means to scrape by with their limited savings, resources and assets. Has this Government buried its conscience and become totally heartless? Or it considers what it has been doing is accountable to all, accountable to Hong Kong people and accountable to justice?

I have to stress the women's situation. Women make up half of our population. They contribute their whole life to Hong Kong's economic achievements. They sacrifice their career and work to take care of their family while exhausting all means possible to supplement their family income. However, is their livelihood adequately protected? Has the Government adopted any policies in recognition of their contribution? Hence, in the past few years, the discussions on a carer allowance to have become increasingly prevalent.

The granting of a carer allowance is exactly the positive message that the Government should give to society, rather than the Campaign. The Government should show commitment and it should have the responsibility to let the carers know that it not only appreciates their sacrifice and contribution to society, it will also back them up with substantial policies so that they can tell their family that their contribution to their family is recognized by the Government as a matter of duty. The whole community should understand and accept them and give them support and encouragement.

The universal retirement protection has aroused the current dispute because we realize that in the Hong Kong society, an increasing number of homemakers, a jargon used by the Census and Statistics Department, carers and housewives lack retirement protection. These people are very anxious and worried. In the face of adversities, what should they do? Some may think that I am too tender-hearted. This I admit. Under the present state of social devastation riddled with worsening problems, when we reason and negotiate with the Government, should we, as elected Members in this Council, honestly tell the Government that this community is at the brink of explosion?

It is against this background that my colleagues and I have examined this Budget very thoroughly, spending a whole week to study the accounts under various heads, then raising over 500 questions. These questions reflect the fact that the Government, though hoarding a huge fiscal reserve, is indifferent to the various social aspirations and questions put forward by Members about the people's livelihood in the past week, as it refused to respond to the questions in nine out of 10 times and maintained its miserly disposition all the while.

The Budget is like playing the shell game and trying to create an illusion by moving the money here and there, using three cups and one dice, and asks you to guess where the money has gone. The Government injects money into different funds, such as injecting \$15 billion into the Employees Retraining Board to meet its expenses of hundreds of million dollars each year; and injecting \$5 billion into the Environment and Conservation Fund, which was revealed by the media as being exploited by organizations close to the Government, leftist organizations and the pro-establishment camp who have used this money to pay for their own expenses on public relations and publicity campaigns. As regards the injection of \$5 billion into the Language Fund, my colleague has questioned the Government about the usage of this money but failed to get an answer. Under



the leadership of the Financial Secretary, the Government has learnt how to play magic and the shell game to evade the public's basic aspirations for true allocation of funds as recurrent expenditure. In so doing, how can the Government not anger and disappoint us? Therefore, I have to declare here that I oppose this year's Budget. The Financial Secretary should learn from the failure in the past and rectify his philosophy of financial management. It is a solid fact that the Administration sits on its money and does nothing, ignoring the public aspirations. Examples of these are much too many to name here.

Deputy President, as I work in a university, education is a great concern to me. In the past six months, I cannot help but vomit blood when I think of Secretary Eddie NG. He is a layman who knows little about education and needs the civil servants at his side to constantly remind him of various issues. Because this year is a double-cohort year of the universities, over 20 000 students who are qualified to enter the subsidized universities in Hong Kong are being forced to pay their own tuition to enrol on some post-secondary programmes of varied quality. It is because the Government refuses to subsidize their studies. Yet, the Government continues to brag and dream about its achievements. It also tells us that with the increasing number of tertiary students, it will assist these students to enrol on degree programmes offered by the local subsidized educational institutions that articulate with their associate degree programmes in the future, while these students have to make a detour which costs them a few years' time, during which they have to borrow loans to pay their tuitions. Worse still, they have to worry if they will be able to repay these loans after graduation, while continuing to suffer ridicule by other people.

The sponsoring bodies, those traditionally known as the eight major institutions, have abandoned their conscience of operating a school in the face of the "market" fabricated by the Government, arousing cries of discontent everywhere and leaving a mess for the Legislative Council to clean up for them. The Government has set up a fund of \$480 million for no other reason than just to provide 20 weirdo scholarships for outstanding local students. The New People's Party had wanted to boast about their participation in the lobbying for the establishment of this fund, which was also reported by some newspapers on the day the Budget was published, but as the outcome was totally out of their expectation, they then turned around to rebuke those comrades of the pro-establishment camp. To them I must take off my hat. Therefore, I ask Members to carefully consider if the Government has drawn up policies and

prepared the Budget in accordance with the principle of justice and the people's needs, or just faked a public consultation and modified their ideas that sound agreeable to it into some other things and then claimed that it has delivered some results.

We have heard the complaints of over 200 kindergarten teachers and representatives of their sector at a meeting of the Panel on Education of the Legislative Council. Many teachers said that even without the government funding, they still had the zeal and aspiration for education and were prepared to participate in the development of kindergarten education. In the past decade, many teachers have spent \$200,000 to \$30,000 to further their studies, hoping that the 15-year free education proposed by the Government would be implemented soon. In the end, what they get in return is a committee chaired by Moses CHENG. How can the Government ask people to "look up at the stars"? The Government should be ashamed of itself.

Deputy President, the Financial Secretary bragged at the annual conference of the Economic Freedom Network Asia last year when he talked about how the greed of the Europeans and Greeks had led to the continuous expansion of their welfare mechanism which ultimately made them insolvent and gave rise to a series of crises. Even though in the university I teach knowledge of the European Union (EU) and the integration of Europe and I also engage in studies on Europe, I have to check the books about these topics. I do not dare make any comments lightly.

The bursting of the bubble was mainly caused by the faulty banking system and ineffective supervision. The central bank followed others to engage in investments, using low interests to lure the people to borrow money, but the government did not think about implementing policies to use these new resources and low-interest funds to develop infrastructure and other industries. Instead, they, like Hong Kong, chose to speculate in the property market and engage in other short-sighted pursuits. In the end, everyone was like receiving a wake-up call when the bubble burst and then conducted stress tests on the banks. Concerning the crises faced by the EU at present, we cannot attribute them to the greed of some people and blame it on the retirees who need welfare benefits and the unemployed who need assistance. They are all victims and now they are the first to bear the brunt. They have no choice but to tighten their belts. After the European Monetary Unification, many European countries are unable to adjust

the exchange rate of their currency through depreciation to seek a way out for their economy. This is also a structural problem confronting Europe currently. Deputy President, it also reflects the ineffective supervision by the governments of these countries.

It is obvious to all that the Hong Kong financial system is relatively sound. With such a solid foundation and ample resources, why can we not have a government that has ambition and foresight and can bring hope to the people; a government that can assure us that it will create a society of equitable prosperity within its five-year term and truly reduce the Gini Coefficient so that the people of Hong Kong can rekindle their hope and be willing to continue to work hard for society?

Deputy President, I so submit.

**MR PAUL TSE** (in Cantonese): Deputy President, at 8.30 am today, before this meeting resumed, we had begun debating whether or not to grant \$100 million from the Disaster Relief Fund (DRF) as donation. We spent much time on discussing, even disputing and making criticisms. The critical point of contention is not the amount of the donation, rather it concerns if the donation can really be delivered to the victims, or because of the problems with the system, corruption or misuse in the past, making the donation redundant and not justifiable to be made.

We have heard many criticisms and many of them are true and objective facts; but the problem is, even here in Hong Kong, the monitoring of the whereabouts of donations is not much better. Deputy President, many colleagues, including Mr Albert HO and Dr Kenneth CHAN who has just spoken, have criticized the arrangements of some funds. Many colleagues have commented on this Budget from different perspectives. Perhaps let me try to look at it from a rather novel angle.

Deputy President, I can recall that on 14 December 2011, Mr Paul CHAN, who was still a Member of the Legislative Council then, asked a very detailed question and the Government gave a relatively comprehensive reply on the existing government funds then. According to the reply, there were 34 funds set up by the Government which involved many departments. Among them, 11

were run by the Home Affairs Bureau, 10 by the Labour and Welfare Bureau, six by the Education Bureau and the remaining two to three Policy Bureaux also had their respective funds.

(THE PRESIDENT resumed the chair.)

As for the history of the funds, the earliest was set up in 1950 and there was this Sir David Trench Fund for Recreation ..... Pardon me, the one set up in 1950 should be the Samaritan Fund. According to that report, the Community Care Fund (CCF) established in 2011 is the latest one. However, looking at the arrangements for the various funds in Hong Kong, President, I am a little worried. The DRF is not the only one that has many problems. For all those funds, where has the money gone? Are the funds properly utilized? Are they properly regulated?

President, first of all, let us look at the so-called vehicles of these funds, which are quite diversified. In the past, funds were often set up and regulated by law which clearly stipulated the purpose of their establishment, composition and duties of the members, and functions and aims of the funds. They were rather clear. Afterwards, perhaps for the sake of convenience, for example the Sir David Trench Fund for Recreation mentioned by some Members earlier, is a multi-purpose fund serving various functions under the Home Affairs Bureau, but at least its objectives are clearly stated. Later, the regulation became even more lax because different Policy Bureaux, such as the Home Affairs Bureau and the Education Bureau, often set up corporation funds in the capacity of the Permanent Secretary. By law, these are of course effective entities that can accept money and operate, but what are they in reality? What are their aims and how are they regulated? There does not seem to have much mention about them.

I have read the relevant regulations and provisions and found that they are very concise. Basically, as long as there is one vehicle, you can do anything about a fund and attach anything to it. Of course, there are even laxer cases such as the CCF which was not established on any legal basis. It was set up only in the form of a trust document, but the injection that it involves amounts to tens of billion dollars.

President, if we look further we will find that the situation is all a mess and there are no rules or regulations to speak of. How do these funds use the money, that is, when is their capital used and when is their interest used? There is hardly any mention of it. I have found that only the Research Endowment Fund laid down this information when it was established, that is, it was stated in 2010 when it received the injection of \$19 billion that only its interest can be used. But other than that, there is hardly any mention of this on many occasions. Compared to the past cases such as the Sir David Trench Fund for Recreation, the relevant ordinance stipulated that only the interest earned could be used and it had to be used according to the aim of the fund; however, if the principal was to be used, it had to be approved by this Council. Everything is subject to rules and regulations and is fully spelt out. How about now? What is the situation of the CCF? No one knows.

Earlier I have attempted to ask the Administration questions about the principal of the funds or when their interest is to be used, and it seems that the case varies from one fund to another. I was told about their prevailing thoughts and practices, but there is no legal basis, nor is there any regulation. Of course, this is very convenient for the government officials as they have great flexibility. Conversely, we want to examine whether the funds are fully and properly utilized, whether someone is too lazy that the relevant funds are barely touched, and whether there would be people who do not even know about these funds, let alone applying for them, for these are all very serious problems.

Well then, is there any monitoring mechanism? President, we see that the Environment and Conservation Fund is in a better position for at least it is expressly provided in law that a regulatory committee is to be established. Of course, the members are appointed by the Government but at least there is a committee responsible for monitoring the utilization of the fund. However, the great majority of the other funds do not have such a mechanism.

As for the question of when the Government should inject money into the funds, there is no mention either. Very often, it all depends on when the Government likes to do so, just like playing a child's cooking game, and it is up to it to add water to whatever pot or bowl chosen at random. There are absolutely no rules or regulations to follow, no objective criteria to determine whether the money in a fund is sufficient at a certain given time or after what objective

conditions have been met that the Government may consider injecting into a fund or applying to this Council for allocation of money for injection.

Let us look at the Language Fund. In 2010 there was \$1.9 billion in the Fund and the amount available for use was only \$95 million and the Government will inject \$5 billion into it this year. As regards the Employees Retraining Board, in 2011 it had \$3.5 billion, out of which about \$2.19 billion is used each year and \$15 billion will be injected into it this year. We welcome these injection proposals if the Government truly tries to reach their goals by increasing the funding. No matter the goals are for environmental protection, retraining or others, as long as the money is properly used, it is good. However, if there are no criteria to determine when injections are to be made again, under what circumstances the injections are to be suspended, or what conditions need to be met for an injection, there would be a big problem. Would it be just as some colleagues have criticized that the whole mechanism under which those funds were created was for the convenience of the Government on the surface but in reality the true purpose was to evade the monitoring and regulation of the Legislative Council? This possibility cannot be rule out.

Moreover, I wonder if my comments will sound like hinting the conspiracy theory. But I have also wondered if the following is true: as the Government keeps stressing the policy of "small government" and for the sake of international reputation, our annual recurrent expenditure or public spending has to be kept at under 20% of our GDP; so in order to achieve this goal and to maintain its reputation, before the expenditure exceeds 20%, the Government would hide the money in some small containers, and these funds are the best vehicles. Hence it appears that the expenditure has not exceeded 20% but in reality it may have exceeded this limit, and not only has it exceeded the limit but its whereabouts are not known. In the end, it pleases neither side. I hope that this is only a conspiracy theory and that the Financial Secretary will explain to us when he has the chance why the Government is so fond of handling matters in the form of funds. Regarding my criticism that the funds lack an objective definition, regulation and operation, I wish he could tell us what special reasons there are to hold us back from properly straightening them out so that the funds will not be like the DRF that we criticized this morning, which is subject to no rules and regulations and even riddled with flaws.

President, in respect of another problem that I wish to raise, because of the time constraint, I cannot discuss every detail but I wish to take full advantage of

this opportunity to talk about the finance management philosophy that has attracted so much criticism by Members. President, let me cite an example as an analogy: if the Government is only the management company of a building, then the property owners are the real proprietor of the management company. Hence, in this case the Government should be, to put it more nicely, a public officer, or not so nicely, a civil servant, or someone who works for the people. When they handle the finance or use the money, do they really regard the people and society as their employer? In the case of a management company, when the owners of the building, or even the tenants, need to carry out some maintenance works for the facilities, or improvement works, should it carefully consider the needs of the owners or tenants, rather than making their own decisions and doing whatever they consider to be particularly desirable?

In fact, I am afraid that those in the Government have been considering themselves elites for far too many years, convinced that they understand the operation of the whole government and the way to manage the finance better than all of us. Therefore, very often they tend to do whatever they like. They make a lot of money, but the point is not here, for the problem is that they will only set the money aside and when there is a need to use the money, they do not give full regard to the needs of their real employer. This is of course a very crude analogy, but the fact is if we do not put this most fundamental ..... Very often, the most important principle involves the simplest wisdom, which is that as long as we place our focus in the right place, we will naturally understand who the host and who the guest are, and who is in charge, then we will not make mistakes. The problem is for too many years we seem to have lost this concept of the primary and secondary. The Chinese character "官", meaning the official or the party who rules, is indeed noteworthy. Of course this is a problem with our culture of thousands of years. The "官" always seem to be superior but I am afraid this is an entirely outdated concept. Whether you like the British culture or not, and even though their concept of civil servant has a certain hue of pretence on it, at least it impresses one as it is closer to the reality. Our problem is, however, the concept of "官" is far too dominant at present, and the subjects can only operate around the two "mouths" of the "官" and submit to them.

President, in the remaining time please allow me to talk about the issue concerning whether we have the ability to make money. Considering the recent incidents, I wish to cite one or two examples to illustrate this problem. Earlier, we were just about to scrutinize the imposition of "restriction on the quantity of powdered formula" but mistakenly missed the chance to do so. Of course, the

general public are all aware of the background of the imposition of "restriction on the quantity of powdered formula". In fact, this could have been a wonderful opportunity for us to make great profits but in the hands of the Government it was turned into a crisis, which is more of a problem than an opportunity. Actually all countries and all governing teams of high calibre would take advantage of a crisis and turn it into an opportunity, but this Government has turned an opportunity into a crisis. It should have been a big business if we could take advantage of the immense market next to us, make greater efforts in providing some facilities at the boundary control points, including building a number of factory or wholesale outlets on the cheaper land there to sell various kinds of products, the problem would be solved. In fact, at all times and in all places, where there are discrepancies between two places, including price and choice, there are great business opportunities. Hong Kong, however, has not taken advantage of this opportunity but imposed man-made restrictions in the form of law at the tremendous costs of manpower and resources. Although this is a small example, but it is a good indication of the mindset and administration of this Government, which is exactly the reason why Hong Kong society has remained stagnant in development or even continues to decline. I hope that the Government will carefully reflect on our present direction and why our society has turned from being zealous and generous in making donations into becoming contentious even about relieving the disaster victims and denouncing such an action. President, where is Hong Kong heading? Thank you.

**MR CHAN KAM-LAM** (in Cantonese): President, government budgets are about the allocation of financial resources of the Government. They are required to give financial support to the administration of the Government. This year's Budget carries a more important task as it is not only drawn up to improve people's livelihood and perfect the welfare policies, but it also has to perform the mission of promoting economic development, increasing employment and developing a blueprint for Hong Kong's long-term economic development so as to cope with the global economic fluctuations.

In 2012, the overall economy of Hong Kong only grew by 1.4%, which was much lower than the average growth of 4.5% in the last decade. At present, the global economy is still gloomy. The Cyprus debt problem has pushed the Euro debt crisis into its second phase, causing another round of global panic over the safety of European financial assets. Meanwhile, the economy of the Eurozone has been shrinking for six consecutive quarters. Economists generally



believe that it is difficult for Europe to get rid of economic recession. As for the United States, although many people do believe its economy is recovering well, its newly-announced economic statistics were not as good as expected, dimming its economic outlook.

Given the uncertainties in economic recovery, the Federal Reserve Board of the United States may have a stronger determination to continue with its easing policy. In respect of Japan, early this month, its central bank also decided to introduce a new monetary easing measure in an attempt to stimulate its long-ailing economy and end its 15-year deflation by doubling Japan's monetary supply in two years. When all major economies in the world are engaging themselves in quantitative easing, the capital influx may pose impacts on Hong Kong. The authorities must hence keep a close eye on the changes in external economy and remain vigilant. They should also step up efforts in formulating new strategies of financial development.

In the face of sovereign debt crises in various economies and a multitude of uncertainties in the global economy, we have no choice but to uphold the financial principles of "keeping expenditure within the limits of revenues and fiscal prudence". The current huge fiscal reserve is actually the fruit of our long-established practice of following the above principles. It does not come by easily. If our Government is a spendthrift like European and American countries and even spends in advance, the financial strength of Hong Kong will be another story.

The environment of global economy is now complicated. The "monetary war", the "financial war" and the "trade war" have all been staged. As Hong Kong is an externally oriented economy, we may be drawn into these wars at anytime. Therefore, the SAR Government must act carefully. What is more, the future development of infrastructure and new industries will require a lot of capital input from the Government. If our reserve is not sufficiently large, it will be very difficult to plan for such development. In view of this, we have reservation about the requests for lavish spending of public monies, giving away cash handouts and dishing out welfare benefits in society.

We should note that some traditional pillar industries in Hong Kong are facing daunting challenges. Last year, Hong Kong replaced New York to become ..... President, we may be overjoyed to hear Hong Kong taking up the place of another city. Yet, what I wish to tell Members is that Hong Kong has

replaced New York to become the world's most expensive city to rent premises. Because of rent hikes, the operating costs in Hong Kong have become much higher. On or about the New Year of 2013, many businesses in the catering and service industries closed down one by one as they could not afford the rent increases at lease renewal.

The transport and logistics industry, which is another pillar industry, is also facing unprecedented competition. As the global economy is weak, the overall cargo throughput has dropped. The European and American ports have long been in the winter of business. As for Hong Kong, thanks to the economic momentum of China and member countries of the Association of Southeast Asian Nations (ASEAN), we have recorded growth in the values of merchandise trade and re-exports. However, our neighbouring ports have become more competitive than before. In the first two months of 2013, the container throughput of Shenzhen was already higher than that of Hong Kong. We can expect Shenzhen to soon surpass Hong Kong in port business. The recent strike of dockers has accelerated this trend, not to mention the rapid development of other ports in the Mainland and ASEAN countries.

The economic co-operation between Hong Kong and the Mainland is a key driving force of our economic development. Ever since 2010, the amounts of Renminbi (RMB) deposits and certificates of deposit have been rising, totalling at RMB 720.2 billion yuan in 2012. These RMB products have fostered the growth of the financial and assets management businesses in Hong Kong. This year, the quarterly value of bilateral trade between Hong Kong and the Mainland amounted to US\$109.88 billion, representing an increase of 71.2%. Bilateral trade is now the principal source of growth for our trading and transport industries. Meanwhile, the services liberalization and trade and investment facilitation measures provided in Supplement IX to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) have strengthened our co-operation in such areas as finance and trade and investment facilitation, and further promoted the mutual recognition of professional qualifications of the two places.

Many professionals are now anxious to try their chance in tapping the Mainland market so as to explore new outlets for Hong Kong's service industries, particularly the professional services. Therefore, the development of our pillar industries cannot boils down to the co-operation between the two places.

Recently, some people have blamed the Individual Visit Scheme (IVS) for the problems caused by parallel goods traders. They request a review of Hong Kong's capacity with the aim to limit the number of Mainland visitors. We must repeat this once again: This thought is blind and dangerous. Tourism is the mainstay of Hong Kong's economy. We cannot afford to stop or delay making efforts to attract visitors. Among inbound visitors from all over the world, IVS visitors have the strongest consumption power. Their total amount of consumption in Hong Kong can be more than \$100 billion in a year. Various tourism-related industries, such as hotel, transport, retail and catering industries, have all benefited from the IVS. Furthermore, the IVS benefits the medical industry as well. Any request to reduce or limit the number of IVS visitors will only hit our tourism industry and other related industries. Therefore, if we have to conduct a review, the topic should be how Hong Kong can enlarge its overall reception capacity to serve an increasing number of visitors.

Besides, if we wish our economy to achieve a sustainable development in the long run, the Government must assume a leading role and plan for the future. It cannot just rely on the free market to promote economic development. The principle of non-intervention and *laissez-faire* do not work anymore. Therefore, the SAR Government, guided by the principle of "appropriately proactive", should make use of its strong financial strength to promote economic development.

Also, a stable social environment is crucial as to the sustained prosperity of our economy. Investors hate risks. Currently, places all over the world are focused on improving their economy and livelihood. Yet, some people in Hong Kong have proposed engaging in filibusters in the Legislative Council and occupying Central to paralyse the operation of the Government and the economy of Hong Kong. In particular, the Occupy Central movement has already caught the attention of international media. The use of the word "occupy" also shows that they intend to make a "long seizure". The proponents have even incited the people to break the law deliberately.

The most worrying point is that they plan to extend this illegal Occupy Central movement to a sustained cause. The economic lifeline of Hong Kong lies in Central. If it were occupied for a long time, the business activities in Central would all be paralysed. The Occupy Central movement is an attempt to control Central and hijack Hong Kong's economic lifeline for the sake of political demands. The proponents are indeed using the welfare of Hong Kong people as

a political chip. This movement will deal a direct blow to the normal economic activities and order of Hong Kong.

Mr Christopher CHEUNG once said that if the Hong Kong Exchanges and Clearing Limited had to postpone its opening time for one hour because of the Occupy Central movement, its turnover would lose by \$10 billion, not to mention the losses of thousands of enterprises in Central. By then, all business operation will come to a standstill. The transportation network on Hong Kong Island will be paralysed. Financial dealings will also have to stop. The entire economy of Hong Kong will come to a halt, and the economic losses are simply beyond estimation. *Global Times* has bluntly criticized the Occupy Central movement as an "economic suicide".

A number of large multi-national companies have already started to make contingency plans for this crisis. Enterprises which are interested in moving to Central have also put off their plans and adopted a wait-and-see attitude. When the economic environment of our neighbouring regions is improving, we should not be surprised to see our political atmosphere scare away investors and drive them to other cities. If Hong Kong's economy is damaged by the movement, the people's livelihood will ultimately be hurt.

Here in Hong Kong, a myriad of livelihood issues are stilling waiting for solution. They can only be solved by the concerted efforts of Hong Kong people. Just now, Dr Kenneth CHAN said that if we wanted to know how serious our poverty problem was, we should take a look at the number of "sub-divided units". However, when the Government puts forth any land development plans for housing production, we always hear opposition from the pan-democratic Members. For example, they oppose the Government's proposal to develop the North East New Territories by saying that the housing to be produced or the land to be developed under this plan will become the backyard of the rich in Shenzhen. What kind of logic is that?

Many of them also oppose land creation through reclamation. In their view, as the authorities have not yet formulated a population policy, reclamation should be put on hold to avoid wasting money on studies. They think it is just like pouring money into the sea.

President, in my opinion, the above problems explain why our social development has remained stagnant over the last ten or eight years. While many

people criticize the slow economic and social development of Hong Kong as compared to other places, I will say Hong Kong people must reflect on their own behaviour.

President, the Budget is an important economic and fiscal decision. We should work together to improve people's livelihood, and no one should obstruct the passing of the Budget at will. Therefore, we do not agree to the launch of filibusters and the opposition to the Budget.

Thank you, President.

**DR LEUNG KA-LAU** (in Cantonese): I think I had better focus my speech on healthcare issues as Secretary Dr KO Wing-man just happens to be in the Chamber and the Financial Secretary has also returned. I have compared this year's Budget with the one of last year, only to find that they are more or less the same as the problems existed last year have not yet been solved. Perhaps, I should repeat these healthcare problems, just in case the Financial Secretary has forgotten about them or some new Members have not heard about them before. Also, some Members might not be in their seats when these problems were raised last year.

First of all, should healthcare problems be solved by the Financial Secretary? Given that the Financial Secretary is the one who makes the provision to the Hospital Authority (HA), should he just let the HA use the provision at its own will, or should he learn about the details of its spending? I find that, in this Budget, the Financial Secretary has actually mentioned some of the details. For example, he has stated that a significant sum of money will be used to build new hospitals and redevelop existing hospitals like Queen Mary Hospital, Kwong Wah Hospital, United Christian Hospital and Kwai Chung Hospital. Also, he has said that more than 200 beds will be added. Therefore, the Budget has indeed mentioned quite a lot of details. However, I hope all the more that the Financial Secretary can consider exercising his influence over the HA in the utilization of funds to solve our healthcare problems.

Year after year, Members keep on asking why the Government does not spend more on healthcare or social welfare when its reserve is increasing. On this issue, I have checked the relevant accounts. Last year, the Government

allocated \$41 billion to the HA, excluding the one-off injection into the Samaritan Fund. This year, the provision increases by \$4 billion to \$45 billion, representing an increase of 9.5%. This increase is quite impressive indeed. Nevertheless, while the Government has increased its healthcare expenditure over the years, the general public do not seem to perceive any significant improvement in the HA's services. They are still very discontented with the services. Now, I am going to remind the Financial Secretary once again of where the problems lie.

In my view, the poor public perception of the HA's services mainly comes from the long waiting time. Patients always have to wait for years for its services, say, three years for cataract surgery, and five years for colonoscopy. I would like to show you a chart. According to this chart, in the period between 2006-2007 and 2011-2012, the annual provision rose by nearly 40% from \$28 billion to more than \$36 billion in six years' time. The staff size of the HA also increased by 16% from 53 000 to 61 000. Then, did the service output increase at a faster pace than the provision amount and staff size? During the same period, the population only rose by 3.1%. Meanwhile, the number of bed days for general in-patient services (that is, the total number of bed days of patients in Hong Kong) just increased by 5.2%, and the number of attendances at Accident and Emergency Departments 9.2%. These figures suggest that the provision amount and staff size actually had a greater and faster rate of increase than the demand for healthcare services. Then, why are the people still discontented? As I have just said, the people care more about the waiting time. Let us now look at the waiting time.

There are various specialties under the HA. Yet, I find that the waiting times for the same specialty vary greatly among different hospital clusters. Here is an example I had given before: The waiting time for the Ear, Nose and Throat Department is 92 weeks in the New Territories West Cluster but one week in the Central Kowloon Cluster. Last year, some improvement was seen in the situation. The waiting time in the New Territories West Cluster was suddenly shortened to 26 weeks. Yet, the waiting time in the New Territories East Cluster was lengthened to 54 weeks and the Central Kowloon Cluster three weeks. There are still vast differences in the waiting times among different clusters. But which cluster has the longest waiting time? Among the eight specialties, the longest waiting times for the departments of Gynaecology, Orthopaedics and Traumatology, Paediatrics and Surgery are all found in the East Kowloon Cluster. From this, we can see that when many members of the public or Members often

complain about the long waiting time, they may be only referring to one or two specific clusters, which are likely to be the East Kowloon Cluster, the New Territories West Cluster and New Territories East Cluster.

Why is there this situation? Let us look at how the HA allocates its funding to various clusters. In 2011-2012, the HA provided the East Kowloon Cluster with a funding of \$4 million for every 1 000 people. In comparison, the New Territories West Cluster and New Territories East Cluster received more funding, with each of them getting more than \$4 million for every 1 000 people. As for the Central Kowloon Cluster, it was given a funding of \$11 million for every 1 000 people. In other words, the Central Kowloon Cluster had a funding which was more than double that of the respective amounts received by the East Kowloon Cluster, the New Territories East Cluster and the New Territories West Cluster. In terms of corresponding manpower, the doctor-population ratio of the East Kowloon Cluster and the New Territories West Cluster was 0.6:1 000 as they had less funding. In contrast, this ratio reached 1.3:1 000 in the Central Kowloon Cluster. It was a much higher ratio. While the provision for the HA increases every year ..... the Financial Secretary has left the Chamber. I may have to repeat all this again later or next year.

While the provision for the HA has increased considerably over the years, why does the HA not allocate more funds to the clusters which used to have less funding? Let us review the percentages of resources received by various clusters from the HA between 2006-2007 and 2011-2012. I will use the East Kowloon Cluster as an example. This cluster has to serve some 14% of the population of Hong Kong. In 2006-2007, \$28 billion was provided to the HA, and 10% of this sum was allocated to this cluster. In 2011-2012, the Government increased its provision for the HA to \$38 billion; yet, the HA continued to allocate only 10% of its funding to this cluster. In other words, although the Government had given more funding to the HA, the HA did not allocate a greater percentage of its provision to the cluster which has the longest waiting times and is the most short of hands.

Why did the HA allocate its provision in this way? In response, the HA said that it was due to a historical factor, which means this cluster has received the smallest proportion of funding since the very beginning. Therefore, the cluster will continue to receive the smallest proportion of funding in future. If the Financial Secretary does not address the HA's problems in resource allocation,

the public and Members will never stop pressing the Government to provide more funding and manpower to the HA. Well, it may be a piece of good news to the management of the HA as they can have additional funding and manpower without doing anything or by worsening the services intentionally or unintentionally. Some colleagues have said that it is weird for the positions of stick and carrot to have switched. What they mean to say is that the stick is now used to hit the donkey's head while the carrot is tied to its tail. In this case, how can the donkey be motivated to move forward? Is there any solution to improve this situation? Some scholars suggest taking the approach of "money follows the patient" plus "more pay for more work".

The private-sector market is actually operating on this mode. How does the private-sector market operate? I have to mention my wife and daughter again. A few months ago, my wife gave birth to our daughter and she wanted her to do an ultrasound scan. The hospital, which is a private one, then arranged for the scan to be done at 4 pm on the day of their discharge. Yet, my wife wanted to leave the hospital in the morning and did not want to wait till 4 pm. So, she was thinking of giving up the ultrasound scan and leaving the hospital then. The hospital immediately arranged for our daughter to do an ultrasound scan at 10 am on that day before discharge. The reason why the hospital made such a prompt arrangement was not that I am a Member of this Council. It was simply because "money followed the patient". In other words, the hospital would not let go any chance to provide services and make money. It made an immediate arrangement to earn the service fees. If they did not do so, the patient might go to see another doctor after discharge from the hospital. In that event, the money would have really followed the patient and gone to the pocket of another doctor.

Does the private sector have the problem of reaching its maximum capacity? This problem is rarely heard. Have private doctors complained about long working hours? In my memory, I have never heard of such complaints. Has the private sector complained about staff shortage? This kind of complaints is never heard of. Therefore, if we wish to shorten the waiting times in public healthcare organizations to satisfy our patients, we must start with improving the existing mechanism as this problem cannot simply be solved by additional resources. To put it simply, we should first consider the workloads and service outputs of various healthcare organizations. To those which have a high service output, we should give them more funding. Only by this can we



offer an incentive to encourage the hospital clusters to shorten their waiting times. If the waiting time is too long, patients can then go to another cluster to seek medical consultation.

Perhaps, it is because lots of views were given last year that the Financial Secretary has stated in this year's Budget that the HA will refine the waiting list management to shorten the waiting time of patients. Unfortunately, the measure is only piecemeal. Why do I say so? Let me take the waiting time of new cases as a benchmark. Regarding the specialist out-patient services provided by the HA, new cases account for only 10%, taking up a very small portion of the HA's services. While there are 600 000 new cases in a year, there are 6 million old cases. All of them have to be taken care of by the Specialist Out-patient Department. If we do not provide them with any incentive ..... I suppose the wording of "refine the waiting list management" means transferring patients of the East Kowloon Cluster (where the waiting time is the longest) to the Central Kowloon Cluster (where the waiting time is the shortest). As the waiting time in the Central Kowloon Cluster is so short, it seems right to make this cluster take up some cases for the East Kowloon Cluster. However, colleagues of the Central Kowloon Cluster will then complain that this measure is penalizing them. They will say that they have a short waiting time because their working performance is good. When they have worked so hard to minimize the waiting time, they are now forced to receive the patients transferred by the HA. They will consider it stupid to work so hard. Then, come next year, the Central Kowloon Cluster can simply increase its proportion of old cases and receive fewer new cases. The waiting time in the Central Kowloon Cluster will then be lengthened immediately. In that case, the comments I made in the previous year will lengthen the waiting times in all hospital clusters over the territory. Sorry, I would have done a disservice out of good intentions.

Therefore, if the Government refines the waiting list management by simply transferring patients to other clusters, it will just achieve a short-term effect and soon lose its impact. It must be supported by a proper allocation of resources. For clusters receiving more patients, they should be given more resources to shorten the waiting time. If it is impossible to transfer some of the patients to other clusters, a system which gives "more pay for more work" should be introduced. By then, even if some patients refuse to leave the East Kowloon Cluster, there will be no problem since the doctors of East Kowloon will work very hard to benefit under the system of "money follows the patient" and "more pay for more work".

There is also another option. If we all agree that the poor services of the HA are caused by staff shortage, it means we cannot hold the HA management responsible as there is not much they can do right now. However, after considering the above figures, we should indeed hold the management accountable for the poor services. What does it mean by "holding the management accountable"? As a matter of fact, the Government has allocated provision to the HA. Yet, its management fails to make a fair allocation of the funds received. If the management cannot fix this problem in two years, the relevant management staff should be fired. This is how they are held accountable. We must hold the management accountable; otherwise, they will not have any incentive to figure out how to shorten the waiting time by improving every part of the work process. Is that right?

I do not wish to speak too much. It is enough to give a short speech. President, I so submit.

**MR KWOK WAI-KEUNG** (in Cantonese): President, the Hong Kong Federation of Trade Unions (FTU) approves of the two major directions of enhancing vocational training and promoting career progression outlined in paragraphs 77 to 86 of the Budget. However, having a right direction does not mean enough has been done.

In the past, Hong Kong's economy has rebounded steadily, resulting in a huge demand in the labour market. Let us look at the actual unemployment rate which has dropped from 12.% during the financial tsunami in 2008 to 3.4% now. On the face of it, Hong Kong is in almost full employment. But we must note the youth unemployment figures as the unemployment rate of young people aged 15 to 24 is as high as 7.4%, with the worst sector being young people aged 15 to 19 which stood as 12.4%. Almost 20 000-odd young people are unemployed. Although the Budget sets out some support measures proposed by the Government such as enhancing the training allowance of the Youth Pre-employment Training Programme and strengthening various schemes on career orientation, it gives us the feeling that the Government is alternating between facilitating and hindering local employment. The Government provides some assistance on the one hand, but it deals a heavy blow to local workers on the other.

Why do I say so? According to the statistics of the Immigration Department, in 2011 to 2012 alone, 40 000-odd persons in total have been

admitted to work in Hong Kong under the Admission Scheme for Mainland Talents and Professionals (ASMTP), as well as the General Employment Policy (GEP). While the importation of these 40 000-odd persons — whom the Government has referred to as talents, professionals and persons with special skills — illustrates that there is a real demand in the local labour market, the Government is actually tackling the problem blindly to facilitate the importation of foreign employees by the employers who want a cheap and easy way out, and it has completely ignored the importance of training local talents.

A question we raised on the Budget is whether the Immigration Department (ImmD) has any complementary policy on strengthening local training in relation to these two admission arrangements. But regrettably, the ImmD replied that there is no such policy. According to the ImmD, persons admitted to Hong Kong are all professionals and hence, no custom-made training course is available.

As we all know, difficulties are invariably involved in training ordinary young people to become professionals because time and resources are required. But conversely, a more practical approach should be encouraging skilled workers in the middle level to move upwards by attaining skills of a higher level. As for young people with low or no skills, they can move towards middle-skilled or up the career ladder gradually to low-skilled jobs. Hence, the relevant training programmes do not have to produce instant results. Instead, results can be achieved progressively to help improve social mobility.

I must reiterate that under the two admission schemes just mentioned, that is, the ASMTP and GEP, almost all applications are successful. The approval rate is very high, with almost 80% to 90% of the applications being granted approval. This is a matter we must address squarely. For the purpose of strengthening local training, we consider that the Government must stop importing these foreign employees indefinitely and continuously. Instead, the Government should compel local employers to shoulder their due responsibilities by proactively training local employees they consider to be suitable, and absorbing the skills possessed by the existing imported talents because we cannot rely on talent importation forever. Even if talents have to be imported, there must be a complementary policy to provide the relevant local training so that local talents can also have promotion opportunities.

Separately, speaking from my own perspective, I think a lot of support has already been provided by the Government under the existing welfare policies, such as the transport subsidy and various living allowances. In fact, this has already shared some of the due responsibilities of employers — I think it is improper for the Government to do so because the low income of employees is caused by the low pay offered by employers. But instead of obliging the employers to increase wages, the Government chooses to provide subsidies of its own accord. We consider this approach unreasonable and inappropriate.

Moreover, as I just said, the middle class should be encouraged to move upward. This naturally reminds us of the Qualifications Framework (QF) to be implemented soon. In fact, the QF provides an excellent framework for local employees to engage themselves in the most suitable positions according to their own work experience, academic qualifications, and so on. But regrettably, perhaps because the QF is administered by the Education Bureau, the industries consider that academic qualifications have been over-emphasized under the QF generally, such that "old masters" with decades of experience will most likely remain in the lower levels — there are seven levels under the QF in total. It is likely that some "old masters" with 10-odd years of experience can only register at levels 1, 2 or 3, and they cannot attain levels 4, 5, 6 and 7 which are based on academic qualifications. We consider this approach unreasonable because trades with no specific academic attainment requirement would be marginalized. Under the QF, traditional trades solely based on craftsmanship and experience would be completely marginalized. We consider that this matter should be handled carefully. Meanwhile, we had a meeting with officials in charge of the QF in the Education Bureau two months ago, which was also attended by the FTU's Vocational Training and Employment Promotion Committee. During our discussion, we considered that one question was particularly important, that is, under the QF, overseas programmes would only be validated or accredited upon applications made by the relevant institutions. We were gravely concerned about this approach because a relatively comprehensive framework had already been established in many overseas countries, and we were worried that if Hong Kong adopted such a passive attitude, no applications would be received eventually. In that case, local employees would suffer because even if they possessed the relevant qualifications, they would not be recognized overseas. Hence, we encouraged the relevant officials to actively align the local QF with established QFs in overseas countries around the world. Instead of waiting passively, the Government should actively align the local QF with overseas QFs,

in order to help the local workforce seek international employment opportunities in other places.

Second, I would like to talk about the subject of standard working hours. Quite simply, why should we promote standard working hours? I wish to illustrate with an example. If a machine operates 24 hours a day, it will definitely incur a higher maintenance cost, and requires more frequent overhauls or replacement of parts, when compared with another machine which only operates eight or nine hours a day. This is quite obvious. Why do I use this as an example? Because it is the same with human beings. If a man works excessively long hours every day, his body will be tired and his concentration will lapse, making him vulnerable to accidents. This is a known fact. But then, why are there still people who try to stop us from implementing standard working hours? Although it seems offending to liken the local workforce to a machine, we must stress that our workers do not only need work in their lives. In fact, everyone in the workforce is a man of flesh and blood. Apart from restoring the wear and tear of body functions, we also need to pursue mental and emotional health, as well as spiritual support. It takes time for a man to attain a reasonable state of mental and physical well-being. But nowadays, the employers have disregarded this point completely, and all they know is that, "I pay you to work", or more bluntly, "I pay you to work until your last breath". Is such a labour relationship what we want in a modern society? No, it is definitely not.

Besides, Members would recall that many cases of sudden death have occurred recently. Although the coroner would eventually determine that most of these deaths are caused not by work or work-related reasons, but most likely by the physical condition or hidden illnesses of the deceased, I absolutely refuse to accept this. On the contrary, I tend to believe that as a result of work pressures and long working hours, our body functions have declined markedly. This is already a warning signal. If we do not legislate for the implementation of standard working hours expeditiously, it will have disastrous consequences in terms of public healthcare expenditure as well as manpower resources in society. Originally, the working life of a professional worker could be some 20 to 30 years, but it has been reduced to just 15 to 20 years due to work-related strains and illnesses. This is not something we wish to see.

Therefore, in respect of promoting the implementation of standard working hours, we consider that the Government must work with resolution, just like LEE Myung-bak when he was the mayor of Seoul. After his election in 2002, LEE

restored the Cheonggyecheon River in less than two years' time from July 2003 to September 2005 as it was his explicit election pledge. The Cheonggyecheon River was originally covered up with concrete for an elevated highway. Notwithstanding the enormous scale of construction works and the continuous opposition from shop owners on both sides of the road, he honoured his election pledge and completed the whole project within his term. On the other hand, what about our CY? We all notice that his original pledge to "enact laws to promote" standard working hours has now become an initiative to "build consensus" on the matter. As Members representing the labour sector, we absolutely refuse to accept it. We also hope that CY can honour the pledges in his manifesto within this term and complete the legislation on standard working hours within this term expeditiously. He must not use it as a bargaining chip to run for a re-election.

President, I will now talk about some recent developments concerning the Civil Service. I am very happy to see that the Secretary is in the Chamber now. Recently, the Hospital Authority (HA) has standardized the working hours of staff to 44 hours per week (inclusive of meal break). This is a policy of the entire HA which we welcome and consider encouraging. However, it so happens that 600-odd civil servants of the Department of Health (DH) are still working in the HA. So far, they cannot benefit from this arrangement of working 44 hours per week (inclusive of meal break) because as civil servants employed by the DH, they are still required to work 45 hours per week (exclusive of meal break). I urge and request the authorities to address this issue expeditiously because the HA has already been vested with the power of management and it is just an issue left over by history. We suggest that staff working in the same environment should enjoy the same treatment. Therefore, I hope the Secretary will take follow-up actions expeditiously to resolve this issue.

Also, regarding the Post Office Trading Fund, we have previously demanded at a meeting of the Panel on Public Services that the Secretary must deal with the problem of overtime work in the Post Office. But as the relevant issues are also related to financial affairs, we can only request that a joint meeting of the two Panels be held at a later date in order to deal with the problem of overtime work in the Post Office expeditiously as its civil service and non-civil service contract staff have accumulated close to 300 000 hours of overtime work. This unhealthy situation has become an urgent issue that can brook no delay. But over the past two to three months, the authorities are still trying to pass the buck, and we are indeed gravely concerned about the matter. The authorities

must deal with the problem expeditiously so as to relieve the work pressure of staff and boost their morale.

I had planned to speak on environmental protection, but time is running out. Lastly, I just wish to say briefly that the Government should step up its efforts in the recycling of food waste, and expeditiously implement the mandatory producer responsibility scheme on waste electrical and electronic equipment (WEEE) so as to make producers responsible for recycling in order to reduce the Government's burden. Incentives should also be introduced so that they are compelled to use as many recyclable materials in production as possible. Thank you, President.

**MS STARRY LEE** (in Cantonese): President, I must first express my regrets for the "filibuster war" soon to be staged in the Legislative Council, and that some Members have resorted to headcounts in an attempt to abort the meeting due to a lack of quorum. President, I must also express my regrets that the Rules of Procedure have yet to be amended despite the long lapse of time .....

(Mr LEUNG Kwok-hung stood up)

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, what is your point?

**MR LEUNG KWOK-HUNG** (in Cantonese): In accordance with the Rules of Procedure, I request a headcount.

**PRESIDENT** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**PRESIDENT** (in Cantonese): Ms Starry LEE, pleas continue.

**MS STARRY LEE** (in Cantonese): President, Members waging the "filibuster war" said that they were the minority in the Council, often oppressed by the majority Members. But the truth is, the filibustering of these minority Members has now forcibly seized at least one month's meeting time of the Council, seriously crippling its operation. How long is one month's meeting time? It amounts to one tenth of the working time of the Council. As a result of this, many committees and bills committees have to postpone their meetings, while other council businesses have almost come to a standstill. The operation of this Council as a whole has been hijacked by these minority Members. Therefore, the truth is that the minority Members are oppressing the majority Members. Here, I wish to make one last-ditch appeal to Members who intend to wage the "filibuster war" soon that they should rein in, relinquish the idea of forcibly seizing the meeting time of the Council and give up filibustering so as to let this Council and society get back onto the right track.

I will now return to this year's Budget — the maiden budget of the new Government. The public have high hopes on this Budget, just like the Policy Address. They hope the Financial Secretary can introduce new measures and draw up a novel budget for Hong Kong. However, the formulation of the Budget has been constrained by a pre-set framework. First, there is only a short interim between the delivery of the Policy Address and the Budget — how can the Government come up with other smart measures? Moreover, as a continuation of the Policy Address, the Budget would provide financial resources to support the initiatives proposed by the Chief Executive. In this regard, the Policy Address announced in one go the establishment of 10-odd new committees to follow up various long-term policies with profound implications. Given that the work of these committees is still at the discussion stage, the Financial Secretary can hardly set the tone for these committees before they reach any conclusion. On this account, I consider that overall, the Budget is heading in the right direction, but there is no pleasant surprise.

No pleasant surprise aside, the Budget still bears testimony to the efforts made by the Financial Secretary to respond to public demands, especially the proposed measures to promote the development of the four pillar industries. However, only slight and slow progress has been made in addressing the problems in society.

I hope the Financial Secretary will give effect to the spirit of making progress while maintaining stability once initial results have been achieved by



these important committees, and present to the people a more ambitious and forward-looking blueprint budget next year for Hong Kong's development.

Next, I will turn to the fiscal management philosophy of the Financial Secretary. I will first talk about the Government's estimation of public revenue. In last year's Budget, the Financial Secretary forecast a deficit of \$3.5 billion. As usual, the final deficit has been substantially revised; instead of running into a deficit, we have a surplus amounting to an estimated HK\$64.9 billion this year. The Financial Secretary explained that the huge discrepancy in the estimates was due to higher revenue from stamp duty, profits tax, land premium, as well as the dividend from MTR property development. As a result, the revised estimate for government revenue was \$55.2 billion higher than the original estimate. This approach of estimation fully reflects the philosophy of prudent fiscal management adopted by the Financial Secretary all along.

As the Financial Secretary is also aware, this budget scenario where a small deficit predicted initially finally becomes a huge surplus is actually nothing new; rather, it has become a trend. Why does this scenario keep recurring? Actually, Members will understand the reasons by looking at the Financial Secretary's estimate for government revenue next year.

In the Budget, the Financial Secretary predicted a small deficit of HK\$4.9 billion in 2013-2014, using the same assumptions for his estimate in the 2012-2013 Budget that for the medium term, the annual average growth rate would be 4% in real terms, while the underlying inflation rate would average 3.5%. In other words, he made the estimates on the basis of real annual growth.

Clearly, the Financial Secretary's assumptions have deviated from the trend of actual tax revenue, and this situation has continued for a long time. For instance, the problem has become quite obvious in the past four financial years. This is something the Financial Secretary should know very well when considering the situation in those four years. The actual government revenue in 2009-2010, 2010-2011, 2011-2012 and 2012-2013 was all substantially higher than the estimates, and the total amount of underestimated revenue has reached a hefty \$304.3 billion — a "windfall" which is equivalent to almost the Government's General Revenue for a full year.

Given the underestimated revenue for several years in a row, the Financial Services and the Treasury Bureau should conduct a review immediately to decide

whether the assumptions used by the Financial Secretary are over-conservative. I think the Financial Secretary and his colleagues in the Financial Services and the Treasury Bureau are also aware of this trend. That explains why he stated in paragraph 140 of the Budget that, "I shall set up a working group to be led by the Treasury Branch. Scholars and experts will be invited to join the working group to explore ways to make more comprehensive planning for our public finances to cope with the ageing population and the Government's other long-term commitments." As the Government has already decided to conduct a review, I will put forth some of my observations first. First, the growth of government revenue has exceeded the Government's estimates for a long time. Regarding the annual rate of real economic growth — which is more clearly illustrated in the second diagram prepared by me — profits tax as the Government's largest source of revenue accounts for 30% of its total revenue. Over the years, the growth rate of profits tax is actually much higher than that of economic growth. If we use the figure in 2002 as shown in this diagram as the baseline, our economy has just grown by 1.6 times between 2002 and 2012, while stamp duty revenue has increased by as much as 5.1 times, and profits tax revenue 2.7 times, over the same period. The Government's total revenue was also more than double that of real economic growth. Therefore, as I just mentioned, government revenue has always been underestimated.

President, as I have expounded clearly just now, these figures show that the Government's assumptions are already outdated and lagging behind the trend of actual government revenue. One side-effect of underestimating revenue is inadequate public investment. Currently, the growth rate of public investment is generally linked to the unrealistic estimated growth rate of government revenue. As a result, public investment is invariably on the low side, and social conflicts have become increasingly acute in the absence of resource allocation to resolve various long-standing problems in society. In this respect, Members from different political parties and groupings, regardless of whether they are returned through direct elections or by functional constituencies, are all of the view that the Government should make more commitment in tackling the deep-seated conflicts in society.

Having said that, President, I must also make some fair comments for the Financial Secretary. The Euro debt crisis in Cyprus and other countries has invariably reminded us of the virtue of "managing public finances with prudence and keeping expenditure within the limits of revenues", which has given Hong Kong its long-standing financial stability. It is also because of such prudence

and perseverance that Hong Kong can tide over several financial crises and become one of the most financially robust economies in the world.

Nonetheless, there is only a fine line between "conservative" and "stingy". Perhaps the Financial Secretary will only admit that he is "conservative" because different persons have different standards. But with public revenue consistently outrunning real economic growth and a colossal fiscal reserve, the Government must timely improve its fiscal management philosophy in order to reduce social conflicts. I am all too aware of the features of Hong Kong's fiscal revenue including a narrow tax base and substantial fluctuations in revenue.

President, in order to target these features, non-government think tanks have long proposed the establishment of a financial stability fund by the Government. In a nutshell, this proposal is about saving up for a rainy day. When the economy is booming and developing, the surplus proceeds from land sale, stamp duty and investment return will go to this fund, and when the revenue from these three sources dwindles in times of an economic downturn, the Government can withdraw the reserves from this fund, in order to stabilize its recurrent revenue. Another effect of this proposal is that the Government will have more leeway in fiscal management when taking forward its long-term policies. I think the proposal is worthy of in-depth study by the Government.

"Keep your eyes on the stars, and your feet on the ground" — citing this quotation, the Financial Secretary stated in paragraph 160 of the Budget that, "This comes as a timely reminder for today's Hong Kong. Put simply: we must take the pragmatic way." I also hope the Financial Secretary can take the pragmatic way by acknowledging and then expeditiously reviewing the real problem arising from the discrepancy between actual and estimated government revenue, so that a fiscal management philosophy in keeping with the times can be formulated to bring Hong Kong's fiscal management to a new plane where the people can keep their eyes on the stars.

As I see it, a fiscal management philosophy in keeping with the times should carry several features. First, the Government should acknowledge the fact that actual revenue from a number of taxation items has outrun real economic growth over the years, and suitably adjust the annual recurrent expenditure which is estimated on the basis of economic growth. Second, the Government should study the proposal of setting up a financial stability fund. Third, the Government should re-set a reasonable level of fiscal reserves. Fourth, when

actual revenue exceeds projected revenue, the Government can consider establishing an elderly fund, in order to improve elderly care, welfare and healthcare services, and prepare for an ageing population. Fifth, the Government should examine ways to properly utilize and invest the fiscal reserves.

President, I now turn to government expenditure, with education expenditure coming first. As the Government has always stressed, this year's Budget is no exception with education expenditure amounting to \$63 billion, which is more than one fifth of recurrent government expenditure. Although \$63 billion has been set aside for recurrent expenditure on education, the share of education expenditure in the total public expenditure has dropped in recent years, from 22.7% in 2008-2009 to only 19.2% in the coming year. This year, the Government proposes to allocate the new resources for education to three funds respectively. First, \$5 billion will be injected into the Language Fund to facilitate its relatively longer-term diversified planning; second, an additional \$480 million will be injected into the HKSAR Government Scholarship Fund (GSF) to set up scholarships for outstanding local students to study overseas; and third, two separate injections of \$20 million each will be made to the Self-financial Post-secondary Education Fund (SPEF) and the GSF to establish targeted scholarships to provide support for tertiary students with special education needs.

At present, the education sector considers that early childhood education and self-financing post-secondary education are the two areas that badly need resource allocation. But regrettably, to the great dissatisfaction of the sector, the Government has neither provided any resources in the Budget to implement 15-year free education nor an undertaking to improve the remuneration packages for kindergarten (KG) teachers. Currently, pre-primary education accounts for 3.7% of the total expenditure on education, which is the least among all stages of education (that is, tertiary, primary and secondary education). As the Chinese saying goes, "A skilful wife could hardly cook without rice" — if the Government is unwilling to commit new resources to early childhood education, how can free KG education be implemented, and the remuneration packages of KG teachers improved to enhance the stability of the KG teaching force so that they can concentrate on teaching? Hence, I call on the Financial Secretary to allocate resources at a reasonable juncture to implement 15-year free education.

President, another example where new resources have not been allocated specifically for the most needy is the scholarships provided to outstanding local students to study overseas. By injecting \$480 million into the GSF, the Government hopes to encourage talents to enter the local teaching profession as scholarships will be provided to outstanding local students to take degree courses or teacher training programmes in prestigious overseas universities. Yet, only 20 scholarships will be awarded each year. Although the Government hopes to upgrade the quality of teachers through this initiative, how can the quality of the teaching force be improved if only 80 students can receive the scholarships and study overseas within four years?

President, from the perspective of resource allocation, the Government has all along emphasized that resources should be used to help the most needy. Of all the students in Hong Kong, who are the most needy? On the assumption of investment diversification, I can definitely say that these resources will bring more benefits if used on sub-degree students waiting for tertiary education opportunities, rather than the 80 outstanding local students.

A presentation ceremony was held last week to honour the 3 740 recipients of GSF and SPEF scholarships. The total value of scholarships awarded is close to \$108 million. Considering the Government's colossal fiscal reserve, I think additional funding can be provided to the SPEF so that more sub-degree students can study self-financing degree programmes through the SPEF. This will give sub-degree students the motivation to excel on the one hand, and fulfil their wish of receiving university education on the other. I hope the Government can provide additional funding to the SPEF in due course, so that sub-degree students who have all along aspired to receiving university education will become even more motivated to study self-financing degree programmes.

Lastly, President, I would like to talk about the Government's relief measures. Various relief measures proposed throughout the Budget have been adopted for years, such as salaries tax concession, rates waiver, electricity tariff subsidy, rent payment for public housing tenants, extra payment of Comprehensive Social Security Assistance, "fruit grant", Old Age Living Allowance and tax rebate. While they are all good measures to benefit different classes in society, the Government has yet to accept the earlier suggestion made by the DAB to waive Government rent due to the legal issues involved. I hope the Financial Secretary will carefully study this proposal again when considering other relief measures. Moreover, in the last Budget debate, we suggested to the

Financial Secretary that when introducing rates waiver in future, a distinction should be made between investment and self-occupied properties so that owners of multiple properties cannot enjoy double benefits under the arrangement. This is another proposal which I hope the Financial Secretary will carefully study again.

Finally, the Budget is silent on support measures for the "N have-nots". Given the spiralling rents now, they are facing great pressure in living. We suggest that a cash allowance be introduced for the "N have-nots" so that assistance can be provided to this group of people who are the most needy. As \$15 billion has already been injected into the Community Care Fund (CCF), why has no announcement been made on measures to assist the "N have-nots" so far? I hope the CCF can sense the urgency of the people, and announce the support measures for the "N have-nots" as soon as possible.

President, I so submit.

**MISS ALICE MAK** (in Cantonese): President, in this year's Budget, the Financial Secretary allocates an additional \$2.7 billion to the Hospital Authority (HA). We support this initiative. However, out of this sum of \$2.7 billion, how much will actually be spent directly on patients? Let us look at the present expenditure of the HA. Staff cost accounts for over 70% of the total expenditure, while only about 10% of it is spent on drugs. We agree that we are facing the problem of private hospitals competing with public hospitals for manpower. It is right that we should use more attractive employment terms to retain talents. Nevertheless, how much of the existing staff cost is actually spent on front-line doctors, and how much is spent on those doctors who do not treat patients but only attend meetings in air-conditioned offices? Thus, I hold that when the Financial Secretary hands this envelop to the HA, the Secretary is duty-bound to ensure the expenditure of the HA is well spent. If not, even though the expenditure is increased on an annual basis, services provided to patients will remain not improved.

An allocation of \$44 million has been proposed in this year's Budget to include two drugs in the HA Drug Formulary. We welcome this proposal. However, the existing problem is that many patients, particularly patients of the middle class, lack the financial means to meet the expenses of drugs for treatment of their illnesses. Although \$10 billion was injected into the Samaritan Fund by

the Government last year and the eligibility for drug subsidies was slightly relaxed last year, many middle-class patients are still unable to benefit from the Samaritan Fund. This is particularly so because eligibility for this subsidy is assessed on household income instead of the patient's condition. Support and care from family members are essential to a sick person. If it happens that family members of the patient, for instance, his parents, have a pension at this particular time, it is possible that the patient will lose the opportunity or benefit of receiving medication for treatment of his illness. Is it right for a patient suffering from an illness to be subject to mental stress apart from physical pain?

I would also like to point out that under the healthcare system of Hong Kong, although many specialist services are sound, the dental service seems to be a problem that has all along remained unresolved. It is also a blind spot. With respect to the provision of dental services to the elderly, at present, two programmes have been put in place by the Government, namely the Pilot Project on Outreach Primary Dental Care Services for the Elderly in Residential Care Homes and Day Care Centres, and the Community Care Fund Elderly Dental Assistance Programme. The objective of the Pilot Project is to provide dental care to the elderly living in residential care homes or those using the services of day care centres. We certainly support this service. Nevertheless, according to the existing fund allocation, only those elderly who are living in residential care homes for the elderly will benefit from this programme. The Government has been advocating the concept of ageing in place. For those who are ageing in the community, how can their needs for dental care be met?

Moreover, in respect of the Elderly Dental Assistance Programme under the Community Care Fund, I believe the Government knows only too well how successful the Programme has been. How many people of the elderly population have actually benefited from this Programme? At present, there are more than 1 million elderly people aged over 60 in Hong Kong. Even if the people using these two programmes are counted together, the number of people benefiting from the service under both programmes amounts to more than 100 000 only, that is, accounting for about 10% of the total elderly population in Hong Kong. The question is, how about the remaining 90% of the elderly population?

Although the Government has indicated that the value of the elderly healthcare vouchers has been increased to \$1,000, and that the elderly people are allowed to use the vouchers to pay for dental services, those who have visited

dentists will know that each visit for scaling costs a few hundred dollars. Basically, the amount of \$1,000 is unable to meet the expenses of dental check-up or filling. Hence, we propose that next year, the Government should consider providing services similar to that of the healthcare vouchers, such as a dental care voucher; or increase the value of the healthcare vouchers, so that the elderly will be able to have some kind of assistance when they visit dentists.

Moreover, I would like to talk about the HA's use of resources. Just now Dr LEUNG Ka-lau has said a lot about this, including the uneven resource allocation and lack of transparency and criteria in allocation among various clusters. We do not understand why the resource allocation per capita of some districts with a larger population, such as the New Territories West, is much lower than that of districts with a smaller population, such as the Kowloon Central Cluster. According to the latest figures released by the HA, with respect to the waiting time for specialist service in the New Territories West, in the case of specialist out-patient clinic, for instance, if the patient needs to see an orthopaedics specialist, the waiting time in the New Territories West is 58 weeks. Then why is the waiting time in Kowloon Central or other clusters less than 10 weeks? Why are resources allocated to districts with a larger population less than those allocated to other clusters? Is it due to historical factors? If it is really due to historical factors, should such factors not be addressed?

It has been proposed in the Policy Address that a committee be established to monitor and review the overall operation of the HA. This is a proposal much welcomed by us. We hope that this committee will be able to put forward recommendations expeditiously in order that the HA's funding in the next financial year will really be more evenly allocated and well spent.

Moreover, I would also like to mention the additional allocation of \$8.3 billion in this year's Budget for the Old Age Living Allowance (OALA). This OALA originates from the election pledge of the Chief Executive, who planned to introduce a special allowance for the elderly. Eventually, the nature of the allowance has changed. What remains is this OALA in the form of a monthly allowance of \$2,200, and the requirement of declaration of assets even for elderly people aged over 70. Perhaps Members are also aware that subsequent to the issuance of a green notification letter for the auto-conversion arrangement of OALA, a yellow form for declaration of assets has also been issued by the Social Welfare Department recently. On receiving these letters, it



is difficult for the elderly people to distinguish whether they actually have to fill in the red form, the yellow form or the green form. In the end, the elderly are all at sea. They do not know the amount of allowance they are eligible to receive, when the payment will be made available to them, and the reasons why other people have already received the allowance while the allowance is still not available to them.

At the time when funding approval of the Finance Committee of the Legislative Council was sought, the Government made the pledge with all solemnity that an auto-conversion arrangement would be put in place so that the elderly would not be inconvenienced. In the end, we have discovered that not only are the elderly inconvenienced, many Members of geographical constituencies present today, those Members who have opened ward offices in the districts in particular, have also been subject to much bother. We have to help the elderly make relevant calls and fill in the forms. The elderly do not know what they should do after they have received those forms. On receipt of the yellow letters, they have no idea whether they need to reply or not. On receipt of the green letters, they also have no idea whether they need to reply. They do not understand why the wife receives a green letter while the husband receives a yellow one. They are all at sea.

Thus, we hope that the Government will conduct a review of the OALA scheme expeditiously. The Secretary has indicated that it would take about a year to conduct the review, but we hold that we cannot wait for a year. Over the past few months, since the Government issued the first batch of letters regarding the auto-conversion arrangement on 25 February, we have no idea how many elderly people have been distressed by this. The elderly will not be able to bear this kind of pressure and distress if they have to wait for one more year. We certainly support the funding of \$8.3 billion. But we all the more hope that the review of the OALA scheme will be conducted as soon as possible.

Moreover, I would like to mention paragraph 128 of the Budget in which the Financial Secretary expresses that he understands the pressure borne by the middle class, and realizes the enormous pressure the middle-class people have to bear in coping with expenses on rent, medical care, support for their parents, and their children's education. They are facing such pressure. However, may I ask the Secretary what actions he would take after realizing the situation? The Hong Kong Federation of Trade Unions (FTU) had proposed the provision of a rent

allowance scheme and an allowance for rent paid; both of which were not accepted by the Financial Secretary. The middle class has still to face the pressure of rental expenses. The FTU had also proposed an allowance for medical insurance, which was also not accepted by the Financial Secretary. Hence, the middle class still has to face the pressure of medical expenses. Despite the Government's introduction of the OALA scheme, as the children of our parents, we have to give them money as family expenses all the same. I will not give a smaller amount of family expenses because my father or family members have an additional OALA.

Thus, I would like to ask the Financial Secretary these questions: why do you raise the allowance of education expenses for children and increase the child allowance, but choose not to increase the dependant parent allowance? In the past, both the child allowance and the dependant parent allowance were increased at the same time. Are you encouraging people to support their children only but not their parents? Does it mean that since they have OALA this time around, contributions from children as family expenses can be waived for one month? Do you wish this to happen? Hence I would like to tell the Financial Secretary that since you know the pressure we have to bear in coping with expenses, you should take some actions to alleviate our pressure. Your existing policy is telling us that you know there is a need to take certain actions, but you will not do so. Instead, you are doing something to advocate some inappropriate behaviour, such as increasing the child allowance but refusing to increase the dependant parent allowance. This is different from what we found all along in the Budgets of previous years when both allowances were increased. Why is this Budget different from the previous ones?

Moreover, I would also like to point out that the Financial Secretary is very generous in this year's Budget. A sum of over \$30 billion is allocated from the \$60 billion-odd expenditure to set up various funds. For instance, money will be injected into the Community Care Fund and retraining fund. As a matter of fact, the dazzling number of funds only represents a lack of commitment. Of course, we support these funds. We support initiatives of retraining. Nevertheless, if the policies are beneficial to Hong Kong, should the Government not make long-term financial commitments for them? Whenever we launch some measures which we should implement, should we just take them up on a one-off basis? Take the Pilot Project for the Elderly in Residential Care Homes — the dental care project I mentioned just now as an example. It will cease to operate

after operation for three years, during which services are provided to a certain group of elderly people. Should we not place such projects under the category of recurrent expenditure, recurrent policy and long-term policy so that they can really render help to members of the society?

The Financial Secretary may say that the Government cannot afford the long-term financial commitment, or may explain to us in many financial jargons. You have proposed in the Budget to set up a working group to be led by the Treasury Branch to explore ways to make more comprehensive planning for the Government's long-term commitments. I will wait and see. For the moment I will believe you. I will wait and see what the outcome of this planning as made by the working group is. I will wait and see whether those one-off funding allocations without commitment will be reduced after the planning has been completed, and whether some beneficial policies and programmes will be included in the items of recurrent expenditure.

Now I would like to talk about why Members of the FTU had to visit local communities to reach out to the people and listen to public opinions whenever the Budget or the Policy Address was announced in recent years (from last year). We had organized various residents' meetings. This year, I have held 10-odd residents' meetings in various estates of the New Territories West. But regrettably, the public's criticisms we heard this year far exceeded those of last year.

Financial Secretary, these members of the public are rational people of the grassroots, who have been working in Hong Kong for several decades. So why do they still have so many grievances now? The existing issue is, even though the economy in Hong Kong is not bad at all, with the GDP rising continuously and the economy improving, the livelihood of the grassroots has not seen any improvement. We are unable to share the fruits of our economic development. We can see that the Government has abundant fiscal reserves. But the Secretary is telling us that he cannot spend money in various areas as requested. Money has to be saved up for fear something will happen in future. The public is telling you now, "If you want to keep the money, then it is better for us to keep it". Why do so many people in Hong Kong — members of the public who have been around for several decades, and who have been living in Hong Kong for several decades — ask you to give cash handouts all of a sudden? Why didn't we ask you to give cash handouts in the past, but now? Because we can see that you will not formulate long-term planning and make preparation for Hong Kong's

future; thus, if you want to keep those billions of dollars, it would be better for us to keep the money. You do not have to worry how we are going to spend it.

Thus, Financial Secretary, if you wish that there will not be so many grievances among the public, or so many people asking you to give cash handouts, please ensure that our money is well spent and formulate long-term planning for us. Please do not play fireworks — fireworks of different colours in every Budget. The people of Hong Kong no longer wish to see fireworks. We only wish to see whether there is hope in our future. Thank you, President.

**MR CHAN CHI-CHUEN** (in Cantonese): President, some of my remarks are dedicated to Members of the pan-democratic camp. But there are only two Members of the pan-democratic camp in the Chamber now, so I request a headcount.

**PRESIDENT** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**PRESIDENT** (in Cantonese): Mr CHAN Chi-chuen, please.

**MR CHAN CHI-CHUEN** (in Cantonese): President, a good Budget should be able to address the short-, medium-, and long-term issues of society. The SAR Government has all along been criticized for its Budgets lacking long-term objectives and policies, including a population policy, a retirement policy, such as a 15-year retirement policy, and an education policy. People say that it is useless even if the tactic of filibuster is employed. You may wish that these policies can be conjured up instantly, but it is simply impossible. In that case, all we can do is to examine what its short-term measures can achieve.

The Government always claims that it "senses the urgency of the people". Insofar as this year's Budget is concerned, how much has the Government "sensed the urgency of the people"? What relief measures have been introduced by the

Government? The Financial Secretary stated in paragraph 126 of this year's Budget, (I quote) "I understand that members of the public, especially the grassroots, hope that the Government will help ease the heavy burden and pressure on them." (End of quote)

Not only do Hong Kong people fail to know clearly what Mr John TSANG means by the two words "middle class", they are becoming increasingly unclear about what he means by helping the "grassroots" ease the pressure on them. Actually what is the meaning of the "grassroots"? The principle of public finance management should be making the rich help the poor, returning wealth to the people, but not returning wealth to the rich. Those who have common sense know that the more income you earn, the more in tax you have to pay; the more property you own, the larger your property, the more rates you have to pay. As property prices keep soaring in recent years, those who wish to gain profits have already reaped them. Then why has this year's Budget proposed to spend \$20 billion on tax rebate and rates waiver? And how can this help easing the pressure on the grassroots?

There are measures proposed in the Budget which will really ease the pressure on the grassroots, such as waiving two months' rent for public housing tenants, which only amounts to \$2.2 billion; and providing an extra allowance to the elderly and people with disabilities, which amounts to \$2.7 billion. The combined expenditure of these two measures accounts for only one fourth of the total expenditure on tax rebate and rates waiver. Pardon me for being crude and not having read enough books. In doing so, does the Financial Secretary actually intends to transfer benefits or alleviate the hardships of the people?

The philosophy of financial management of a civilized society advocates "distributive justice", with the objective of enabling various groups of needy people to be taken care of in a reasonable manner. At present, it can be said that no progress has been made by the SAR Government in all long-term policies regarding people's livelihood. The People Power has proposed a refund to all Hong Kong people. Only this initiative complies with distributive justice. Some people criticizes that a refund to all Hong Kong people is tantamount to playing fireworks. Not only have pro-establishment Members made such a remark, even Members of the pan-democratic camp have also made similar remarks. I hold that such a remark is extremely mean. Why is placing money directly into people's pockets tantamount to playing fireworks? A display of fireworks takes only eight minutes, but it burns over \$10 million. The display of

fireworks on New Year's Eve is like that. This amount of \$10,000, that is, the direct refund requested by the People Power, will mean enormous help to the grassroots. They can either choose to use the amount bit by bit to meet their living expenses, or choose to spend the money on the item they consider to be of the greatest value to them. With regard to the spending of this amount of money, nobody can say that they are squandering. However, some people say that spending money on the people is a waste, tantamount to playing fireworks.

I remember that when \$6,000 was handed out, an elderly aged over 70 said to me, "This amount of \$6,000 is really good. I will not use it on food or fortification. Neither will I use it to pursue health. I have lived to this old age when my life will soon come to an end. I have always hoped that I can go on a trip with my children, but the life we are leading is so .....

**MR ALBERT CHAN** (in Cantonese): President, Mr CHAN Chi-chuen is telling a touching story. I hope that more Members will come back to the Chamber to listen to this touching story. Please do a headcount.

**PRESIDENT** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**PRESIDENT** (in Cantonese): Mr CHAN Chi-chuen, please continue.

**MR CHAN CHI-CHUEN** (in Cantonese): President, the story I was telling just now is a real-life story. A granny aged over 70 told me that in her lifetime, she had a wish, and that was, to go on a trip with her family, her son and her grandchildren before she died. To her, going to the Mainland was good enough. But she dared not raise it with her family because her entire family can hardly sustain their basic living or makes ends meet. So how could she raise this request with her son? She had thought she would never have the opportunity to fulfil her wish before she died. However, an amount of \$6,000 was handed out that year. Her son said that since everyone had \$6,000, they would use a portion

of the money for travelling. She was so happy because the trip could materialize before she died. She wanted to thank the Government. In fact, she had to thank the Financial Secretary too, because he had inadvertently done something good and helped some people.

I have cited this example to illustrate how the amount of money will be spent by the needy if there is a direct refund. Even if a granny wishes to look beautiful before she dies and spends the money on facial treatment, you cannot rebuke her for using the money to play fireworks. Neither can you rebuke her for squandering. As the saying goes, "A bowl of rice when you are alive is better than a censer of incense when you are dead". I hope that those who are children as well as those who are government officials will remember this. But how does our Government handle this? It is using pretexts made under all sorts of concocted names. The bureaucracy is pretending to take concrete measures. The best tactic it employs to deceive the public is offering rates waiver, tax rebate, and electricity tariffs waiver. In fact, all these measures have the same effect of giving cash handouts. The Government is only using wrapping paper to package the cash handouts. Thus, insofar as those Members who have opposed giving cash handouts are concerned, I think they should also oppose the electricity tariffs waiver, rates waiver, tax rebate and business registration fees waiver.

As a matter of fact, an increasing number of economists have pointed out that rigid financial management is being implemented by the Hong Kong bureaucracy. It is reluctant to spend money on good causes, believing that resources can only be considered well spent when they are allocated under names of certain policies and distributed through various departments. The amount of money which was originally a sum of public funds used to directly subsidize the people's livelihood has now become a subsidy for the administration costs of government departments and organizations. There are other reasons for the opposition to making cash handouts, such as the worry about Hong Kong becoming one of those indebted European countries which resort to borrowing money after exhausting all fiscal reserves. This is also raising alarmist talk. These European and American countries have remained in the reds for a long period of time, while the HKSAR Government has more than \$2,000 billion in reserves. What we are asking is a repeat of the refund to all Hong Kong people when the Government does not have any long-term policies, objectives and planning. This is not recurrent expenditure. So why should the SAR Government which has more than \$1,000 billion as free-to-use reserve worry

about a refund to all Hong Kong people? Why should we worry for the Government? If giving a handout of \$10,000 is considered squandering ..... those major property developers in possession of over 9 000 units will be able to save \$54 million as a result of the rates waiver, and they may acquire more units and more vehicles; can we consider public funds used in this way well spent?

The Government stands firm in its refusal to give a cash handout. I wonder whether the Government considers it wrong in giving a cash handout of \$6,000 last time around. But where actually has the money been spent? When compared to last year's Budget, the expenditure in this year's Budget has increased by \$60 billion. This actually is a "falsification of accounts". That is why I have said the "mistaken budget" has evolved into the "deceptive budget". It is a deliberate attempt of deception. Many Members have also mentioned today that the Government chooses to allocate tens of billion dollars to some funds, which will not be able to spend such amounts of money over several years, more than a decade or even several decades. It chooses to create the appearance of a slight deficit, but refuses to return wealth to the people. A sum of \$15 billion will be allocated to the Employees Retraining Board, \$15 billion to the Community Care Fund, \$5 billion to the Environment and Conservation Fund (but applications from many environmental groups have failed to secure funding), \$5 billion to the Language Fund, as well as \$480 million as scholarships for 20 students. This can be described as an attempt to gloss things over. Four of the Budgets over the past five years have recorded a discrepancy of over tens of billion dollars between the estimate and the actual figure. Eventually deficits became surpluses. On the one hand, the Government is worried about the "crying wolf" scenario, and yet on the other, it refuses to return wealth to the people. Thus, it can only attempt to hide wealth in such funds, that is, funds created under all sorts of concocted names. This is tantamount to saving money under accounts of different names, and taking reserves for expenditures. Indeed, this kind of tactic is pathetic.

Moreover, there is a most intimidating projection of the working population in the Budget. The Financial Secretary has estimated that in about 30 years' time, by 2014, the ratio of persons of working population supporting one elderly person will drop to less than two persons. This implies that in the long run, the scenario of not making ends meet will emerge in Hong Kong. For this reason, we have to further store up grains for a rainy day from the \$1,000 billion-odd reserve. Further, the Financial Secretary has also presumed



that at the same time, we may have to face a once-in-a-decade major financial crisis. May I ask how this prophecy comes about. Actually how much reserve is considered to be sufficient? How much is considered to be excessive? How much money has to be stored up before wealth can be returned to the people? If we need to store up grains for a rainy day to this extent, what is the use of the additional tens of billion dollars hidden in various funds? Thus, I describe this Budget as the "deceptive budget".

It is stated in paragraph 162 of the Budget (I quote), "..... we share the same vision and values that unite us and drive us to forge ahead. Hong Kong people of different generations and backgrounds are all positive, optimistic and resilient. We strive for continued improvement and never yield to fate."

I would like to tell the people of Hong Kong that filibuster is a profession by a Member of the Legislative Council to illustrate that he is unwilling to yield to fate, unwilling to yield to this "deceptive budget". This is also one of the feasible means he can employ. Let me draw an analogy. This "deceptive budget" is tantamount to a fraudster or an unscrupulous shop. Once you have been deceived, you can cease patronizing the shop again. But this shop will continue to operate and carry on business. You can criticize at the entrance of the shop and criticize how unscrupulous the shop is day in day out. But it still operates in a detached and indifferent manner. This is similar to the situation after the announcement of the Budget. Many Members were very angry. They turned it upside down, vandalized it, and tore it into pieces. They made numerous criticisms. But in the end, what would they do? At the most, a few amendments were put forward so that they could have more opportunities and time to criticize it. Now, even these amendments have been withdrawn for fear of being dragged into trouble, or being mistaken for taking part in the filibuster. If this is really the case, it is most ridiculous indeed.

Just like the meeting of the Finance Committee this morning during which some Members put forward some amendments. If "Long Hair" puts forward 100 or 1 000 amendments later, will you withdraw your amendments because you are afraid that you will be mistaken for filibustering and blocking this funding application for disaster relief? If not, you know very well that under this ratio of votes, after all the criticisms have been made, there will be the routine of voting. Your amendment will again be negated. Then the original motion will again be passed. The funding of \$100 million will go into the hands of the Chinese Communist Government. As usual, there will be a discount of 95%, that is, the

Chinese Communist Government will take away 95%, and only the remaining 5% will go to the people. What can we do about this?

This is a cycle. I am a new comer to this Council, but I think my seniors really have great patience. Over the years, they have been exercising extreme patience. At the most, they would only raise criticisms, vote against the motion, and leave the Chamber. Have they ever thought of taking a step further and doing a bit more? They do not even do that little bit this time around. Instead, even the subjects originally planned for discussion are withdrawn because they are afraid of being dragged into trouble, because they are afraid of public opinions, and because they are afraid of becoming the target of smearing.

Some Members have said that they fear there will be a "filibustering fatigue syndrome". Are the people of Hong Kong not also getting tired of the SAR Government, this Policy Address and this Budget? If this continues, either let all members of the public become indifferent to politics, adopt an unconcerned attitude since they cannot exert any influence or change anything; or we need to arouse the awareness of more members of the public. As the saying goes, "Unfamiliar at first but soon get used to it". From knowing nothing about filibustering, being completely ignorant of it, and having a misconception about it in the past, people are beginning to understand and gradually support the idea. I also know that some smearing that targeted filibuster in the past has been vindicated. There were assertions of how the Government could be paralysed by filibustering. However, some Members have also mentioned that an application for provisional appropriation can be submitted to this Council anytime. Last week, when some Members asked Financial Secretary John TSANG whether he was afraid that the Government had no money to use and no money to make CSSA payments, I saw that he looked very relaxed. From this we know that being tense and edgy is only pretence. If he wishes to get money, he can get it anytime. Do you think he was tensed up? Last time when the meeting was aborted, he was not tense at all. Thus, I hope that members of the public will not believe the smearing by other people. The few of us will make an attempt at filibustering. Although we may not succeed, at least we have professed that we will not yield to fate (*The buzzer sounded*) .....

**PRESIDENT** (in Cantonese): Mr CHAN, your speaking time is up.

**MR JAMES TO** (in Cantonese): President, since I am one of the Members who speak at a later time, I am not going to repeat what has already been said by other colleagues. This is particularly so when Ms Starry LEE, who is also a Member of the Executive Council, has also remarked that this year's Budget has no surprises to offer; we can largely know what measures in the first Budget of LEUNG Chun-ying's Government have delighted the public. In fact, the Government's measures are no more than injecting capital into certain funds only. Mr CHAN Chi-chuen has mentioned this subject just now. Although I was prepared to speak on this, I do not intend to make repetitions. The overall issue is, even under the rule of the new Chief Executive, the Government is completely devoid of determination to improve people's livelihood, and in particular, to make preparations to resolve certain deep-rooted problems in the long run by taking bolder actions and adopting a more forward-looking approach. There is no mention of any long-term planning with the objective of improving people's livelihood, as well as meeting the expenditure of retirement and medical benefits.

I would like to talk about some detailed comments regarding the expenditure of the disciplined forces. Since a committee of this Council will consider the contents of the Director of Audit's report, I hold that we should not discuss in detail the issues the committee is going to deliberate in depth before hearings of the committee commence. However, I consider it necessary to hold serious discussions on the scope not covered by the recently released Director of Audit's report as well as the issues related to the expenditure of the Independent Commission Against Corruption (ICAC). It is also my wish that the Government will address the problems emerged at a higher level.

It has been uncovered recently that activities such as super luxurious banquets, giving of gifts or duty visits outside Hong Kong have been hosted and arranged by the ICAC in recent years. According to my initial observation, it seems or I personally believe that the problems generated by these activities may be related to Mr Timothy TONG, the former Commissioner for the ICAC. To put it more frankly, since Mr TONG and I have known each other for many years, although I seldom make severe criticisms against individuals, when he assumed the post of the Commissioner for the ICAC, I had pointed out that be it the Customs and Excise Department or the ICAC, they deserved to have a better person than Mr TONG as their head. This had already been put in a very polite way. I thought that since I seldom level criticisms at individuals, and I had actually used such wordings to phrase my view when Mr TONG assumed office, he should certainly exercise extra care and caution. Now in retrospect, who

would have guessed that Mr TONG's love for making friends, to put it in a vulgar way, his indulgence in forging ties, and his love for banquets, had actually been given free rein in the ICAC already.

President, this remark of mine is made with great sadness. I also expressed my sadness and disappointment during the exchange of views with ICAC officers this morning. Hong Kong needs the ICAC very much. We need the ICAC to set an example of high standard. Every cent spent by the Commission should be used to ensure and monitor that the graft-free and clean principle is being upheld by other government departments. Once the credibility of the Commission is tarnished, Hong Kong will be subject to adverse impacts. With the improper behaviour of ICAC officers, it is already difficult for the Commission to set a good example to other departments. He had even used the Mainland style to mould the practices in Hong Kong. Measures have already been put in place in the Mainland to regulate the expenses of the "three public entertainments", namely hosting banquets, giving of gifts, and organizing overseas duty visits. On the contrary, we are adopting a policy of completely free rein on these practices. And it is even the ICAC which has taken the lead to relax the monitoring of expenditures of departments. Not only that, the target of giving of gifts or entertainment was actually a Mainland delegation from the Sichuan Province to thank all sectors in Hong Kong for their efforts in disaster relief. He had actually put on a performance of all the most improper behaviour we can imagine before the officials of the Sichuan Province.

As for the issue of the so-called "separate bills", let us leave this to the consideration of the committee of this Council. We have learnt from recent newspaper reports that 20 bottles of Muotai and XO Brandy had been prepared to serve a banquet of 20 to 30 people. What actually was he thinking? Surely he did not mean to drink them all. And when the target of entertainment was a group of 13 guests, Commissioner TONG had actually invited nine more people to help entertain the guests. In other words, Commissioner TONG liked to have his directorate grade colleagues help entertain guests in banquets. This is an exact replica of the culture in the Mainland. The ICAC is clearly responsible for the work of anti-corruption. But it was uncovered that a large cache of brand wines was stored in the Commission. According to reports, they were kept in a cabinet behind the seat of the Commissioner. It turned out that his office was not a place for keeping documents, but for storing Muotai and XO.

This is really beyond imagination! I cannot help asking whether this actually is a problem with an individual or a problem with the system itself. Can our system prevent the Commissioner from granting himself approval to perform certain acts? Does our system allow persons other than the Commissioner to warn him and indicate that such acts are not permissible? In handling external affairs, the ICAC officers employ an "iron fist" in enforcement; but in handling internal affairs, have they ever made any remonstrance to their boss, that is, the Commissioner, and warned him such acts must not be performed by him? The Chief Executive is the superior of the Commissioner. In conducting investigations and enforcing the law, the Commissioner should enjoy the highest degree of autonomy and independence. But when he has performed some outrageous acts which have the effect of adversely affecting the culture of the entire department, or even damaging the image of the entire department, is a mechanism in place to stop him? If not, it implies that a mere change of a person is enough to corrupt the entire department; certainly there is still much room for improvement in our system.

President, I reiterate that I am very much saddened by this. I hope to use this opportunity to examine whether something bad can be turned into something good. During the meeting of the Finance Committee this morning, some colleagues pointed out that when we criticized the Mainland, whether we had considered if similar situations had taken place in Hong Kong. However, in Hong Kong, at least legal actions can be taken against the senior officials in breach of regulations. Such incidents can still be uncovered by the Audit Commission. Hence, I hope that the Financial Secretary and the Chief Executive will consider what counter-measures can be taken against this. Nevertheless, our bottom line remains the hope that the ICAC will continue to play the role of an independent and autonomous department.

I do not agree with the comments of a newspaper's editorial today. The editorial has raised the issue of whether the Government, in the light of prevailing circumstances, should be prepared to intervene when necessary, and such intervention includes considering whether the ICAC's role and functions should be reviewed and taking appropriate measures to ensure the core value of maintaining integrity and cleanliness will not be compromised. I do not consider it necessary to review the role and functions of the ICAC because the ICAC has been established for nearly 40 years. Its role and functions have gained recognition and are ingrained in the minds of the public. What we

probably need to do is to introduce certain safeguards into the system, or even consider whether it is necessary for the Commissioner to issue more guidelines to the entire department. This is because under general circumstances, it is really inconceivable to me that there is a need to host banquets with a per capita spending over \$450, or give luxurious gifts, and in particular, to give such gifts to Mainland officials. I certainly understand that even if a gift of \$1,000 to \$4,000 is defined as a luxurious gift, Mainland officials may consider it not luxurious at all. Nevertheless, I am talking about the values in Hong Kong. If gifts given by the Chief Executive to foreign guests cannot exceed a certain value, can the head of the ICAC or a certain department exercise his discretion so easily and relax the requirement?

President, this year I have withdrawn with great reluctance the amendments I had put forward over many years. Among the amendments, some involve the "mysterious expenditures" which include "informer's fees", and the expenditures of the entire department of the Complaints Against Police Office (CAPO). I would like to give a brief explanation now, because I may not be able to do so during the Committee stage.

I had put forward these amendments for over a decade. Coincidentally, this year marks the 20th anniversary of the abolition of death penalty on 21 April 1993 in Hong Kong. It turns out that the motion I proposed demanding the CAPO be made independent of the Police Force was successfully passed on the same day. This year also marks its 20th anniversary. I firmly believe that under the existing system, if the CAPO is unable to conduct independent investigations, this sum of money will be wasted. Even though the Independent Police Complaints Council has already been established as a statutory organization, such a move is still not conducive to the entire system in commanding the highest degree of credibility among the public.

With respect to the "mysterious expenditure", I hold that in accordance with overseas experience, as an elected parliamentary assembly, we absolutely have the duty as well as the authority to seek to gain knowledge of and undertake monitoring of these expenditures in a specific environment and within stipulated areas. Why do I say that? Because even with the establishment of the post of the Commissioner on Interception of Communications and Surveillance, numerous problems have still surfaced. I may not be able to talk about each of them in detail now. But against the historical background of it being a legacy

left behind by the former Special Branch, this "mysterious expenditure" is certainly a matter of concern to the public. This is particularly so as there are rumours in the community about the Government and the new Chief Executive bearing a special responsibility of enacting legislation on Article 23 of the Basic Law. I hold that if a mechanism is not put in place to perform checks and balances on this "mysterious expenditure", it is feared that once the relevant legislation on Article 23 is passed, Hong Kong may become a society where political surveillance will be conducted, while the Government will be given authority, resources and institutions to conduct acts that greatly threaten human rights.

Having said that, why did I still withdraw these amendments? The reason is that the Democratic Party actually does not agree to the approach of filibustering adopted by colleagues from the League of Social Democrats and the People Power this time around. We agree that compared to the greatest evil, filibuster is a proportionate, corresponding action that can be taken, as well as a right. But insofar as this action is concerned, have sufficient preparations been made? Have advance warnings been given? Should this be carried out suddenly under such circumstances? Further, as claimed by these colleagues, they have adopted the tactic of filibustering for the cause of a cash handout of \$10,000 or the establishment of a universal retirement protection scheme. But is this the genuine reason? They only give the impression that they want to filibuster, so they look for a pretext to justify their action of filibustering.

President, after serious consideration and with great reluctance, we decided to withdraw the amendments. I hold that it is right for us to do so, because in scrutinizing the entire Budget, if it is not for the reason of facing the greatest evil, which warrants adopting this proportionate and corresponding course, the action itself may turn out to be another evil.

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

**MR LEUNG KWOK-HUNG** (in Cantonese): President, in accordance with Rule 17 of the Rules of Procedure, I request a headcount.

**PRESIDENT** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(While the summoning bell was ringing)

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, we are now doing a headcount. Please move the slogans which you have placed on the table out of the way so that they will not block the view of your face.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, you may now speak.

**MR LEUNG KWOK-HUNG** (in Cantonese): President, I am now speaking as the initiator of this debate. First of all, I would like to respond to the comment that the Government will be paralysed by my filibustering. I have told the reporters many times that if the Financial Secretary wants to "rehabilitate with the people and be kind to the people", he can actually apply for supplementary provision under section 7 of the Public Finance Ordinance (Cap 2), as what he did sometime ago, then the Government can continue to operate. Or, if your honour gave the green light for the motion to jump the queue, like what you did last year with LEUNG Chun-ying's motion on the establishment of the illegal structure of "five Bureaux and 14 Departments", and allowed it to be submitted ahead of other motions for discussions at this Council, then the problem could also be solved through the efforts of you two, both surnamed TSANG and descendants of Zeng Zi — who examined himself every day on three counts — then the problem could have been solved. Thus, you should not lay the blame on us. That Members of the pan-democratic camp would think that you two could not solve the problem was only because they were too cowardly, but I am not cowardly at all for I believe that both of you are not bad guys and will not leave the people in peril. I have also said that if Member "Long Hair" dies, then you will have the responsibility to enable the poor to continue to live or continue to improve their lot, meaning that universal retirement protection should be implemented. Both of you, descendants of the TSANG's family, can solve the problem between yourself, and failing that, you can seek the help of TSANG Tak-sing. As such,



you should not lay the blame on us; otherwise, you should make clarifications or stop making such accusations, or else, you are shameless. And, now you are ignorant.

Secondly, I would like to respond to the Financial Secretary's comment that this is welfarism and his quote of an American politician: "Keep your eyes on the stars, and your feet on the ground." It was a quote from Theodore ROOSEVELT; but what did Franklin ROOSEVELT, the more recent ROOSEVELT, say about this? Several decades later, he said: "I see an America where factory workers are not discarded after they reach their prime, where there is no endless chain of poverty from generation to generation, where impoverished farmers and farm hands do not become homeless wanderers, where monopoly does not make youth a beggar for a job. I see an America where the workers are really free and — through their great unions undominated by any outside force, or by any dictator within — can take their proper place at the council table with the owners and managers of business. Where the dignity and security of the working man and woman are guaranteed by their own strength and fortified by the safeguards of law. I see an America where those who have reached the evening of life shall live out their years in peace and security. Where pensions and insurance for these aged shall be given as a matter of right to those who through a long life of labor have served their families and their nation as well."

I fight for the rights of the elderly, the majority of whom have laboured all their lives, even if they cannot make contributions to the Mandatory Provident Fund (MPF) as a result of your corrupted system, and elderly women whom we respect. How am I wrong to fight for \$50 billion, so that something can be done for them? And, you, buddy, still say "you have your life and I have my busy schedule." Well said and well quoted. I wish to say what you should have said about your attitude of doing nothing but accusing me instead was "you have your life and I have my incompetence." You are really incompetent for you have not done anything. While even your incompetence does not matter, the problem is some people have clung onto your thighs and blame me for your incompetence, then, this is ridiculous. What did those people say? My colleagues said, "'Long Hair', you have your life in poverty, your life of fighting for universal retirement protection, and I have my dirt and filth."

President, I would now like to respond to other issues after making this point. We are accused by Members of the pan-democratic camp of being unreasonable and failing to give advance notice. Buddy, when I apologized to

all elderly people of Hong Kong on December 7 after the guillotining of the debate, I told them that I had failed, I was incapable and it was time for the FTU, DAB, Labour Party, Democratic Party and Liberal Party to do their duties. However, four months have passed, and they had one breakfast with LEUNG Chun-ying and an ice-cream with you, John TSANG, but have they raised this issue? When did they do so? What did they say? Since they have not made any account on this, Financial Secretary John TSANG, perhaps you should tell us whether anyone has raised this issue up with you? Have you been impenetrably thickheaded? If not, then you should say so and be an honest person. I think this means "no". Has anyone told you that you have to face the consequences if you do not do anything about it? No. But I have told you that there will be consequences to bear if you do not do something. So have I failed to give advance notice?

Secondly, the DAB is most despicable. I heard Mr CHAN Kam-lam accusing us and lamenting the so-called high land prices earlier. I heard that he had recently sold a shop in Tai Wai and cashed in \$90 million, which is really very horrible, for at an average profit rate of 15%, he has made a profit of more than \$13 million. What right has he got to complain that the pit stinks while he eats the shit? And there is Mr CHAN Hak-kan who gained \$4 million from the sale of a ground level shop, so what right has he got to criticize the Financial Secretary? How can he who eats the shit blame the pit for being stinky?

**PRESIDENT** (in Cantonese): Mr IP Kwok-him, what is your point?

**MR IP KWOK-HIM** (in Cantonese): President, point of order. I think that he is insulting us, those who are in the DAB.

**MR LEUNG KWOK-HUNG** (in Cantonese): It is a fact, and it is wrong to eat the shit and criticize the pit. Isn't this a metaphor?

**PRESIDENT** (in Cantonese): It is inappropriate for you to say such things in the Council. Please mind your language.

**MR LEUNG KWOK-HUNG** (in Cantonese): Understood. You eat fat BBQ pork and then criticize the shop which sells it for being filthy? Do not be absurd!

Moreover, honourable colleagues, Mr TAM Yiu-chung is really "most interesting". He had most righteously declared to the last Governor of Hong Kong in 1994 that he had not been able to get what he had made every effort to strive for over several decades, meaning that he, as a member of both the FTU and DAB back then, had failed. What had he tried to strive for? He said it was for contributions from three parties, a top and a pair of trousers. What was "a top"? It was a central provident fund with contributions from three parties; and "a pair of trousers" was "old age allowance" for the elderly. What else did he say? He said each person should be given \$2,300 before this target is achieved. It turned out that the DAB could also be rational for \$2,300 was 30% of the median wage back then. What is the median wage today, President? Do you have any concern for the livelihood of the people? Buddy, it is \$4,030. So much fuss has been made over handing out \$2,300 and people have to go through a number of means test. They may as well eat it! Then, I will have nothing to say.

Has Mr TAM Yiu-chung "bitten the hand that feeds him"? And, now he has to chide me. May I ask him how much the Government had got in fiscal reserves when he made such statements back then, and now he said it cannot be done? It was more than a hundred billion dollars, \$130 billion, and today we have more than \$1,500 billion in fiscal reserves, which is more than 10 times of that amount back then. So how come it is still impossible? What did he tell Christopher PATTEN back then? Better eat your words! You people are so good at empty talk. Nineteen years ago, you said it could be done but now 19 years have passed, so please tell me how long have you been filibustering? When will your solemn promise be fulfilled? This is nonsense! Today, I am helping you out, and you criticize me instead? Not convinced? Go check it up on the Internet.

President, this is absolutely true. Please tell me what right has he got to criticize me? Am I not correct? He said that there is no money, but it turns out that he had made a similar request, and even gone so far as to ask for a two-pronged approach back at the time when our fiscal reserves was 10 times less than that of today. And, buddy, it was raised again in 1995 when everyone, including the Democratic Party and the Frontier, voted in favour of the motion.

Today, 18 years have passed and they are scared because I, your little brother, am speaking in this Council for they have been threatened by the Financial Secretary who said: "I will not go and get the money even if it is there for the taking for that is the way I am, why can't I? My intention is to starve the people of Hong Kong to death and let "Long Hair" take the blame. Why not eat congee with minced meat? If the recipients of Comprehensive Social Security Assistance (CSSA) cannot afford to eat rice, tell them to eat minced meat congee instead."

President, this is really very contemptible. This is something which Mr TAM Yiu-chung himself said should be done, and he had miraculously taken on the role of the representative of righteousness and had the support of all Members of the pan-democratic camp, the predecessors of the existing pan-democratic camp, back then. Some 18 to 19 years have passed and who exactly is filibustering? Before the return of our sovereignty, it was said that it was a tactic of the British ..... remnants of British Hong Kong who are now present. But why did an outdated communist act in such a manner? Why have you badmouthed people and called them remnants of British Hong Kong? You had better save the time. You said that the economy would fail to develop if there was retirement protection, but why is social security put in place on the Mainland? Is the Mainland trying to ruin its economy by implementing social security? Do you know why? If the central bank of Iceland had not seen itself as an international investment bank, then how could it have lost so much money? Everyone gambled on Freddie Mac and Fannie Mae in the United States and lost money. It is not true that they have no money, but they have taken money payable to other people to gamble.

As in the case of our SAR Government, a son, who will be regarded as unfilial, we have \$3,000 billion, out of which \$1,500 billion is disposable. That is to say you, John TSANG, have \$15,000 in his pocket and your father said to you, "Son, today is my birthday, can you give me \$500 to take out a life insurance policy? Then, I will not have to bother you again." You said, "Father, no, I have to save the money, for how will I know whether I will still have a job or not tomorrow? How can I tell whether you will ask me for money or not in future? I will not give you the money, unless you are dying of starvation." Such a son is unfilial, such a ruler is inhumane, his supporters are unjust and those who still support him are shameless. How can those who are unfilial, inhumane, incapable and shameless be qualified to speak to me? Those were historical records and all Honourable Members agreed that it should be implemented. In 2006, Mr TAM Yiu-chung once again led the DAB in voting in support of the

motion on universal retirement protection moved by Mr LEE Cheuk-yan, but they abstained in 2012. Who is filibustering? Who has "benefited from eating their own words"? Who has "benefited from eating shit"?

President, I did not mean to become so agitated, but I am actually under very great pressure at being attacked in such a manner. President, Dr Elizabeth QUAT said a Mr LAU criticized my actions as someone who demanded his wife to give him a son. Wrong! This Government and you people are like children who promised to take care of their parents, or a boss who promised to make contributions to the MPF for their employees' but failed to do so. Are you aware that 700 000 elderly poor people are living in hardships every day? Contrary to the accusations of me, I do not suffer from male chauvinism and please tell Mr LAU not to make such accusations for if I should marry a wife, I will not make her promise to give me a son. I marry her because I adore her and love her. You can ask the President whether this is true or not? Who is this person, and whose fan is his? Find a wife who promises to give one a son?

In addition, what should be done if the Government fails to solve the problem? I have already answered the question earlier, and I told him, "You should get up at the place where you fell." Am I not correct? But you have got yourself into the scrap of being buried at the place where you fell. You choose to die when you can actually get up and take the money. How can I stop you if you want to die? However, you said you would bring other people down with you when you die. Dr Elizabeth QUAT, can you hear that? You can tell Mr LAU that the Government can get back on its feet at the place where it fell, instead of being buried where it fell and have the poor people of Hong Kong buried with it. As I said earlier, instead of hastily applying for the allocation of \$100 million for socializing with Mainland bureaucrats, it should immediately come to us and apply for appropriation, when it faces the obstruction of filibustering.

President, I feel less and less inclined to come back to this Chamber and my legs will go weak whenever I enter, for I feel that I have walked into an animal farm. The pigs were said to be singing at the end of the story in *Animal Farm*. People who are on the outside will not be able to tell whether those who are here are pigs or men, for men appear like pigs and pigs like men. I hope I am a man, but I may be a pig for those who are close to pigs will become pigs.

**PRESIDENT** (in Cantonese): Mr Albert CHAN, do you wish to speak?

**MR ALBERT CHAN** (in Cantonese): President, I am deeply moved by Long Hair's speech. Some people in this Chamber are sneering and smirking, and such are not the laughter of human. Please take a look at this society, not only has the disparity between the rich and the poor worsened, the problem of collusion between the Government and business has also become more serious. And though such problems have been discussed for 20 years, even basic humanity has gradually degraded. The unbearably vulgar humanity reflected in this Chamber has made people increasingly angrier and think that it is a disgrace.

President, speaking of the Policy Address, I believe many people have not really read it carefully. Though "689" is now the Chief Executive, it can be said that the Budget is an extension of "covetous TSANG"'s administration. Take a look at the entire Budget and you will see that resources have been allocated in the same manner as under "covetous TSANG"'s administration, which follows the convention of "big market, small government" and transfer of benefits to the rich and powerful, which has been advocated by "covetous TSANG" over the past seven years.

"689" said great things on how he would help the poor and people at the grassroots to improve their lot in his election campaign, but not a trace of "689"'s promise can be found in the entire Budget. Therefore, I would like to ask those people, Members of the Executive Council, to wake up. Why are we going to move so many amendments later on? We have our reasons and we will go through them one by one when we come to that stage.

The Budget has justifiably stated at the very beginning that benefits will be transferred to the rich and powerful. While \$20-odd billion will be given out in rates waiver and tax rebates, only \$2-odd billion will be given to waive the rents of public rental housing (PRH) tenants, meaning that the money which the rich and powerful will get is 10 times that of the 2 to 3 million PRH residents. Most bigwigs in this Chamber can gain benefits of about \$400,000 to \$500,000 from the Budget, and even Members of the democratic camp can save about \$100,000-odd to \$200,000. However, the several hundreds of thousands of "Five have-nots", people at the grassroots and the poor cannot even get 10 cents.

Many Members of the pro-establishment camp and some Members of the pan-democratic camp are determined to pass this Budget for they hope that the rich and powerful can receive such benefits as soon as possible and they are worried that they will not be able to do so. They are fighting for the benefits of the rich and powerful. A big consortium and big developer can save \$60-odd million in rates alone thanks to the Budget, and in addition to the \$90-odd million of last year, the Financial Secretary has given a big developer \$160 million. How about the ordinary masses? Those who live in sub-divided units? The poor people or those who do not even have an income? Those who do not get CSSA payments and are now living in poverty and collecting cardboards? They do not even get 10 cents.

Hong Kong people, please wake up! Just take a look at how ugly are the features of people in this Chamber, how they have helped the rich and powerful get their rewards! What are these people, if not lackeys? They are the lackeys of the lackeys of the rich and powerful and only work for the bigwigs like Pekinese; they are simply Pekinese of the bigwigs, which wag their tails on seeing them.

In fact, I have put forward such expositions, statements and comments many times. Last year, I had ..... President, please do a headcount.

**PRESIDENT** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**PRESIDENT** (in Cantonese): Mr Albert CHAN, please continue.

**MR ALBERT CHAN** (in Cantonese): President, a good thing about doing a headcount is that it gives my blood pressure a chance to come down; otherwise my blood vessels will burst.

President, speaking of the Budget, the People Power — also during the time prior to its establishment — proposed during the past five Budget debates that cash handouts should be given. At first, we asked for \$5,000, then \$6,000,

and \$8,000, and eventually for a "refund" of \$10,000 this year. The Macao Government has given seven cash handouts, with each Macao citizen getting back \$39,000 in total over the years, but Hong Kong has only eventually made one cash handout of \$6,000 in the year subsequent to my offering of \$2 trillion in underworld banknotes to the Financial Secretary. Back then, many Members of the pro-establishment camp went around telling people that they had succeeded in their fight, but now they oppose the "refund".

Everyone were eager to claim credit when the Government made cash handouts, but when we asked for a cash handout of \$10,000 this year and "refunds" in the past, all political parties, including those in the democratic camp, opposed the idea and said that it was a waste of public funds. It turns out it is not a waste of public funds to give the big consortia "refunds" of \$60-odd million; it is not a waste of public funds, when a rich person — including certain people in this Chamber — get back \$400,000 to \$500,000, but when the general public and the "Five have-nots" get back several thousand to 10 thousand dollars, then people will say that it is a waste of public funds. From this, you can see that the values of certain people are tilted in favour of the rich and powerful and that they have become appendages to them. The more money the rich and powerful get back, the happier these people will be, but when the general public get back a little money, they are worried that it will act as a stimulus to inflation and affect social stability and say that it is a waste of public funds.

We have opposed the Budgets of past years, but the Government, in particular, the Financial Secretary, has always turned a deaf ear to what we say in our speeches, because our fundamental belief is entirely different from that of the Financial Secretary. He has followed the footsteps of "covetous TSANG" and Hamish MACLEOD in advocating the idea of "big market, small government", in total disregard of the responsibilities of the Government. The only thing worth approving about him is, as in the case of Budgets in the past couple of years, his once again putting the remaining funds into certain funds. I think that the idea of setting up funds should be worth advocating. Instead of returning money to the rich and powerful, it would be best for the Government to give money back to the general public, when it has a surplus. The establishment of funds can achieve the purpose of benefiting people at the grassroots and those in hardships on a continuous basis.

We put forward the proposal on setting up a "Grassroots Livelihood Improvement Fund" five years ago, and proposed that the Government should inject \$20 billion into the Fund back then, so that people who cannot afford



medicines, school fees, extra-curricular activities fees, computers or travelling expenses, can have such expenses covered by the Fund. Eventually, several individual projects targeting different issues and then the Community Care Fund (CCF) were established by the Government. As long as the Funds are properly managed, do not lead to transfer of benefits to the rich and powerful and transfer of political benefits from the pro-establishment camp to their "satellite groups", it should be a good thing. However, unfortunately, such funds have eventually become tools of the political bigwigs, the Government and the ruling party, for transfer of benefits within this corrupted Council. I find that some of such organizations are chaired by Members of the Executive Council and some by current Legislative Council Members, which means that they are all connected with political parties, thus leading to another form of decadence, corruption and degeneration. Hong Kong has to keep up with the Mainland and the quickest way to do so in terms of parliamentary culture and government operations is to adopt a mode of corrupted operation practices and thinking, among which the practice of transferring benefits is exactly the same as that of the Communist Party of China.

We have reproved and criticized the Government for many years, but we have never been taken seriously. As such, the People Power has to relaunch the "filibustering war" this year. Unlike what certain Members of the democratic camp have said about "filibustering wars" as being weapons of mass destruction and can only be utilized once, it is actually a widely employed tactic in democratic parliaments. I would like to ask Honourable Colleagues to try to learn a bit about the United States Congress, to ask those Members of the democratic camp to learn a bit about the traditions of foreign democratic parliaments. In the United States Congress, there are at least 30 to 40 cases of "filibustering" and at most 139 cases a year. Please open your eyes and see clearly that there may be 139 such cases a year.

President, it seems that a quorum lacking. I request a headcount.

**PRESIDENT** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**PRESIDENT** (in Cantonese): Mr Albert CHAN, please continue.

**MR ALBERT CHAN** (in Cantonese): President, "filibustering" is a tactic often employed in democratic parliaments and is a generally accepted practice. It is a basic right of the opposition/opposition party and definitely not a so-called weapon of mass destruction. Of course, filibustering at its most extreme disposal, like the time when Members of the French Parliament once moved tens of thousands of amendments, was a major case of filibustering. However, the purpose of every filibustering strategy is to force the ruling party (that is, the government) to hold discussions with the opposition.

Members of the Republican Party adopted a filibustering approach in dealing with OBAMA at the time when he wanted to implement healthcare insurance, and OBAMA was eventually forced to negotiate with them over a compromise plan. Members of the Republican Party also forced the President to discuss tax arrangements with them by means of filibustering, and the President was finally forced to make concessions. Therefore, this is a frequently adopted strategy. However, our Government is an executive hegemonist with overriding powers, and under the protection and escort of the pro-establishment camp and currently the pan-democratic camp, it has totally disregarded all voices of objection. It is particularly noteworthy that people in this Chamber have become accustomed to offering the Government major assistances through making minor criticisms. The FTU is most adept at this, often claiming that it represents workers and then disappearing and remaining silent when workers are betrayed by the Government's policy.

As such, in this feeble Council the Government is free to do anything it pleases and it has only been forced to suffer a little setback in the past couple of years because of the filibustering of the People Power. However, we expect that the current filibustering will also be cut off by the President.

Let us review the procedural arrangements of the current Council Meeting. President, as designed by your honour, a number of amendments will be discussed in joint debates, the most special of which is that voting on amendments will only take place when all debates have been concluded. Therefore, when the debates proceed to mid-May, the President may invoke the procedural powers to guillotine the debates once and for all, and then proceed to

voting. All fund allocations and arrangements related to the Budget will then be passed together before May 20.

Some Members of the pan-democratic camp were shocked and strongly condemned the President when he guillotined the debate on the last occasion. Some Members said that they were deeply shocked and greatly dissatisfied back then. I believe Members of the same political parties will welcome his action with joy when the President guillotines the debates in mid-May this year. For this reason, I find that this Council has continued to move backwards.

After the reunification, major changes have taken place at the dictates of the baton waggled by the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (LOCPG). The fact that LEUNG Chun-ying was elected is sufficient proof that "Hong Kong communists" are ruling Hong Kong, not to mention the "rigging" of elections and the Government's mentality. The Westminster-style democratic parliamentary tradition of this Council has gradually evolved into the Great Hall of the People-style. That the President has guillotined the debates time and again has, to a certain extent, gradually destroyed the Westminster-style tradition. What is most unbearable is that the values, roles and practices of the opposition party have also been assimilated by the Great Hall of the People-style. The entire society has also gradually changed and become distorted, with the obliteration of humanity and gradual disappearance of the traditional values of Hong Kong.

While benefits have been transferred by the Budget to consortia and the rich and powerful every year, the people in this Chamber can remain indifferent and accept it time and again. In the face of the hardships of the general public, middle-class young people living in "sub-divided units", the deteriorating disparity between the rich and the poor and the worsening poverty problem, the political bigwigs of this Council would only make a few criticisms, vote against the motion, and then go home to savour red wine, watch football matches and enjoy their middle-class lives. Have they got any compassion for people at the grassroots who are suffering in hardships and have they really worked hard for them? While words of compassion are rarely heard in this Council, incidents where people try to take advantage of the situation are very common.

President, the Seconding Reading of the Budget will definitely be passed today and since the three members of the People Power have to face a Court trial next Monday — we cannot attend the meeting on Monday morning — we have to

rely on Long Hair alone to hold the fort on that day. Members who have a twinge of conscience should come to the aid of Long Hair, by saying a few more words and prevent the meeting from being forced to ..... for the guillotining of the debate may then be initiated because Long Hair cannot hold out any longer on his own. Therefore, I appeal to the people of Hong Kong to take the road of resistance together, and it is only by doing so can our battle of resistance stand any chance of success.

**PRESIDENT** (in Cantonese): All 69 Members have spoken. I will now call upon public officers to speak and the Financial Secretary to reply then.

**CHIEF SECRETARY FOR ADMINISTRATION** (in Cantonese): President, I would like to thank Members for their views on the 2013-2014 Budget (the Budget). This is the first Budget of the current-term Government. Apart from providing the required resources for fully implementing new policies stated in the first Policy Address of the Chief Executive, the Budget has also proposed a series of measures to alleviate the pressure on people's livelihood. Each proposal being well-thought out and made with the overall interests of Hong Kong and well-being of Hong Kong people in mind should be supported by this Council and the public. After listening to views expressed by Members in the debate, I would like to speak on several subjects. Later on, four Directors of Bureaux will respond to important policy areas and finally, the Financial Secretary will give concluding remarks.

First of all, I would like to state our views and position on the unprecedented phenomenon of 700-odd amendments proposed by several Members during the examination of the Budget this year.

The compilation of the Budget is an important administrative tool to provide the required resources for the daily continuous operations of the Government and subvented public organizations, and it is a most essential aspect of public finances. Therefore, both the compilation and examination of the Budget are extremely rigorous and serious tasks. Since the interests of the general public and the stability of government operations are at stake, this task must be performed in a rational and pragmatic manner, subject to monitoring by public and media.

We respect the exercise by Members of the Legislative Council their powers and functions conferred by Article 73 of the Basic Law to examine the Budget. Since the Budget of this year was delivered by the Financial Secretary, the authorities have replied to 5 748 questions raised at special Finance Committee meetings, which are 2 143 questions, that is 59%, more than the number last year. Directors of Bureaux and the relevant officials attended 20 meetings of the special Finance Committee and spent 30 hours in total to respond to questions from Members in relation to the Budget. This fully demonstrates that the SAR Government is very happy to explain and listen to Members' views with regard to our work priorities listed in the Budget.

Mr LEUNG Kwok-hung and three Members of the People Power have proposed 700-odd Committee stage amendments (CSAs) to the Appropriation Bill 2013 (the Appropriation Bill). While we respect the right of Members to propose CSAs, these Members have openly declared that their purpose in proposing these CSAs is to delay and obstruct the passage of the Appropriation Bill, that is, the so-called filibustering, the target of which is to force the Government to make a commitment towards a retirement protection policy, as proposed in accordance with their position, under such pressure. I am afraid that this attitude is not helpful to policy discussions and it can hardly gain the consensus of this Council and public approval.

As the 700-odd amendments cover a very wide range of issues, we will have to go through a very long examination process, for there are still 148 debates, despite you, President, having already combined some of the debates. If the Appropriation Bill cannot be passed before funds approved under the Vote on Account Resolution become exhausted, it will have an adverse impact on the operations of the Government, the Legislative Council, the Judiciary and all subvented organizations. For members of the public, including the elderly, the disabled and disadvantaged groups, who require social security assistance, their living may even become unsustainable.

In fact, such "filibustering" also affects the normal operations of the Legislative Council. We have checked meeting schedules recently issued by the Legislative Council Secretariat for the period between today and May 7 (which involves nine working days) and yesterday's Legislative Council Calendar, and found that more than 10 meetings scheduled for various committees may have to be rescheduled or delayed. If the "filibustering" continues, then many other meetings, debates on Second Reading of Bills, subsidiary legislation and

Members' Motions which require the approval of the Legislative Council may be obstructed.

As such, I must now reiterate that the examination of the Budget is a solemn task. I believe the people of Hong Kong will not support the proposal of the amendments if it will lead to the consequences of seriously impeding the operations of the Government, interfering with the normal operations of the Legislative Council and causing an adverse impact on Hong Kong economy, society and the people's livelihood.

Mr LEUNG Kwok-hung and the three Members of the People Power have indicated that the purpose of their "filibustering" action is to force the SAR Government to come up with a blueprint for the implementation of universal retirement protection. The SAR Government is aware of Members' concern for retirement protection, but we definitely do not agree that this should be used as an excuse to impede the passage of the Appropriation Bill. The issue of retirement protection has been discussed in the Hong Kong community for many years, but there is still a lack of consensus among various sectors, thus precisely reflecting that the subject itself is highly controversial. Non-public organizations which support the idea of universal retirement protection have their own arguments, but it seems that their proposals lack support by comprehensive data analyses on such issues as the affordability of the Government and society and sustainability of the plan. In this connection, the Social Security and Retirement Protection Task Force under the Commission on Poverty (CoP) has decided to invite Prof Nelson CHOW of the University of Hong Kong to conduct a relevant study. Apart from reviewing the existing three-pillar model of retirement protection, Prof CHOW will also assess the viability and sustainability of certain options proposed by the general public. The scientific and objective analyses will provide us with a rational basis for exploring the pros and cons of different options and help the community to build up a consensus on the future direction of retirement protection.

A number of Members talked about the issue of the disparity between the rich and the poor and the Government's work on poverty alleviation in their speeches, and several Members have expressed their views on a poverty line. President, poverty alleviation is one of the four priorities of the current-term Government's administration. We already made a number of important decisions in respect of the poverty alleviation policy, which includes the setting of a poverty line, introduction of the Old Age Living Allowance, and

enhancement of the Work Incentive Transport Subsidy Scheme soon after we assumed office in July last year. At the same time, the Community Care Fund (CCF) has also continued to exercise its functions of plugging the gaps in the existing system.

The CoP reinstated in December last year provides a most accommodating discussion platform which allows the Government to look into the subject of poverty together with people with different political views and from different walks of life, and combines different social forces to promote the work of poverty alleviation. The first task of the CoP is to set a poverty line. The Chief Executive pointed out in an earlier interview that the setting of a poverty line is groundbreaking work for the Government. Although we have repeatedly stressed that a poverty line is not equivalent to a poverty alleviation line, I agree with Mrs Regina IP that there are bound to be people in the community who will use this line as chips in political gaming; but we cannot evade the issue because of the likely political pressure that we will be facing. On the contrary, we should develop an appropriate appraisal tool for dealing with the problem of poverty on a long-term basis through objective analysis, making reference to international practices, combining the views of the members of the CoP and taking into consideration proposals which have been made by local organizations over the years. This precisely shows the determination and commitment of the SAR Government in dealing with the problem of poverty.

With the poverty line in place, our next step will be to analyse the social, economic, housing and regional characteristics of households living below the poverty line, and conduct a detailed analysis of different forms of poverty, so that we can formulate more focused poverty alleviation initiatives. In the course of our study, we will definitely give serious consideration to the precious views expressed by Members in this debate.

I would now like to talk about the crucial role played by the CCF in the work of poverty alleviation. The Financial Secretary proposed to inject an additional \$15 billion into the CCF, so as to make greater efforts in promoting the work of poverty alleviation. As I have explained in the Legislative Council and on other occasions, the current injection serves three purposes:

Firstly, a series of measures to alleviate the pressure on the people's livelihood have been introduced in the Budget. The Fund can offer assistance to people who cannot benefit from such relief measures.

Therefore, I have already openly stated that the Budget has not neglected this group of low-income people who are outside the existing support network, that is, those commonly known as the "N have-nots";

Secondly, the injection of funds can enhance the gaps-plugging function of the CCF and introduce more focused assistance programmes and pilot projects; and

Thirdly, as the research and rationalization of policies take time, or are subject to the restriction of the Government's recurrent expenditure, the CCF can continue to implement those proven programmes but have yet to be incorporated into the Government's regular assistance schemes, so as to help those needy on a continuous basis.

The CCF Task Force under the CoP has considered the review report on two programmes of the CCF which benefited the "N have-nots" at its meeting held in mid-April, that is, "a subsidy for low-income persons who are inadequately housed", and "a subsidy for low-income elderly who live in private rental housing". As at mid-April, these two programmes have already successfully contacted and benefited 22 060 households which comprised of 48 929 people, with subsidies amounting to about \$127,810,000. The Task Force has held preliminary discussions on issues such as the eligibility of beneficiaries and on ways for optimizing the programme, and based on the views collected, members have formed the unanimous view that the definition of "inadequately housed" could be relaxed to benefit more residents of "sub-divided units". According to our preliminary estimate, the number of beneficiary households will greatly increase to over 70 000, involving a sum of almost \$500 million. If the injection of funds is approved by early June, it is expected that the enhanced project can be launched before the end of this year.

Over the past two years, in conducting its work, the CCF has managed to learn expeditiously from its practical experience and collect data, through continuous reviews and evaluations on the programmes, so as to review whether individual programmes should be revised or continued in order to increase the effectiveness of assistance. The example of the definition of "inadequately housed" which I mentioned just now has precisely reflected the value and advantages of the flexibility of the CCF, that is, reviews, revisions and implementation can be made as soon as possible, so that those who are in need can receive immediate benefits.



We have accepted the views of Members of the Legislative Council and will enhance the monitoring of the CCF and increase the transparency of its operation. We will consult the Legislative Council Subcommittee on Poverty or the relevant panel before we introduce any new programmes, and submit a half-yearly report on the progress of the CCF programmes in tabulated form to the Subcommittee on Poverty on a regular basis. The relevant information will also be uploaded onto the website of the CCF for easy inspection by the public. We plan to submit our application to the Finance Committee in June, in order to implement the various assistance programmes as soon as possible for the early benefit of the disadvantaged groups and families at the grassroots.

President, finally I would like to respond to Ms Emily LAU's concern about the corporate governance of the Independent Commission Against Corruption (ICAC).

Probity is one of the core values of Hong Kong and anti-corruption is crucial to the overall social development of Hong Kong. The achievements of the ICAC in anti-corruption work are there for all to see since its establishment in 1974.

Succession planning and the retention of talents are the keys to the passing of the torch within the ICAC. Due to the unique nature of the work of the ICAC, it is not easy to identify talents with the relevant knowledge and experience in the labour market to fill its vacancies. Therefore, the ICAC has mainly nurtured successors internally over the past 39 years.

(The PRESIDENT'S DEPUTY, Mr Andrew LEUNG took the Chair)

The incumbent Commissioner of ICAC has adopted a holistic strategy to deal with the problem of succession planning and brain drain ever since he has assumed office. The overall manpower turnover rate of the ICAC has dropped from 9.3% in 2007 to 5.6% in 2012. The ICAC has made a safe and sound plan on succession arrangements. Among the existing 140 middle-management staff of the ICAC, 54% are below the age of 50, therefore, it has confidence to make seamless succession and staff deployment arrangements. As regards the vacancies at the entry level, the ICAC has been successful in recruiting

employees and the relevant vacancies will be gradually filled up in the next couple of months.

As regards the issue of corporate governance, the work of the ICAC is subject to monitoring in different aspects. In accordance with the provisions of the Independent Commission Against Corruption Ordinance (ICACO), the Commissioner of ICAC shall be subject to the direction and control of the Chief Executive in respect of the functions and management issues of the ICAC. While ICAC and the Commissioner of ICAC are administratively independent from the Government organization and civil service establishment, ICAC, by virtue of ICACO, is subject to Government regulations and guidelines in its discharge of administrative matters. In addition, ICAC is subject to the monitoring of the five committees formed by Members of the Executive Council, Members of the Legislative Council, dignitaries of the community and professionals. Among these Committees, the Advisory Committee on Corruption oversees the management, administration, staff discipline and overall operation of ICAC; while the Operations Review Committee monitors the progress and results of all cases for investigation; and the ICAC Complaints Committee handles non-criminal complaints against the Commission and its staff members. At the same time, the Executive Council, the Legislative Council, the Audit Commission, the media and the general public have never been lax in monitoring the ICAC. The staff of the ICAC must also adhere to the provisions of the ICACO, Prevention of Bribery Ordinance, and ICAC Standing Orders in performing their duties and be subject to internal monitoring and compliance of the Official Secrets Act.

Furthermore, a Member has expressed concern over the ICAC's arrangement of gifts presentation. The Commissioner of ICAC indicated that improvements, which include communicating with the relevant units as far as possible and requesting that no exchanges should be made so as to reduce the consumption of resources, have been made after recent reviews. If the presentation of gifts cannot be avoided, the ICAC will also use items which represent ICAC and engraved on them its symbol (such as models of the ICAC building, ICAC shields, and so on) as gifts and adhere to the principle of presenting one gift to each organization.

The Commissioner of ICAC adheres to the practices of his anti-corruption mission and he has stated that he will continue to employ a three-pronged strategy, which combines enforcement, prevention and community education to

launch an all-round combat against corruption through the highly professional and persistent ICAC team. The SAR Government is confident that the ICAC will continue to protect the core value of probity in Hong Kong and live up to the expectations of Hong Kong people.

With these remarks, Deputy President, I implore Members to support the Appropriation Bill 2013. Thank you, Deputy President.

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): Deputy President, first of all, I thank Members for their opinions on the Government's assistance to small and medium enterprises (SMEs) and the development of Hong Kong economy. I will respond to their views respectively.

SMEs form the majority of enterprises in Hong Kong. We are very concerned about the healthy development of SMEs and attach great importance to it. In his Budget, the Financial Secretary has proposed a number of measures to help SMEs raise capital and tap new markets in order to upgrade their competitiveness.

Some Honorable Members opined that the application period of the Special Concessionary Measures (SCM) under the SME Financing Guarantee Scheme is too short. I wish to point out that the SCM is a special time-limited concessionary initiative launched on 31 May 2012. The application period was supposed to last for nine months up to the end of February 2013. The purpose of launching the SCM is to help solve the financing problems faced by SMEs due to a possible credit crunch under the uncertain external economic climate. In view of the challenging external economic environment, the Government has provided a total guarantee commitment of \$100 billion to the Hong Kong Mortgage Corporation Limited (HKMC). With this guarantee commitment, the HKMC has extended the application period of the SCM for one year until the end of February 2014 and it can continue to offer guarantees with a guarantee ratio of 80% at a concessionary fee rate so as to help enterprises obtain loans in the commercial credit market. We will continue to closely monitor the external economic environment and local economic situation, as well as review the operation of the SCM.

Some Members are concerned about the interest rate of loans granted under the SCM. The purpose of launching the SCM is for the Government to act as a

loan guarantor so that the lending institutions will be more confident in granting loans. The interest rate of each business loan is the commercial decision of individual lending institutions. Before making any loan approval, the lending institutions will consider a host of relevant factors in determining the interest rate, including the business performance, financial condition and repayment ability of the enterprise borrower, the type and nature of credit, the facility amount and repayment period, the bank's capital cost as well as the category, quality and saleability of the collateral security.

Currently, the average annual interest rate of the loans granted under the SCM is 4.6%. More than 50% of the loans are granted at the interest rate of less than 5% and nearly 80% of the loans are approved at an interest rate under 6%. Thus we can see that the majority of applications under the SCM are granted at an interest rate which is close to or below the prime rate in the market.

We and the HKMC will continue to closely monitor the changes in various commercial credit markets and the financing situation of SMEs with a view to providing them with suitable assistance.

Regarding Members' views that the Government should further help SMEs develop brands and tap new markets, the Government has implemented various measures to assist Hong Kong enterprises in developing brands and exploring the Mainland and overseas markets.

To assist Hong Kong enterprises in seizing the opportunities arising from the policies of expanding domestic demand and encouraging upgrading and restructuring in the National 12th Five-Year Plan, we launched a dedicated fund of \$1 billion at the end of June 2012 to provide funding support for individual enterprises and non-profit-distributing organizations to assist them in developing brands, upgrading and restructuring operations, or promoting domestic sales in the Mainland so as to enhance their competitiveness and boost their business in the Mainland. So far, more than 700 applications from enterprises and organizations have been received and more than 550 approved, representing a total funding of more than \$0.9 million.

The SME Development Fund administered by the Trade and Industry Department (TID) also provides funding support to trade and industrial organizations, and so on, to implement projects which help SMEs develop and promote their brands so as to tap the Mainland and overseas markets. In

addition, the SME Export Marketing Fund (EMF) operated by the TID supports individual SMEs to participate in export promotion activities. The Financial Secretary in his Budget has proposed to increase the cumulative amount of the grant for SMEs under the EMF from \$150,000 to \$200,000, subject to the meeting of relevant additional conditions, so as to further help SMEs explore new business opportunities. On 16 April, we consulted the Legislative Council Panel on Commerce and Industry on the proposal which was supported by members. Approval by the Finance Committee of the Legislative Council will be sought next month, and it is expected that the proposal will be implemented in June 2013.

On the other hand, the SAR Government and other relevant organizations also organize a wide range of activities to promote Hong Kong brands. For example, the Hong Kong Trade Development Council (HKTDC) organizes exhibitions and short-term promotional activities in the Mainland and overseas markets to promote Hong Kong brands, and provides business matching services, and so on, in order to encourage and support Hong Kong enterprises to engage in exchanges and co-operation with Mainland and overseas enterprises. These activities include the Lifestyle Expos organized in emerging markets and the Style Hong Kong Shows held in major cities on the Mainland. The HKTDC will also organize trade missions to visit emerging markets from time to time so that Hong Kong businessmen can gain some understanding of the economic environment and development potential of the regions concerned.

To further help Hong Kong businesses explore business opportunities in the Mainland, the HKTDC will gradually set up more Design Galleries in more Mainland cities including Wuhan, Qingdao and Chengdu after Beijing and Guangzhou. In addition, "shops-in-shop" inside department stores on the Mainland will be set up to provide sales platforms for Hong Kong enterprises, particularly SMEs, so as to test the market and build up brand awareness. Regarding Members' proposal that enterprises be allowed to showcase their products in the Design Galleries in turn to enable wider participation by more enterprises, we have reflected Members' views to the HKTDC.

In addition, our offices in the Mainland will continue to collaborate with trade associations and other organizations to organize "Hong Kong Week" promotional events in the Mainland in order to promote Hong Kong products and services, with a view to assisting Hong Kong enterprises in building up their brand image and exploring the domestic market. This weekend, I will go to

Xiamen to attend the Xiamen Fujian Hong Kong Week 2013 organized by our office in Guangdong jointly with the local government and several industrial and commercial organizations.

Quite a number of Members expressed concern about the economic development of Hong Kong in their speeches. While some Members pointed out the over-reliance of our economy on a single industry in the past, some Members urged the Government to help the development of some industries which can create employment opportunities especially for young people. There are also views that the Government should develop a diversified economy and promote new industries.

As the Chief Executive emphasized earlier, the current-term Government attaches great importance to economic and industrial development because only by maintaining a higher and sustained higher economic growth can the Government gain enough power to solve long-standing deep-rooted conflicts in society, including poverty, housing, ageing society and upward mobility of young people.

In this connection, the Chief Executive in his Policy Address mentioned that Hong Kong is well placed to diversify its industries. He added that we must deepen and expand our industries and play to Hong Kong's strengths to increase business volume. Further, we must also diversify the products and services of our existing industries, and identify new areas for development.

In the first chapter of his Budget, the Financial Secretary mentioned that we should promote economic growth and improve employment opportunities. The overall direction of the Government is to maintain Hong Kong's competitiveness through expanding and deepening the competitive edges of pillar industries including logistics, tourism, financial services, as well as commercial and professional services. Meanwhile, support will be given to the development of new industries so as to further diversify and strengthen our economic base with a view to giving the younger generation more choices of employment and bringing their strengths into full play.

The Economic Development Commission (EDC), which was established in January this year, is now conducting in-depth discussions on how to broaden Hong Kong's economic base, promote economic growth and development, and

exploring the overall strategy and visionary direction of policies. The EDC will examine and ascertain what industries or industry groups can help the further development of Hong Kong economy. It will also propose policies and other support measures necessary to help these industries to flourish.

The EDC and its Working Groups and sub-groups have been working in earnest. Its members are eager to discuss these issues and committed to promoting the long-term economic development of Hong Kong. Through the joint discussions and studies by the Government and relevant sectors, we are confident that the EDC will come up with specific proposals suitably reflecting the needs of the sectors concerned. Coupled with appropriate government policies and measures, it is expected that the long-term economic development of Hong Kong can be promoted.

Some Members expressed doubts about the effectiveness of some newly established advisory bodies including the EDC. In fact, the EDC is a high-level, inter-departmental and cross-sectoral body headed by the Chief Executive and participated by relevant Secretaries of Departments/Directors of Bureaux as well as local and overseas experts who have extensive experience and knowledge in different professional sectors. We believe with the high-level involvement of the Government and the experience and expertise of leaders in various fields, the EDC will certainly be able to give valuable advice on the development of our economy and formulate a direction of economic development for Hong Kong in a flexible and efficient manner.

Deputy President, I shall stop here. Thank you, Deputy President.

**SECRETARY FOR EDUCATION** (in Cantonese): Deputy President, the Government has all along invested heavily in education to nurture a diversified range of talents. The total government funding for education in 2013-2014 is \$76.9 billion, of which the recurrent expenditure amounts to \$63 billion, which is more than one fifth of the total recurrent government expenditure. Education is also the biggest expenditure area amongst various policy areas. In all places in the world, especially member states of the Organisation for Economic Cooperation and Development (OECD), the education funding is about 13% of the total government spending, which is far lower than that of Hong Kong. The growth of education funding in OECD countries has been slowing down in recent

years and its percentage as a share of the total government spending is even lowering. On the contrary, there has been a year-on-year increase in the resources allocated by the HKSAR Government to each student.

During the Budget debate, some Members mentioned the percentage of government funding on education as a share of the local GDP. If Members should care to carefully analyse the statistics of the World Bank's worldwide studies on government funding for education and students' performance in various areas, they would find that the percentage of government funding is not in direct proportion to the quality of education in the relevant place.

During the debate, many Members expressed particular concern about kindergarten education. To provide 15-year free education in a practicable way is the current-term Government's goal in education which it deems of the utmost importance. I have kept in close contact with the kindergarten education sector to gain an in-depth understanding of the needs and concerns of the sector in various aspects. Like all Members, I wish to enhance kindergarten education the best we can and implement the policy objective of 15-year free education.

In furtherance of the pledge made in the Chief Executive's manifesto and his first Policy Address, the Committee on Free Kindergarten Education (the Committee) was set up on 8 April. The Committee will listen to the views of all stakeholders on the current kindergarten education policy and study in depth all feasible options. Several working groups will be established under the Committee to explore and study in depth various issues of concern to the sector, including the vision of kindergarten education, the operation and different needs of full-day and half-day kindergarten education, mode of subsidization, the teacher-pupil ratio, teachers' qualification and pay structure, governance structure and also the co-operation between parents and the school, and so on. I have noticed that many Members have put forward many views on how best to enhance kindergarten education. I will convey them to the Committee and the relevant working groups for their careful consideration.

As a matter of fact, the Committee held its first meeting this afternoon. It is expected that the Committee will submit to the Education Bureau specific and feasible recommendations in two years' time. During the interim, kindergarten education will not remain in a standstill and the Committee will explore what measures can be implemented in the short and medium terms to assist the



kindergarten sector to address the prevailing challenges. The Government will also proactively consider taking appropriate matching measures.

Besides, we will also implement the proposal in the Policy Address of providing kindergartens under the Preprimary Education Voucher Scheme with an additional one-off grant totalling over \$160 million in the 2013-2014 school year to help them improve their teaching resources and school premises, so that their teaching quality can be upgraded.

Many studies on education policies have found that an important key to enhancing the quality of education is to attract talents to join the teaching profession. In view of this, the Budget proposes to inject an additional \$480 million into the HKSAR Government Scholarship Fund (Scholarship Fund) in 2013-2014 and use the investment proceeds to set up scholarships for outstanding local students to take degree courses or teacher training programmes in prestigious overseas universities. These students are required to undertake to teach in Hong Kong upon graduation for at least two years or a period equivalent to the duration of receiving the scholarships, whichever is longer. It is expected that about 20 scholarships will be awarded each year. We will not restrict the programmes to be selected by the applicants but will consider whether the programmes selected suit the teaching and learning needs of local schools. If the number of applications exceeds the quota, priority will be given to those who elect programmes under specific specialized areas. At present, the specific areas are basically English Language and early childhood education. The Education Bureau will revise the specific specialized areas depending on the needs and circumstances in the future.

For over 10 years in retrospect, the HKSAR Government has injected resources into enhancing the training of local teachers and the continuing professional development of serving teachers. Today, Hong Kong has built up a highly professional teaching team. It is high time we introduced forward-looking ideas and further encouraged outstanding young people to join the teaching profession and broaden their international outlook. It not only enhances the standards of newly recruited teachers but also helps to further consolidate the professional status of teachers. Some Members are worried whether this scheme will attract outstanding students to remain in the teaching profession long term. We think that during the screening process, the applicants will be examined according to their performance in different areas and whether they aspire and are suitable to become a teacher. During their studies and after

they come back to taking up teaching positions, we will also continue to follow up their situation, provide them with suitable support and opportunities to give full play to their talents and encourage them to pursue a life-long career as a teacher.

Some Members also asked why the resources concerned are not to increase the students' chance of enrolling in the local universities. I have to point out that the two do not exclude each other; rather they are being implemented in parallel. There are 20 places in the new scholarship scheme each year while the number of subsidized first year undergraduate places in this academic year has been increased from 14 500 to 15 000 and the number of places for articulated programme places for senior secondary students will also be gradually increased to 8 000.

Moreover, we also set up the Scholarship for Prospective English Teachers in the 2010-2011 academic year with an annual quota of 50 to cater for students who study in Hong Kong. Currently, about 160 people have been awarded this scholarship. The Scholarship Fund and the Self-financing Post-secondary Education Fund also target at students who further their studies in Hong Kong. In the 2012-2013 academic year, 3 740 students received awards from these two funds with a total amount of \$108 million.

In respect of serving teachers, we offer various training programmes and those on continuous professional development. Apart from the recurrent subvention from the Education Bureau, there are also the language education fund, Quality Education Fund and Education Development Fund providing financial assistance for teachers with flexible and diversified training opportunities.

Last month, when I went to the United States and Canada to promote our new senior secondary education system and the qualification of the Hong Kong Diploma of Secondary Education, I also took the opportunity to visit educational officials and scholars of both places and exchange with them ideas about the scholarship scheme. They agreed that it was worth allocating resources to the scheme. Among them, the President of Teachers College, Columbia University, a college founded 125 years ago, and the Chief Academic Officer of the Toronto District School Board both praised the scheme highly and said that it would attract elites and highly qualified people to join the teaching profession.

Nevertheless, since the publication of the Budget, I have heard the precious views of many people about the scholarship scheme. I appreciate the worries of Members and the public and I will give further consideration to the scheme before implementation and see if there is room for any improvement.

Compared with ordinary students, students with special education needs encounter more difficulties in learning and have to exert more efforts. Therefore, we have proposed to make two separate injections of \$20 million each, bringing the total to \$40 million, into the Scholar Fund and Self-financing Post-secondary Education Fund to encourage tertiary students with special education needs to pursue excellence in academic studies and other areas. Besides, we have also proposed to allocate \$12 million to the Vocational Training Council each year starting from 2013-2014 to purchase equipment and learning aids for students with special education needs, providing them with psychological and student counselling services, and enhancing the support for teaching and learning.

A number of Members have talked about the implementation and development of the New Academic Structure. Last year, the first cohort of new senior secondary students successfully completed their curriculum and the first Hong Kong Diploma of Secondary Education Examination was also successfully held. Over 70 000 graduates of the new senior secondary education system embarked on a new stage in their lives through multiple pathways. Last Thursday, we published the progress report on the review of the New Academic Structure. In the short-term review of the first stage, our main recommendations include updating and streamlining the curriculum design, streamlining the school-based assessment, adjusting the total lesson time and providing more applied learning courses. I am convinced that these measures have effectively responded to the practical concerns of schools and front-line teachers while ensuring that the international benchmarks and curriculum objects are not affected.

To tie in with the goal of "multiple pathways and life-long learning" of the new academic system, the Budget proposes to allocate \$10 million per year starting from 2013-2014 to support the Industry Training Advisory Committees set up under the Qualifications Framework (QF) to launch new initiatives to enhance the knowledge, skills and experience of workers in the industries, and further improve their competitiveness in the labour market. Such initiatives include introducing award schemes for outstanding practitioners to engage in

learning activities in different places around the world; designing Specifications of Competency Standards-based training programmes and packages that meet the needs of the industries; as well as stepping up promotion and publicity of the QF for its wider acceptance among all sectors and providing more and more pertinent training opportunities to young people and workers so that what they learn can meet the requirements of employment. These are of especial concern to Members when they expressed their views.

As regards student assistance, the government policy is to ensure that no students will be barred from furthering their studies on financial grounds. Therefore, the Student Assistance Scheme has been undergoing constant improvement. To relieve the financial burden of the fresh post-secondary graduates, the Budget proposes to continue to extend the repayment period of student loans so that borrowers who finish their programmes in 2013 can start repaying their student loans one year after graduation.

Given that the demand for talents in the community continues to shift and change, the Government will invest in our future with far-sightedness, continue with its endeavour to develop education and step up the training of talents to enhance the competitiveness of our workforce in the face of various opportunities and challenges. We will continue to maintain close liaison with the education and other sectors in society to formulate appropriate and practical policies to upgrade the quality of education in Hong Kong.

Thank you, Deputy President.

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): Many Members have offered a lot of valuable opinions and suggestions in the Budget debate in three areas, namely social welfare, labour and manpower development.

I would like to focus on responding to issues concerning social welfare first.

In 2013-2014, government recurrent spending on social welfare will reach \$55.7 billion, accounting for 19.1% of the total recurrent government expenditure, second only to education. In comparison with the revised estimate for 2012-2013 (\$42.7 billion), there is a 30.5% increase of \$13 billion in social welfare recurrent expenditure. This reflects the Government's commitment to

looking after the disadvantaged. Providing enhanced support to the elderly and those with disabilities is our main focus in caring for people's livelihood this year as unveiled in the Budget.

Elderly care is one of the priorities of this term of the Government. The Administration's policy objective in elderly care services is to encourage "ageing in place as the core, institutional care as backup". To further promote "ageing in place", the Administration will continue to strengthen community care services.

The Administration has allocated \$380 million from the Lotteries Fund to launch the First Phase of the Pilot Scheme on Community Care Service Voucher for the Elderly (the Pilot Scheme) from September this year onwards. By adopting the "money follows the user" approach in the provision of assistance, eligible elderly under the Pilot Scheme can, through the use of vouchers, choose community care services that suit their individual needs freely and flexibly. We also encourage different types of service providers (including non-governmental organizations and social enterprises) to provide diversified community care services.

While implementing the Pilot Scheme, I would like to emphasize that the Administration will continue to increase conventional subsidized service places (including day care services and home care services) to cope with the demand. In the past five years, the Administration has allocated additional funding to provide about 2 600 community care service places for the elderly, including 2 000 places for the Enhanced Home and Community Care Services and 600 day care places. In 2013-2014, we will provide an additional 180 day care places and increase the relevant funding. It is expected that an additional 100 day care places will be provided and the service hours of the new day care centres and units for the elderly be extended.

We understand, notwithstanding strengthened community care services, some frail elderly still need residential care services. The Administration will continue to allocate additional resources to increase the provision of subsidized residential care places and enhance the quality of residential care places offering a continuum of care. From 2013-2014 to 2015-2016, over 1 180 additional subsidized residential care places for the elderly, including 730 nursing home places and 450 care-and-attention places, will commence service. The Government has also earmarked sites in another eight development projects for the construction of new contract residential care homes for the elderly (RCHEs).

Apart from increasing the provision of residential care places, we also attach great importance to the quality of residential care places. The Administration proposed to allocate about \$164 million additional recurrent funding to increase the subvention for about 7 000 residential care places with a continuum of care by 10% in 2013-2014 so that RCHEs can provide more targeted services for the elderly, and to upgrade the remaining 7 850 ordinary residential care places in subvented RCHEs to places with a continuum of care, so that more elderly people can receive a continuum of care in these RCHEs.

Notwithstanding the Government's continuous resource allocation to increase the supply of residential care places for the elderly, the problem of long waiting time has persisted. We are very concerned about the situation, and efforts have been made to identify solutions to the problem. After careful analysis, we observe that other than the actual shortage of nursing home places, the problem of long waiting time is also attributed to other reasons.

First of all, in order to care for the needs of the elderly and respect their wishes, we have all along allowed applicants to choose the location, religious background, diet and subvention type (for example, subsidized or bought places) of RCHEs, or even specify the particular RCHE they want to be admitted to. According to the latest statistics, as many as 95% of applicants for nursing home places and 99.5% of applicants for care and attention places have specified their district preferences. This has inevitably prolonged their waiting time for allocation. In fact, the waiting time of elderly people who have no particular preference can be reduced substantially.

On the other hand, although many elderly people had been offered places according to their wishes, 20% to 30% of the offers were still rejected in the end. Under the circumstances, many care places would have to be re-allocated, which in turn leads to an even longer waiting time for allocation.

I wish to point out that over half of the elderly people also receive various kinds of government subsidies or services, including those on Comprehensive Social Security Assistance who stay in non-subsidized care places of private RCHEs, those who receive subsidized community care services, and so on, while they are waiting for allocation of subsidized residential care places.

As regards people with disabilities, the rehabilitation policy of Hong Kong seeks to promote the development of the capabilities of persons with disabilities

and their full integration into the community. Residential care services will be provided for persons with disabilities who cannot live independently or who cannot be adequately cared for by their families/carers.

In 2013-2014, a total of 522 additional residential care and 426 day training places will come on stream. We are now actively studying the feasibility of redeveloping the former sites of Siu Lam Hospital in Tuen Mun and Kai Nang Sheltered Workshop and Hostel in Kwun Tong into integrated rehabilitation services centres. Subject to the findings of the technical feasibility study, planning, and progress of preparatory work, we expect to provide an additional 2 147 residential care and 1 590 day training places for the period of 2014-2015 to 2017-2018.

To help the employment of persons with disabilities, we will provide additional resources to increase the job attachment allowance under the pre-employment and on-the-job training programmes for people with disabilities, including the Sunnyway and some other job training programmes. Under the Work Orientation and Placement Scheme, the Labour Department (LD) will introduce a two-month work adaptation period. An additional allowance up to a maximum of \$5,500 monthly for two months will be paid to an employer who employs a person with disabilities with employment difficulties and provides him/her with training or support during the work adaptation period.

In March 2011, the Social Welfare Department (SWD) launched a three-year pilot scheme to provide persons with severe disabilities who are living in the community and waitlisted for subvented residential care services with a package of home-based care services. We will regularize the service in March 2014 and extend it to all the districts in Hong Kong. We will also extend the coverage of service targets to include persons with severe disabilities who are not waitlisted for residential care home services. We anticipate that 3 250 persons with severe disabilities will be benefited, and the annual recurrent expenditure will amount to \$203.3 million.

The Government is mindful of the needs of persons with mental health problems and their families/carers, and keeps under regular review the operation and provision of community support services in response to changing demands.

In 2010, we revamped the existing mental health community support services and extended the district-based one-stop service delivery mode of the

Integrated Community Centres for Mental Wellness (ICCMWs) territory-wide. In 2013-2014, we will continue to allocate additional resources to enhance the manpower of ICCMWs with a view to dovetailing with the Case Management Programme implemented by the Hospital Authority, and providing services for more persons. The amount of provision allocated for the whole financial year will be \$190 million.

Members should be aware that the SWD already launched the Old Age Living Allowance (OALA) this month to supplement the living expenses of needy elderly persons aged 65 or above. Eligible elderly persons can receive \$2,200 monthly, and the SWD has made a lump-sum allowance payment dating back to 1 December 2012 on 5 April to more than 270 000 OALA recipients through the "Auto-conversion" arrangement. The new allowance, incurring an additional spending of about \$8.3 billion in 2013-2014, is expected to benefit more than 400 000 elderly people.

Furthermore, the SWD will strive to implement the Guangdong Scheme in the fourth quarter this year to enable eligible elderly of Hong Kong who reside in Guangdong to receive the Old Age Allowance under the Social Security Allowance Scheme without having to return to the territory. After the implementation of the OALA and the Guangdong Scheme for a period of time, we will actively study the feasibility of granting the OALA to Hong Kong elderly people who choose to live out their lives in retirement in Guangdong.

To encourage the elderly and eligible persons with disabilities to participate more in community activities, and hence help build a caring and inclusive society, the Administration has launched the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (commonly known as the "\$2 transport concessions scheme") to enable elderly people aged 65 or above and eligible persons with disabilities to travel on the MTR, franchised buses and ferries at any time at a concessionary fare of \$2 per trip. The scheme is hugely popular, and the average daily trips of beneficiaries now exceed 600 000.

On long-term social welfare planning — a matter of great concern to Members as well as the Administration — we appreciate very much and are concerned about the shortage of sites for welfare services, in particular residential care places. In this connection, the Labour and Welfare Bureau has been discussing with the Hong Kong Council of Social Service and social welfare organizations on how to make better use of the land held by the



non-governmental organizations through redevelopment or in-situ expansion. We will also proactively consider using the Lotteries Fund more flexibly and work out more suitable ways to provide targeted assistance to landowners during the planning or development process.

Meanwhile, we are particularly concerned about the shortage of allied health workers and front-line care staff. In view of the expansion of residential care service and the acute demand for paramedical staff of the welfare sector, the Administration proposed to allocate \$160 million in the five-year period from 2013-2014 to 2017-2018 to organize 10 more classes of the two-year full-time Enrolled Nurse Training Programme for the Welfare Sector. The Programme will provide a total of 1 240 training places.

As regards labour and manpower affairs, a number of Members are concerned about the implementation of the statutory minimum wage (SMW) rate. Since its implementation, the SMW has been operating smoothly. Not only has the overall employment market remained stable, the low-income employees have also seen an actual improvement in their income.

The new SMW rate, that is, \$30 per hour, will take effect on the Labour Day on 1 May. According to the data provided in the 2012 Report on Annual Earnings and Hours Survey, the hourly rate of \$30, which covers approximately 210 300 low-income employees, is definitely helpful to ameliorating the in-work poverty problem.

After careful study and detailed discussions, the Government has decided to enact legislation on the implementation of three-day paid paternity leave and carry out the legislative work expeditiously.

A Member has called on the Government to enact legislation to prescribe standard working hours. As standard working hours will have a far-reaching impact on Hong Kong society and economy, the matter must be dealt with prudently. The Standard Working Hours Committee, appointed by the Chief Executive early this month and made up of representatives of employees, employers and the Government, as well as academics and members of the community, will hold its first meeting early next month. Through this platform, all social sectors can conduct informed and in-depth discussions on the subject of standard working hours, with a view to building a consensus and determining the way forward.

The enhancement measure for the Work Incentive Transport Subsidy Scheme also took effect in January this year. Applicants may opt to submit their applications on an individual or household basis (commonly known as the dual-track approach), and the income and asset limits have been relaxed, too. From 1 July this year onwards, eligible applicants may receive up to \$3,600 for the period from January to June this year.

Employment is the key to people's livelihood. The Government has all along been committed to providing comprehensive employment services to assist job seekers in finding jobs. Although Hong Kong is now in a state of virtually full employment, some young people without any working experience, middle-aged persons with low educational attainment and skills and persons with disabilities often encounter various degrees of difficulties in looking for or changing jobs. To enhance the employability and employment opportunities of young people, middle-aged persons and persons with disabilities, the LD will increase the allowance payable to employers under the Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme, the Employment Programme for the Middle-aged and the Work Orientation and Placement Scheme so as to encourage employers to offer them more openings and provide them with on-the-job training. It is estimated that some 10 000 persons will be benefited.

In addition, the LD will set up a job centre in Tung Chung this year to strengthen employment services to residents living in remote areas.

The Employees Retraining Board (ERB) and the Vocational Training Council will continue to provide diversified training services, with a view to helping the labour force enhance their skills and competitiveness, thereby meeting the changing manpower needs of the economy. In 2013-2014, the ERB plans to offer 130 000 training places. Adequate resources have also been reserved for providing an additional 40 000 training places. This will enable the ERB when necessary to respond promptly to the demand from training bodies for increasing or redeploying the training places should there be significant changes in the economy and the labour market.

The Budget has also proposed to inject \$15 billion into the ERB to support its work long term. This reflects the Government's long-term commitment to upgrading the quality of the local labour force. We will explore the injection

arrangements with relevant parties and seek funding approval from the Legislative Council Finance Committee in due course.

Members can see from the speech just now the importance attached by the Government to the three areas, namely social welfare, labour and manpower. The Administration is keen to inject substantial resources into the improvement and enhancement of services to meet the needs arising from the changes in Hong Kong society and demographic structure and build a caring and inclusive society.

With these remarks, Deputy President, I implore Members to support the Appropriation Bill 2013. Thank you.

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): Deputy President, a healthy and clean environment is indispensable to promoting prosperity in society and ensuring a happy and comfortable life for the people. I am very grateful to the many Members who have raised valuable suggestions and points in relation to food safety and medical and health policy in the Budget debate. In this speech I will respond to a number of issues of concern to Members. If it is felt that the issues are not fully addressed in this speech, we will follow up and consider them in the relevant panels of this Council or through other suitable channels.

The enhancement of public-sector healthcare services is an important area of our work. In medical and health services, Hong Kong has a healthcare system encompassing both public and private sectors, with the former assuming a key role. In the year 2013-2014, the recurrent expenditure on medical and health services will reach \$49 billion, representing an increase of \$2.7 billion over 2012-2013. The bulk of the additional funding is for new recurrent allocation to the Hospital Authority (HA) to meet new demands and further improve healthcare services. These include (i) phase 1 of North Lantau Hospital, phase 2 of the redevelopment of Caritas Hospital, the new pharmacy at the Daytime Medical Services Building of Tseung Kwan O Hospital, and support for the commissioning of the Kwun Tong Jockey Club General Outpatient Clinic; (ii) an additional 290 general hospital beds, including acute patient beds and convalescent beds; (iii) inclusion of two chemotherapeutic drugs for cancer treatment in the HA Drug Formulary and expanding the application of two special drugs for patients with advanced Parkinson's disease and cancer; and

(iv) employment and retention of medical and nursing staff, including plans to recruit about 300 doctors, 2 100 nurses and 610 allied health professionals.

I would like to point out and, as has been also mentioned by some Members earlier, that with respect to the HA, most or more than 70% of the recurrent expenditure is related to manpower and salary expenses. I wish to point out and I hope Members would understand that insofar as healthcare service is concerned, the provision of service by healthcare staff direct which have undergone professional training is most crucial and treatment is not possible by the administration of drugs alone. Healthcare services have always been labour-intensive and characterized by a high concentration of professional input.

With respect to the healthcare infrastructure, we have always been putting in resources to expand public healthcare infrastructure, building new hospitals and improving existing hospital facilities. The construction of the North Lantau Hospital was completed in end 2012 and the new hospital will be commissioned in phases this year. The expansion of Tseung Kwan O Hospital and phase 2 redevelopment of Caritas Hospital will complete this year and in the following year respectively. We are planning for the redevelopment of Queen Mary Hospital, Kwong Wah Hospital, United Christian Hospital and Kwai Chung Hospital. The expenditure for these projects is initially estimated to be around \$33 billion. In addition, we have earmarked funding to build and update facilities in many public hospitals and clinics, including the building of Tin Shui Wai Hospital and a centre of excellence for paediatrics, as well as renovating Kwai Chung Hospital and reprovisioning the Yau Ma Tei Specialist Clinic.

In the face of the problem of population ageing, we expect that in 30 years from now, the proportion of elderly persons in our population will be much more than the present, reaching 30% of the total population. Therefore, I have been examining closely with the HA all existing healthcare facilities, to see if they can meet the needs of an ageing and increasing population. I have urged the HA to submit assessment reports so that we can undertake early planning for the procurement of new medical facilities to meet the healthcare needs of an ageing population in some 10 to 20 years from now.

With respect to healthcare information technology, in line with our plan, we will continue to develop and build a territory-wide Electronic Health Record Sharing System (eHR Sharing System). We are preparing to draft the law related to this eHR Sharing System. We hope to introduce the relevant Bill to

the Legislative Council in the year 2013-2014 and to activate the system by end 2014. This will enable providers of both public-sector and private-sector healthcare services to share the electronic health records of patients after obtaining the latter's consent. This is a very important initiative as it will enable us to redress the imbalance between public-sector and private-sector healthcare systems which is a public concern. For the patients, they can choose freely between public-sector and private-sector services and medical records can also be transferred freely between both systems.

Many Members are concerned about the waiting time for some services provided by the HA. This is also a cause of our concern and it tops our action agenda. Last year, the HA increased the manpower in its accident and emergency departments and enhanced support from nursing ranks and paramedical staff. Paramedical service was strengthened especially during the influenza outbreaks. Starting from the first quarter of 2013, the HA has been providing a special overtime allowance to medical and nursing staff so that consultation sessions can be increased during the peak hours and more services can be provided in accident and emergency departments. The HA has since this month begun to announce and update on a regular basis on its website the waiting times for individual specialist out-patient services and operations for public information and increasing the transparency and accountability of the HA. If it is found that certain specialist out-patient clinics or hospital clusters have a longer waiting time, our colleagues will help the patients and transfer them to other places where the waiting time is not so long.

With respect to healthcare development in the private sector, Members may have noted that apart from investing in public healthcare infrastructure, we will continue lending our support to healthcare development in the private sector. By conducting a public tender exercise, we leased a site for private hospital development in Wong Chuk Hang to develop a private hospital with 500 beds. The new hospital is expected to increase the service delivery volume of the local healthcare system while also provide a new charging scheme and service delivery mode for private hospitals in Hong Kong for choice by the public. We will review the experience gained from this tender exercise and gauge market response, and then assess public demand, before mapping out the direction of the development of private hospitals in Hong Kong.

Many people in the healthcare sector, including Members of this Council, are concerned about the four sites earmarked by the Government earlier for the

development of private hospitals. The lease for one site has been granted now. As for the other three sites, we will first examine the expansion plans of the existing private hospitals. As we look at the situation carefully, we can find that these private hospitals, if we take into account their expansion projects, may provide 700 to 800 new beds in the next few years. Also, apart from the existing private hospitals, and excluding the new one in Wong Chuk Hang which I have just mentioned, new private hospitals with 500 beds in total will be commissioned in 2016 and 2017. Actually, we know some voluntary organizations and private bodies have also proposed the building of new private hospitals and these hospitals may be built on the land which is already owned by these organizations. Or some of these are charitable organizations which have leased land from the Government, and they have also proposed to build some private hospitals. There are at least four or five of such proposed projects. Therefore, we should also examine the feasibility of these proposals on building private hospitals. Then we have to do some calculations. Finally, we have to consider what I have said and that is, against this background of population ageing, public hospitals may have to expand their services considerably in the next 20 years. So do public hospitals need these sites? We must consider these three factors before deciding what should be done with the remaining three sites for private hospitals.

In order to enhance the safety, quality and transparency in the provision of private-sector healthcare services, we have set up a Steering Committee on Review of the Regulation of Private Healthcare Facilities. This Steering Committee will undertake a full-scale review of the regulation of healthcare facilities providing high-risk healthcare services in hospitals, nursing homes and at the community level. As for the demarcation between medical service and beauty care which is a concern to Mr Vincent FANG, we have set up a working group chaired by the Director of Health. The aim of the working group is to uphold public interest and protect the safety of consumers. It is hoped that through rational discussions and a pragmatic approach, we can deal with the views from various stakeholders in a fair manner and achieve our goal of separating medical services from beauty care, hence assuring the safety of the public.

Another issue of concern for Members is mental health service. The Government has all along been committed to promoting mental health and providing a full-range of mental health services to those in need. These include prevention, early detection, timely intervention and prompt treatment. Mental patients are also helped in their rehabilitation and integration into society. We

will review our existing services from time to time and launch specific support initiatives to persons with problems in mental health. In the year 2013-2014, the HA will enhance its case management scheme and provide services to an additional 2 800 patients with severe mental illness. We have also proposed a plan to redevelop Kwai Chung Hospital. Besides, the Mental Health Review Committee chaired by me are prepared to conduct a focused study on the existing mental health policy and review of the mental health services available, with a view to mapping out for the development of mental health service in Hong Kong.

With respect to healthcare reform, we are taking forward various reform initiatives in accordance with the findings of the public consultation exercise conducted on healthcare reform. These initiatives include reviewing the healthcare manpower strategy, formulating detailed proposals for Health Protection Scheme (the Scheme) as well as promoting the development of healthcare services.

On the review of the healthcare manpower strategy, the Steering Committee on Strategic Review on Healthcare Manpower Planning and Professional Development will complete its review within this year and make recommendations on anticipated manpower demand for healthcare personnel, enhancement of professional training and promotion of professional development. These can hopefully ensure the healthy and sustainable development of our healthcare system. As for the Scheme, we are studying the details of the Scheme and will come up with specific recommendations within this year. Members expressed concern earlier about the absence of any tax concession in this year's Budget for medical insurance policies taken out voluntarily by individuals. I would like to point out that this proposed tax concession will be considered together with the voluntary Scheme. I would think that it is only after we have perfected the private medical insurance products that it would be appropriate to propose that consideration be given to tax concessions.

In addition, we will work through the Steering Committee on Review of the Regulation of Private Healthcare Facilities to further enhance service quality and transparency of private-sector hospitals, protect consumer rights and ensure that the public can access healthcare services of the highest quality and enjoy better protection.

Some Members expressed concern earlier about resource allocation by the HA to various hospital clusters and asked if the situation can reflect the needs of residents covered by various clusters. We know that the Chief Executive has decided to set up a committee to conduct a review of the HA. I can tell Members that this committee is about to be formed soon and one of the highlights of its review is the service strategy of hospital clusters, including resource allocation among clusters.

Some other Members are concerned about the stringent requirements of the Samaritan Fund under the HA. I wish to say that the Samaritan Fund is gradually relaxing its eligibility requirements for application. Although an assessment is made according to household income, after the gradual relaxation of relevant requirements, eligible applicants are now subject to the protection of a ceiling which is 20% of their household resources, that is, they are protected from having to use more than 20% of their resources and savings in order to buy the medical equipment they need.

Some Members are very concerned about dental services. I can point out briefly here that we know that the Community Care Fund (CCF) has an initiative targeting dental services for elderly persons in the community. And unfortunately, many elderly persons still cannot enjoy such services currently. We are reviewing the situation with our colleagues in dentistry and other social service providers to see if the requirements under the CCF applicable to dental services can be relaxed so that more eligible elderly persons can access such services.

On the question of food safety, regarding the improvement of the supply chain for infant formulas, we know that at the beginning of this year, in our attempt to ensure a sufficient and steady supply of infant formulas for local babies and infants, we reluctantly introduced the Import and Export (General) Regulations 2013. Deliberations on the Regulations were completed last week and the Regulations have come into force. The next step, actually, it is this morning, I had a meeting with the main suppliers of infant formulas and representatives of retailers. There are two aims we wish to achieve. First, we hope they can adopt all necessary measures to ensure that in the coming Labour Day golden week, a sufficient supply of infant formulas will be available to local parents despite a surge in demand. On the other hand, I have also discussed with them how best we can foster collaboration in the next few months in perfecting the supply chain in these four aspects. These will ensure that as we



review the Regulations six months from now, measures aiming at perfecting the supply chain in these four aspects can continue to be effective. I have also pointed out to suppliers and retailers of infant formulas that after perfecting this mechanism, the mechanism must be able to withstand tests apart from achieving sustainability. Therefore, when a review is undertaken later, we will not rule out the possibility of conducting some stress tests.

Members are also very much concerned about the situation of the avian flu A (H7N9) epidemic. We have always a contingency plan and preparations in place. As early as the beginning of this year, all the relevant government departments already began various epidemic control work and conducted drills, and made briefings to the public. An example is the high-level inter-departmental drill conducted in March which was aimed at preparing for worst case scenarios. I have pointed out earlier that despite the many precautions taken, we cannot give a 100% guarantee that there will be no cases of human infection of the avian flu A (H7N9) virus in Hong Kong or in the local poultry. Therefore, in order to prepare for worst cases, such as the need to raise the alert level to serious, we have to make proper preparations in every aspect.

Up to now there is no single incident of human infection of avian flu A (H7N9) in Hong Kong, nor is it found in local poultry. Likewise, there is no local case of new coronavirus causing serious conditions in respiratory system. However, we will be on the alert. According to the present contingency plan for the influenza pandemic, Hong Kong is now at an "alert" level. But we will never lower our guard. The Chief Secretary for Administration convened an inter-departmental meeting on 5 April 2013 to examine the situation of H7N9 and the preventive work undertaken.

As the Chief Executive said earlier, we must do well our work in disease prevention at four levels, that is, international, national, local community as well as individual levels. The Centre for Health Protection (CHP) and the World Health Organization (WHO), the Mainland and overseas health agencies have all along maintained communication to monitor the latest developments and worked for the capturing of prompt and accurate information about the disease outside Hong Kong. We will adjust our surveillance work in line with recommendations from the WHO. Experts from the Department of Health, the HA, the University of Hong Kong and the CHP have paid visits to East China and Guangdong Province on a number of occasions to exchange clinical methodology and experience in treating avian flu.

In view of the imminent Labour Day golden week, the Medical Auxiliary Services, the Civil Aid Service and Health Surveillance Assistants have deployed more staff at the control points where they would use portable sensors to sample check the body temperature of arriving visitors. The size of staff deployed will be increased gradually to 120 persons.

At the community level, the Food and Environmental Hygiene Department will work with departments like the Housing Department to step up the regular cleaning work, enhance the inspection of biosafety measures in various links in the poultry supply chain, carry out thorough cleaning of poultry wholesale markets, public markets and streets (especially locations where bodies of wild birds are found) and remind workers in the live poultry trade to mind their personal hygiene, and so on. Last week, I had a meeting with workers in the live poultry trade and I urged them to mind their personal hygiene. The various Secretaries of Departments and Directors of Bureaux will take part in a territory-wide cleaning campaign in all the 18 districts which starts this Friday and lasts for three days. I wish to emphasize here that these cleaning drives are not meant to put up a show but to take the lead and set an example in the hope of reminding members of the public to pay attention to hygiene in the community, as well as public and personal hygiene. We hope that work in this aspect can go on.

All these public health measures must have the support of the public and their co-operation if they are to serve their purpose. I therefore would like to call on members of the public to be mindful of their personal and environmental hygiene. They should seek medical consultation if they feel unwell. We will remain open and transparent in the dissemination of information about the disease and we will engage in public health education activities through various channels.

I should like to mention in passing that earlier on when the meeting was taking place, the CHP was informed by the Taiwan health authorities that the first case of imported human infection of avian flu A (H7N9) had appeared in Taiwan. I wish to stress that this is an imported case, that is, a Taiwan resident develops the disease after his return to Taiwan from the Mainland. He is just diagnosed as having avian flu A (H7N9). Of course, in view of this new information as well as other new information which we get hold of from time to time, the HA and the CHP will update our risk assessment accordingly and we will update our database with new clinical cases reported and information available. Such information will be relayed to front-line doctors because it is important that they

are able to get hold of these criteria for making correct diagnoses. Should an imported case be found in Hong Kong, it is vital that we can detect it early and carry out quarantine and testing work early.

Lastly, healthcare and environmental hygiene are closely related to the life of the people and although we may face many difficulties and challenges, we think that there is still much room for improvement. The quality of healthcare services delivered in our public and private sectors is very high and if only we can work together, we will be able to provide better services on the good foundation already established. And we can build a healthier Hong Kong and better protect the people's health.

With these remarks, Deputy President, I implore Members to pass the Appropriation Bill 2013.

**DEPUTY PRESIDENT** (in Cantonese): I now invite the Financial Secretary to speak in reply.

**FINANCIAL SECRETARY** (in Cantonese): Deputy President, the Chief Secretary for Administration and four Directors of Bureau have given detailed responses to the views expressed by Members on various policy areas. I will brief Members on the latest economic situation and put forward some views on major issues of public concern.

According to the latest forecast of the International Monetary Fund (IMF), the world economic growth will be down to 3.3% this year, which is lower than the trend growth, while the growth of advanced economies is even projected to be only 1.2%. Despite improvement in the overall performance of the Asian economies, exports remained rather lacklustre in the first quarter, reflecting many challenges faced by global trade.

(THE PRESIDENT resumed the Chair)

In Europe, improvement has yet been seen in the economic conditions and the unemployment rate has remained on the high side. The hidden worries

surrounding the debt problem in Europe are still looming. Coupled with continuous austerity measures and structural reforms implemented in many European countries, the pace of recovery is slowing down. The end of March saw the outbreak of the bank crisis in Cyprus and the rescue plan has set a precedent which has aroused concern in the market as depositors are made to bear huge risks, thus affecting the investment sentiments. The market has generally predicted a further shrinkage in the eurozone economy this year.

Over in the United States, despite generally more positive economic data in recent months, the fundamentals of the economy remain weak and growth can hardly be expected to pick up pace significantly within a short time. The automatic budget cuts which came into effect in early March have yet shown signs of withdrawal or relaxation. The ultimate rates of the spending cuts remain unknown. It is expected that the Republicans and the Democrats will continue with their political tug-of-war over the 2014 Budget tabled by the President to the Congress. All these developments have added to the uncertainties in the economic outlook and long-term financial sustainability of the United States.

Japan's economy has long remained sluggish, prompting its current-term government to adopt vigorous measures to stimulate the economy, which include the implementation of quantitative easing on a massive scale by the Central Bank. These measures will increase the risks of inflation, asset bubbles and excessive liquidity.

On the back of overflowing global liquidity, the prices of oil and gold have substantially dropped recently. This has also reflected that international investors have certain reservations about the global economic outlook.

While the growth of the Mainland economy in the first quarter was slightly below market expectation, a steady economic growth is conducive to maintaining the stability of the economies in Asia and even worldwide and will foster material support for Hong Kong's external trade. However, it is not the case that there is entirely no hidden worry in the Mainland economy. Credit rating agency, Fitch, has recently adjusted the Mainland's rating downwards, whereas Moody's has revised its outlook on the Mainland's rating from "positive" to "stable" and expressed concern over shadow banking and local government debts in the Mainland.

Given the downward adjustment in the outlook on the Mainland's rating, Moody's has also revised its outlook on Hong Kong's rating from "positive" to "stable" recently. Although Moody's credit rating for Hong Kong remains unchanged and recognition is given to Hong Kong's strong economic fundamentals and sound financial and credit position, we must continuously ensure our financial stability and maintain an awareness of crisis, while paying close attention to the impact of global political and economic developments on the economy of Hong Kong and taking steps in response to changes in circumstances.

External economic factors aside, we have also noticed mounting geopolitical tensions in places all over the world, including Asia, as well as the avian influenza H7N9 outbreak in the Mainland. The impact of these risk factors on the world and the region must not be neglected. We must bear in mind the experience of fighting SARS a decade ago and closely keep watch on the development of the epidemic and take precautions early. I will provide full support in terms of resources to protect public health.

It is inevitable for Hong Kong, being a small and open economy, to experience volatility in external trade following changes in the external environment. Total exports of goods once showed marked improvement in November and December last year but slipped into a lull again early this year as the volume of exports registered a mere 0.3% year-on-year increase in the first two months, showing a lack of momentum in external trade. The labour disputes at the Hongkong International Terminals (HIT) which started in end-March have yet been resolved. This will inevitably have a certain impact on the local freight operations and even the overall exports in Hong Kong.

On the domestic front, thanks to the overall stable employment situation and robust growth in in-bound tourism, the local consumer market has remained buoyant. Retail sales in the first two months of this year recorded a significant year-on-year increase of 15.5% in total. Despite cautious business sentiments and a slow-down of machinery and equipment acquisition activities in the private sector, major infrastructure projects are progressing at full speed. This, coupled with increased construction activities in the private sector, has provided certain support to overall spending on investment.

The unemployment rate in the first quarter of this year recorded a slight increase to 3.5%. Although the labour market is still broadly in a state of full

employment and there is substantive improvement in the income of the grassroots, the fact that the unemployment rate has increased by 0.3% from the low level of 3.2% in mid-2012 shows upside risks over a period of time in future.

Given instability in the external environment, the Hong Kong economy faces a lot of uncertainties. In this year's Budget I have introduced a package of measures to stimulate the economy which will have a stimulus effect of about 1.3% for the economy in 2013. I think the Hong Kong economy should record a growth of 1.5% to 3.5% in real terms this year, which is an improvement compared to the overall growth of 1.4% last year, provided that there is no significant downturn in the external environment.

Local inflation was generally in a downward trend last year mainly because imported inflation continued to trend down and the economy sustained a modest growth last year and hence slightly eased the pressure of cost domestically. The underlying inflation rate gradually dropped from an average of 5.9% in the first quarter to 3.8% in the fourth quarter last year. The underlying inflation rate remained at 3.8% in the first quarter this year, reflecting that the inflationary pressure has been broadly brought under control.

However, in view of overflowing global liquidity and an increase in fresh letting residential rentals last year, there will be upside risks to inflation of consumer prices in the few months ahead, and the inflation rates in the remaining time of this year may outgrow that in the first quarter. But following an adjustment in the property market, the fresh letting residential rentals have gradually come down in recent months. Hopefully, this favourable factor can be reflected in the figure of consumer price inflation for the latter part of this year. The average underlying inflation rate for 2013 is estimated at 4.2%, which is lower than the overall figure of 4.7% in 2012.

We will continue to keep in view the impact of inflation on low-income families. In the Budget I have put forward a number of one-off relief measures which, I believe, will help alleviate the burden on the people while contributing to the stability of the economy.

Over the past few years, given abundant liquidity, low interest rates and an imbalance between the supply of and demand for residential units, the performance of the local property market was contrary to the economic fundamentals. The risk of a property bubble has been intensifying. The

Government has since early 2010 introduced several rounds of measures to ensure the healthy and stable development of the property market. These measures have achieved certain results.

Increasing land supply is the top policy priority of the Government to ensure the healthy and stable development of the property market. It is also the key to resolving the housing problem. We have resumed initiation of land sale since 2010 and the supply of residential sites should be gradually increasing. In the next three to four years, the first-hand private residential property market is expected to provide 67 000 flats, which will be a new high since September 2007. Summing up the various sources of residential land supply, the housing land to be made available in this financial year can provide 25 800 private residential units. As I reiterated in the Budget, the Government will continue to increase land supply and continue to initiate land sale.

Efforts are also made in respect of demand side management. In October last year, the Government introduced the Buyer's Stamp Duty and enhanced the Special Stamp Duty and in February this year, a new round of measures was further rolled out to double the rate of stamp duty on property transactions, with a view to further increasing the vigour of our demand side management measures. The Hong Kong Monetary Authority (HKMA) has also introduced a new round of macroprudential measures, the sixth since October 2009, to strengthen banks' risk management on mortgage lending, and some banks have adjusted upwards the interest rate for new residential mortgage loans.

Under the combined effects of increasing supply and enhancing demand side management, market sentiments have started to show some changes recently, as market forecast has ceased to be overwhelmingly bullish. Market sentiments have obviously cooled down and buyers now tend to be more prudent in making purchases.

Reflecting the situation in February, the number of sale and purchase agreements for residential property submitted to the Land Registry in March this year was down by 28% to 4 500 cases, which is far lower than the monthly average of 6 800 transactions last year. Market information shows that transactions in the secondary market remained quiet in March and April. With more room for bargaining between buyers and sellers, preliminary data show that property prices slightly softened in March, indicating a reversal of market exuberance in the first two months of this year when transactions increased by a

monthly average of 2.6%. I believe the adjustments in the property market will continue.

Property prices in February this year were still 128% higher than the low level in 2008. The housing affordability ratio of the public increased to 52% in the fourth quarter of last year, exceeding the long-term average of 49% for the period between 1992 and 2011. If the interest rate were revised upward to a relatively normal level of 3%, the housing affordability ratio would drastically rise to 68%.

The Government is also concerned about the non-residential property market. To forestall the spread of speculation to the non-residential market, the Government introduced demand side management measures in February, which included doubling the stamp duty for non-residential properties and advancing the charging of stamp duty for non-residential properties. The latest round of macroprudential measures introduced by the HKMA has tightened the loan-to-value ratio of mortgage loans for non-residential properties. Market information shows that the non-residential property market has cooled off since the introduction of these measures.

We will keep a close watch on the market situation and when necessary, I will not hesitate to introduce further measures to ensure the healthy and stable development of the property market. Buying a property is the most important investment made in a lifetime. I have to remind the public once again that before making a decision to buy a property, they must carefully assess various potential risks, especially how their repayment ability will be affected by a change in the interest rate, and make decisions according to their ability.

Promoting the economy to improve the people's livelihood has been an axis of the Government's strategy in administration. The Budget has given an account of the general situation of the contribution made by the four pillar industries to the local economy. To sustain economic development in Hong Kong, a major strategy is to explore more business opportunities for these pillar industries and also expand and strengthen the advantages of individual industries. The Budget has proposed a number of specific proposals to help industries upgrade their business and promote diversification of products.

The trading and logistics industry has made the greatest contribution to the Gross Domestic Product (GDP) among the four pillar industries, employing



770 000 workers and playing a vitally important role in the economic development of Hong Kong. The Budget proposes the development of the modern logistics industry by, among other things, granting land for the development of modern logistics facilities, facilitating the flow of goods and customs clearance and enhancing the external connectivity of the transport network in Hong Kong. While we are facing fierce competition from neighbouring regions, the demand for logistics services will continue to increase with the globalization of the industrial chain. I believe the trading and logistics industry in Hong Kong has a solid foundation and is capable of making great headway in the long run.

To sustain the robust development of the trading and logistics industry, reliable port operations are indispensable. With regard to the recent labour disputes at the HIT, efforts are still being made by the various parties. I hope that the incident can be resolved early. I call on both the workers and the management to take into account the long-term interests of Hong Kong as a whole as well as those of the industry and workers during negotiations and reach a consensus early. If the incident cannot be resolved properly, the international competitiveness of the local trading and logistics industry will be undermined. If the shipping companies choose to berth at other terminals in the region, our trading and logistics industry is set to be impacted directly in that the relevant jobs or posts will be cut and the overall interest of Hong Kong will hence be affected. From a macroscopic perspective, I believe the long-term interests of workers and the management are indeed consistent. I hope that they can be practical and reach a consensus early on the premise of safeguarding their mutual interests.

The Budget has put forward proposals on the development of other pillar industries. The relevant Policy Bureaux have started to make preparations for the implementation of these proposed measures. For instance, the Financial Services and the Treasury Bureau has consulted the Panel on Financial Affairs on the legislative proposal to raise the maximum amount of borrowings under the Government Bond Programme. I hope that the motion can be passed by the Legislative Council early.

To open up new markets, the Government will, through G2G platforms, continue to actively lobby support from member states of the Association of Southeast Asian Nations for our participation in the relevant free trade agreement. Continuous efforts will also be made to promote Hong Kong's advantages to the

BRICS countries and other emerging markets in order to strengthen our trade links with them.

While efforts are being made to strengthen the pillar industries, we will also endeavour to support new industries, in order to build a more diversified economic base in Hong Kong. The four working groups under the Economic Development Commission led by the Chief Executive have commenced their work and will conduct in-depth studies and discussions on upgrading the competitiveness of the industries where Hong Kong currently enjoys advantages, expanding markets, as well as supporting and nurturing new industries. I hope that the Commission can come up with forward-looking proposals and specific action agendas to help enhance the competitiveness of the Hong Kong economy.

Small and medium Enterprises (SMEs) are a major driving force of economic development and account for over 90% of all enterprises in Hong Kong. Many of them are engaged in creative, cultural, innovation, technology, and professional services, employing over half of the local workforce. In view of the prevailing uncertain economic outlook, I have proposed six measures in the Budget to help SMEs in financing and opening up markets. The relevant departments and units are actively negotiating and co-ordinating with each other, in order to implement these measures to provide support to SMEs on various fronts.

We will continue to keep watch on the changes and trends of the global economy. We will review our strategies of economic development in the light of the latest developments and formulate suitable measures to enhance the competitiveness of the local industries and enterprises, with a view to maintaining the stability of the labour market.

To meet the long-term development needs of Hong Kong, developing human capital is another theme stressed in the Budget. With our relatively stable and sound financial position currently, we will continue to make vigorous investment in education services and vocational training, with a view to upgrading the quality of education and improving our labour resources to provide long-term momentum for economic development in Hong Kong.

Apart from the recurrent expenditure on education, the Budget has also proposed a number of measures for the development of human capital. They include injections into the Language Fund and the HKSAR Government

Scholarship Fund as well as provision of support to students with special education needs. On vocational training, we will provide funding for the Industry Training Advisory Committees to promote the Qualifications Framework, make injections into the Employees Retraining Board and establish a training fund for maritime and aviation transport.

We also encourage industries which consistently face a shortage of labour to put forward systematic manpower training schemes to attract more young people to join their industries. The Budget has pointed out that the retail industry is faced with tight labour demand and supply. In this connection, the Commerce and Economic Development Bureau has set up a task force on labour development in the retail industry to study the business outlook of the retail industry and review its labour demand.

In recent years, public opinions have always focused on the one-off relief measures after the publication of the Budget. As these measures have bearings on a lot of people, I think it is certainly understandable for people to have this tendency. There are views in the community that the Budget only attaches importance to one-off relief measures, lacks long-term commitment and neglects recurrent expenditure. I do not share this view. The expenditure on one-off measures and that on regular services serve respective purposes and considerations. In considering the allocation of resources, we will never reduce the funding for regular services because of the provision of additional one-off measures.

As I explained in delivering the Budget, the external economic environment has remained volatile, the economic outlook has been uncertain and the Hong Kong economy has only maintained a modest growth. The Government, in introducing relief measures, aims to relieve people in different strata of the pressure that they currently face in living and this aside, the Government also hopes that the public can have extra cash to spend, so as to foster their confidence in spending, maintain the economic impetus and protect jobs. These measures are particularly important in times of uncertain economic prospects.

New regular services involve the formulation of policies. The relevant Policy Bureaux must first make thorough consideration and conduct appropriate consultation accordingly. As long as there is clear policy support, I will allocate

suitable resources in accordance with the actual needs and priorities to provide support.

In 2013-2014, the total government expenditure is \$440 billion, about \$300 billion of which being recurrent expenditure for different policy groups. It represents an increase of \$27.6 billion, or more than 10%, over last year's revised estimate and far exceeds the 5.5% nominal growth in the GDP over the same period. The recurrent expenditures on social welfare, education and healthcare services which are closely related to the public add up to about \$170 billion, accounting for 60% of the Government's recurrent expenditure. It represents a 12% increase over the revised estimate last year and even a 50% increase when compared to 2007-2008 and also far exceeds the 30% nominal growth in the GDP over the same period. These recurrent resources are all channelled to the improvement of public services to directly benefit people in need of these services.

As for the one-off relief measures which are of greater public concern, they actually involve only \$33 billion, which is equivalent to 7.5% of the Government's total estimated expenditure. When compared to the \$300 billion recurrent expenditure, the difference between them is very obvious indeed.

Many Members have expressed concern over the proposals in this year's Budget of making injections into a number of funds. The purpose of these injections is to provide long-term and stable financial resources to the relevant organizations and services. They are commitments made for these services, so as to enable the relevant organizations to make long-term planning and ensure that the required resources will not be affected and even reduced due to economic cycle or fluctuations in government revenues, with a view to consistently bringing benefits to the public. The provisions or injections made to these organizations or funds are subject to the approval of the Legislative Council, and there is no question of bypassing monitoring by the Legislative Council.

The ageing population has led to a reduction of the labour force, causing the economic growth to slow down and the tax base to narrow. With a reduction in revenue, coupled with an increase in public expenditure in tandem with the ageing of the population, the sustainability of public finances will be put under pressure. I have proposed in the Budget the setting up of a technical working group to be led by the Treasury Branch to conduct studies focused on the impact

of the ageing population on public finances, in order for the Government to fully grasp the problems caused by the ageing population to public finances.

Apart from civil servants from the relevant Policy Bureaux and departments, scholars and experts outside the Government will also be invited to join the working group. The working group is tasked to explore how best to make planning for the ageing population and the Government's long-term commitments under the existing policies and tax regime. The working group will analyse data and assess the long-term demand for public expenditure, in order to make recommendations on meeting future challenges with reference made to overseas experience. The working group will conduct analyses and make projections focused on public finances and propose practicable fiscal plans and arrangements within the parameters of the existing policies and tax regime. The working group will commence its work after the completion of the legislative procedures of the Budget and will submit a report to me at the end of this year.

President, Hong Kong has since the reunification experienced several onslaughts of dramatic ups and downs in the economy. We can ride out the storm because of our solid foundation and the concerted efforts made by all the people of Hong Kong. In the coming year, the external economic environment will remain unstable and downside risks are anticipated. While growth is still expected in the local economy, it is still necessary for us to exercise caution and keep in view changes in the external conditions and take appropriate counter-measures accordingly.

As the distributor of public resources, the Government has all along upheld the principle of fiscal prudence and allocated resources on the principle of "policy leads and financial resources follow". As Hong Kong is a small and open economy, government revenues fluctuate considerably while expenditures lack flexibility. It is imperative for us to maintain a stable financial position to cope with an economic downturn and make preparations for unexpected crises and the challenges brought by an ageing population in the long term. We should not call for the implementation of immature policies or policies on which no consensus has been reached and give up the principle of fiscal prudence on the ground of an increase in revenue at one time. I am glad to see that various sectors of the community have made different proposals on some policy issues. The Government will seriously look into them and discuss them with stakeholders. When there is a clear policy and direction, I will definitely allocate suitable resources to provide support for the implementation of such initiative.

The formulation of the Budget is a process of in-depth and thorough consideration, in which I take into consideration various factors, including policy needs, commitments in public finances, public interest, community views and the people's aspirations. The new initiatives proposed in this year's Budget involve a diversity of policy areas, including economic development, improvement of human capital, land development, poverty alleviation, assistance to SMEs, environmental improvement, and so on. These policies and measures, if implemented, will benefit various trades and industries as well as people in different strata.

President, individual Members have proposed 700-odd amendments to this year's Budget. The Government will make the utmost effort to provide support for the deliberations of the Legislative Council, in order for the Budget to be passed as soon as possible. I wish to point out that the funds on account approved by the Legislative Council some time ago are sufficient for meeting short-term expenditures. If the Appropriation Bill 2013 is not passed before the funds on account are all spent, it would be impossible for the provision of public services to be maintained and government operation would have to come to a standstill. Moreover, the proposals in the Budget could not be put into practice because the Bill has yet been passed. In order not to affect public services and the normal operation of the Government, and to facilitate the implementation of the proposals in the Budget expeditiously, I implore Members to consider from the overall interest of society and support the passage of the Appropriation Bill 2013 early.

President, I so submit.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the Appropriation Bill 2013 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr Albert CHAN rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Albert CHAN has claimed a division. The division bell will ring for five 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.

Mr CHAN Kam-lam, Dr LAU Wong-fat, Mr TAM Yiu-chung, Mr Abraham SHEK, Mr Vincent FANG, Mr WONG Kwok-hing, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Hak-kan, Mr CHAN Kin-por, Dr Priscilla LEUNG, Dr LEUNG Ka-lau, Mr WONG Kwok-kin, Mr IP Kwok-him, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN, Mr NG Leung-sing, Mr Steven HO, Mr YIU Si-wing, Mr MA Fung-kwok, Mr CHAN Han-pan, Miss CHAN Yuen-han, Mr LEUNG Che-cheung, Mr Kenneth LEUNG, Miss Alice MAK, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Dr Elizabeth QUAT, Mr Martin LIAO, Mr POON Siu-ping, Mr TANG Ka-piu, Dr CHIANG Lai-wan, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan, Mr Christopher CHUNG and Mr Tony TSE voted for the motion.

Mr Albert HO, Mr LEE Cheuk-yan, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Frederick FUNG, Mr Ronny TONG, Ms Cyd HO, Mr CHEUNG Kwok-che, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Albert CHAN, Mr WONG Yuk-man, Ms Claudia MO, Mr WU Chi-wai, Mr Gary FAN, Mr CHAN Chi-chuen, Dr Kenneth CHAN, Dr KWOK Ka-ki, Mr Dennis KWOK, Mr SIN Chung-kai, Dr Helena WONG and Mr IP Kin-yuen voted against the motion.

Dr Joseph LEE and Mr Charles Peter MOK abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that there were 66 Members present, 40 were in favour of the motion, 23 against it and two abstained. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

**CLERK** (in Cantonese): Appropriation Bill 2013.

Council went into Committee.

### **Committee Stage**

**CHAIRMAN** (in Cantonese): Committee stage. Council is now in Committee. In accordance with Rule 68 of the Rules of Procedure, the Council will consider the Schedule first. Please refer to Part II of the Script.

### **APPROPRIATION BILL 2013**

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That the sums for the following heads stand part of the Schedule.

**CLERK** (in Cantonese): Heads 23, 25 to 28, 33, 42, 45, 48, 51, 60, 78, 106, 112, 114, 116, 118, 120, 121, 136, 166, 168, 174, 181, 184 and 188.

**CHAIRMAN** (in Cantonese): Just now the Clerk has read out the heads to which no amendment is proposed. Does any Member wish to speak?

**MR ALBERT CHAN** (in Cantonese): Chairman, this is definitely not a part of the filibuster as referred to by many people. Instead, it is related to the heads read out by the Clerk just now.



During the scrutiny of the Appropriation Bill 2013 (the Appropriation Bill), although no amendment is proposed to certain heads, it does not mean that the items under the heads are in order. In fact, when we studied the Appropriation Bill, we had considered whether substantial amendments or deletions should be made to certain items. With regard to other items, we had also proposed amendments. However, eventually the amendments were withdrawn for certain technical reasons.

I would like to take this opportunity to express our stance and our grave concern over certain items. I wish to particularly refer to head 28 regarding the Civil Aviation Department (CAD).

In fact, over the past many years — more than a decade ..... regarding the work undertaken by the CAD under Programme (5) (that is, Air Services), many people may not have knowledge of or be familiar with their areas of work. They may think the CAD is only responsible for airport management and air traffic control. One of the conflicting roles of the CAD, or the area of work I personally do not think the CAD should undertake, is the job listed under Programme (5) — to monitor the noise of flights to and from the Hong Kong International Airport.

Will Members who are leaving the Chamber please respect this Council and speak softly.

(Some Members talked in the Chamber)

Some people like to talk so much. Refusing to speak in the Chamber, they speak so loudly when they leave. Later on, once less than 30 Members are present in the Chamber, I will request a headcount.

Chairman, talking about this Programme, over the past decade or so, the performance of the CAD in respect of the area of work specified under Programme (5) can be said to be a complete dereliction of duty. I have been raising questions concerning the CAD's work of tackling the noise issue in Legislative Council meetings every year. Nevertheless, the problem has deteriorated continually over all these years. If a problem under the purview of a department has deteriorated continually over the past decade or so, the department concerned should be abolished or the officials concerned should be

fired. Out of our dissatisfaction towards the performance of certain departments and officials, we have proposed a number of amendments with the objective of reducing the salary of certain officials or expenditure of certain departments.

Among the under-performed departments, the unsatisfactory performance of the CAD in tackling the aircraft noise issue can be said to top the list. The CAD is responsible for monitoring the noise of flights. However, upon the commissioning of the Hong Kong International Airport over a decade ago, the problem of aircraft noise has deteriorated continually. This is particularly so after midnight when there is an increasing number of cases in which the aircraft noise exceeds 80 decibels (dB), resulting in noise nuisance caused to residents living in the areas of Sham Tseng, Tsing Lung Tau and Ma Wan. It is midnight, Chairman, I am talking about midnight.

To the people who are sensitive to noise ..... I have followed up this issue for more than 10 years, and I can claim to have some expert knowledge in the field. Some people will not be woken by thunder with a noise level of 80 dB, while some people will be woken by buses travelling on the road downstairs .....

**CHAIRMAN** (in Cantonese): Mr CHAN, I would like to remind you that the question under debate is the sums for the heads read out just now stand part of the Schedule.

**MR ALBERT CHAN** (in Cantonese): I know.

**CHAIRMAN** (in Cantonese): Just as the Chief Secretary pointed out in the Second Reading debate just now, after the announcement of the Budget, the Finance Committee has held a number of special meetings in which Members and officials of various government departments have held discussions on various expenditures of the Government. Thus, I will ask Members to focus on expressing their views on the sums under the heads during the Committee stage. As for issues of general policy, I will ask Members not to engage in protracted debates on them.

**MR ALBERT CHAN** (in Cantonese): Speaking of reducing the expenditure of the relevant item under the head, just as I pointed out in the first part of my speech, we had initially planned to reduce the expenditure of the relevant item. I was explaining why we eventually did not propose any reduction. Of course, my speech just now was about the reasons why I intended to reduce the expenditure. I have wished to describe the reasons for the reduction before proceeding to explain why we decided not to propose any reduction in the end. I was explaining this just now. Of course, I will not make a long speech now. I will only talk briefly on the issue of dereliction of duty on the part of the CAD.

Finally I would like to talk about why eventually I have not proposed any amendment to reduce the expenditure of the relevant item under that head. Chairman, this is the crux of the entire issue. If I could propose an amendment on reducing the expenditure of a certain single item, I would certainly have done so .....

(Mr WONG Kwok-hing stood up)

**CHAIRMAN** (in Cantonese): Mr WONG Kwok-hing, what is your point?

**MR WONG KWOK-HING** (in Cantonese): Chairman, I wish to seek your ruling. We are discussing the heads to which no amendment has been proposed. The Member has kept on making lengthy remarks on not proposing a reduction. Chairman, just as you said, at this stage, Members should not discuss policy .....

**CHAIRMAN** (in Cantonese): Mr WONG, I have already reminded Mr Albert CHAN of this. If Mr CHAN continues to stray away from the contents of his speech or repeat what he has already said, I will stop him. Mr Albert CHAN, please continue.

**MR ALBERT CHAN** (in Cantonese): Chairman, please do a headcount.

**CHAIRMAN** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**CHAIRMAN** (in Cantonese): Mr Albert CHAN, please continue.

**MR ALBERT CHAN** (in Cantonese): Chairman, we have just expressed our dissatisfaction with the CAD. However, why have we not proposed reducing its expenditure? This is mainly because the work of the CAD involves the overall air traffic management. The expenditure involved under this head is basically the essential funding needed by the CAD to maintain its services. Thus, if we reduce or oppose this estimate of expenditure of the CAD, the overall air traffic management will be paralysed. That may also affect aviation safety. This is the reason why the People Power has not moved any amendment to reduce the relevant expenditure of the CAD under head 28.

Another head ..... Chairman, I do not know about the arrangement for the rest of today's meeting. I have been present in the Chamber since 5 pm. I have sat here for three hours. Right now I am a bit hungry, and I also know that many Members have left for meals. However, I have sat here for three hours without taking a break. I do not know whether time has been reserved for Members to take meals during today's meeting. I also do not know whether meal breaks have been arranged for meetings in the next few days. Chairman, I wish to seek your ruling on this. Since I have sat in the Chamber for three hours already, I wish I can take a break of 15 minutes.

**CHAIRMAN** (in Cantonese): Mr CHAN, if you had needed to take your meal just now, you absolutely had sufficient time to do so. Please sit down if you have spoken on the sum of the relevant head.

**MR ALBERT CHAN** (in Cantonese): Chairman, I request a headcount.

**CHAIRMAN** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(While the summoning bell was ringing)

**MR WONG KWOK-HING** (in Cantonese): Chairman, I would like to put in a word during the headcount. If some Members explain the reasons for not deleting the various heads read out by the Clerk, do you think it is a deliberate act of "filibustering" by giving a lengthy speech? I hope that the Chairman will consider my suggestion.

**CHAIRMAN** (in Cantonese): Mr WONG, all Members should be very clear about the rules of speaking and the question of the present debate. The Rules of Procedure also provide that Members' speech cannot stray away from the topic or be repetitious.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**CHAIRMAN** (in Cantonese): Mr CHAN Chi-chuen, please speak.

**MR CHAN CHI-CHUEN** (in Cantonese): Chairman, I wish to express my views on the Disaster Relief Fund (DRF) under "Head 184 — Transfer to Funds". This morning at the Finance Committee meeting, colleagues raised many questions about the DRF. Because at the meeting everyone had only four minutes to ask questions and wait for the replies and the meeting only lasted for two hours, I encourage colleagues to try to raise their questions on the DRF for discussion at this stage. At that time, no Members, not even us, proposed to delete anything under this head concerning the DRF as it was hard to determine whether it is too much or too little money for the relief of disasters and we do not know when a natural or man-made disaster strikes. We were also very confident or took it for granted that since the DRF had operated for so long, there should not be any problems. Hence, we did not propose any deletion. Here I wish to voice my concern and talk about the amount of payment which Members should pay attention to.

The DRF was established on 10 December 1993 and the Finance Committee then appropriated \$50 million for its establishment. As at 31 March 2012, payments totalling about \$1,478,214,000 have been made from the DRF since its establishment. Regarding the grants from the DRF under head 184, as at 14 January 2013, grants totalling \$54,517,000 have been made in 2012-2013. As regards the estimate made in the account of this Fund, it reads, I quote, "No estimate of payment is made for the remaining part of 2012-2013 and 2013-2014 as calls on the Fund in relief of disasters cannot be predicted." (End of quote) Receipts for 2012-2013 and 2013-2014 are estimated at \$53,183,000 and \$45,046,000 respectively. Just now I said the DRF is estimated to be \$54,517,000 in 2012-2013, and we have not proposed any adjustment or deletion.

After the Sichuan earthquake, the Government requested an injection of \$100 million into the DRF, concerning which the public have different voices, and many Members of this Council also oppose it. At the special Finance Committee meeting, no conclusion was reached after two hours of discussion and close to 20 Members who had registered to speak did not get the chance to do so. I feel that as Members of the Legislative Council, we must take this chance to discuss the Guidelines for Grants from the DRF under this head. At that time, everyone thought that we should help victims and grant the money after a disaster had struck, but does that conform to the Guidelines? After days of discussion among the public, the media and even at the Finance Committee meeting this morning, we find that there are big problems.

First of all, let us look at the Guidelines for Grants from the DRF, which reads, "grants should only be made in cases of a specific disaster, not an ongoing problem", there is no problem with this; and also, "Grants should only be made in cases of disasters of such nature and scale that stimulate a response by the international community." There are a few suggestions on how to assess the proposals. I do not intend to make a lengthy speech and discuss the matter, so I have picked the main points. The paper has two pages, out of which I have picked the points that are worth discussing, including the one that says, "The appeal/application should have received a measure of public support in Hong Kong."

In the past, every time when the Government applied to the Finance Committee for grants from the DRF, not too many people in the community would oppose it. This time, however, I think that if Members open their emails, they would find floods of emails that oppose it. Although we have made our

position very clear, that we oppose the "G2G", that is, the HKSAR Government making grants to the Sichuan Government, we continue to receive people's messages about their opposition to this. Therefore, concerning the assessment of this proposal, the Government has to be very careful in actual execution.

Another point of assessment I wish to raise is, "The relief organization should have demonstrated a sound track record in providing similar types of disaster relief services and activities.". Has the Sichuan Government got a sound, acceptable, poor track record or what?

**CHAIRMAN** (in Cantonese): Mr CHAN, you should wait till the Finance Committee scrutinizes the Government's application for the relief grant in support of the earthquake victims in Sichuan to put forward your present remarks.

**MR CHAN CHI-CHUEN** (in Cantonese): I wish to explain why we have not proposed any amendments to the funding for the DRF, but now we have doubts about it. Because of the time constraint and we have a serious point of doubt, I hope that the Chairman can grant me a little more time so that I can deliver the speech that I have prepared on this topic. If you consider my speech has strayed away from the subject .....

**CHAIRMAN** (in Cantonese): You should put forward these views when the Finance Committee scrutinizes the agenda item of the Government's application for funding for the DRF but not at this stage.

(Mr LEUNG Kwok-hung stood up)

**CHAIRMAN** (in Cantonese): Mr LEUNG Kwok-hung, what is your point?

**MR LEUNG KWOK-HUNG** (in Cantonese): Chairman, in accordance with Rule 17 of the Rules of Procedure, I request a headcount.

**CHAIRMAN** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**CHAIRMAN** (in Cantonese): Mr CHAN Chi-chuen, please do not give lengthy remarks on the Sichuan disaster relief grant.

**MR CHAN CHI-CHUEN** (in Cantonese): No problem. Fine, Chairman, I am sorry because I am a newcomer. This is the first time I take part in a Committee stage debate, so I am not that clear about the rules. After listening to the ruling of the Chairman, I understand that the \$100 million provision should be discussed at the next special Finance Committee meeting. My following speech will continue to focus on the revised estimate of the grants of \$54,517,000 in the Budget and express my remaining views.

All along, there has not been any clear account of how the Government decides on the funding to the DRF, or the criteria for determining the amount of provision. Regarding the non-governmental relief organizations, although the Secretariat of the Disaster Relief Fund Advisory Committee (DRFAC) and the Audit Commission will review the audited accounts and evaluation report submitted by these relief organizations in the aftermath during the annual audit of the Fund, there was no mention of the action that has been taken against organizations which failed to comply with the grant conditions.

As for grants made to government authorities outside the SAR, including foreign countries and the Mainland, we were only told that evaluation reports on the use of the grants are "normally" called for from the recipient authorities — just "normally" — but not a must. Nor has the Government specified the time frame for submission of the report by the recipient authorities. Worse still, even if the relevant authorities have submitted the reports, the DRFAC has no clear guidelines on the counter-measures or further actions to be taken against organizations which have failed to comply with the grant conditions.



While the Audit Commission will conduct an audit review of the non-governmental relief organizations, the progress and quality of the reconstruction projects are not monitored. For details, Members may refer to the Reports of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region which I have brought along with me today. But in order not to waste time, I am not going to read out the whole chapter. While LEUNG Chun-ying and Mrs Carrie LAM said that a monitoring system had been put in place to ensure the use of the donation and enhance supervision, the Government subsequently indicated that the use of such donation should not be specified. Neither should the authorities be required to submit reports. I think there is room for improvement in this regard.

Why have we not proposed deletion of this funding in the first place? If we could turn the clock back, I would have proposed an amendment to delete this funding. Yet, this is a very difficult decision to make as the relevant funding is earmarked not only for Mainland disasters. As noted from the 2012-2013 revised estimate, grants were made not only to the Mainland, but also to the "Relief programme for drought victims in Mali", "Relief programme for drought victims in Niger" and many other places, including also the "Relief programme for typhoon victims in the Philippines". I have not read out the relief programmes of the Mainland. Therefore, it is pretty difficult for Legislative Council Members to deal with this expenditure item. I believe in the future, be it the Finance Committee or the various panels, should reserve more time for discussion on such matters. This \$100 million provision has not gone through any discussion in any panel. On this item, I shall stop here.

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

**MR LEUNG KWOK-HUNG** (in Cantonese): First of all, Chairman, I would like to apologize to colleagues for my request for a headcount just now, as they complained they could not finish their meal at one go. This reminds me of the plight of some elderly people who have to divide one meal into several portions. I do not think I need to elaborate on who is suffering more. Right, Chairman, I would like to make a formal suggestion to you. In order to address the issue, you had better reinstate meal break arrangements. I do not wish to see colleagues suffer from stomachache.

First, I would like to say a few words about head 23, that is, funding for the Auxiliary Medical Service (AMS). Chairman, I understand your point. You queried why I should still discuss this item when I have no amendment to propose. This is the real world — to be or not to be. Actually, I do not wish to make Members make several trips to finish their meal. However, I cannot help asking who is more miserable when I recall some old women who have to divide one meal into several portions. It is readily understandable.

Why do I choose to discuss the AMS? It is because its establishment is neither fish nor fowl. Although this establishment appears to be indispensable, it is indeed very backward. After all, it is stated clearly that the AMS is auxiliary in nature. Honestly, Chairman, I think you will also understand that it was not unusual to do such things under the British rule in order to win over people who were willing to come forth to serve the public, with most of them being Chinese of the upper class. However, society has changed nowadays. In my opinion, the legislation related to the AMS has become obsolete. The point is that social functions have changed. Because times have changed, the functions of the AMS have changed, too. This is why I felt a bit sad when I was following up on this matter. If the AMS is to be abolished, a major surgery will be required. If it is to be retained, I really cannot stand watching it, for we can only slash its pay or revenue — because we cannot propose amendments to increase its expenditure. Actually, Chairman, according to my blueprint, the Government should allocate funds to set up a more professional team to comply with the general standard used by us for monitoring other government organizations, so as to perfect its establishment.

However, I cannot ask the Government to increase its expenditure due to the legislation governing the Budget. So, what can I do? I can only bring up the matter here in the hope that Members can understand it. In fact, the number of problems facing the AMS is not small. Many obvious problems have indeed been uncovered by the Audit Commission in a concise manner.

**CHAIRMAN** (in Cantonese): Mr LEUNG, you should express your views at the Finance Committee special meetings or the relevant panels.

**MR LEUNG KWOK-HUNG** (in Cantonese): I am not a member of those panels.

**CHAIRMAN** (in Cantonese): If you are concerned about this issue, you should attend their discussions. Please confine your speech to the sum for the relevant head.

**MR LEUNG KWOK-HUNG** (in Cantonese): Right, I will cite an example. I wonder whether or not the Chairman has that document. Concerning head 23, in presenting its views and suggestions in page 6 of its report, the Audit Commission mentioned, among other things, the AMS Standing Order training policy. Chairman, when we talk about disaster relief, we will compare rescue operations to fire fighting. If the physical capability and skills of a fire fighter is inadequate, he will not be able to rescue people. Even though he tries to rescue people, he will harm them instead. Please look at how the Audit Commission gave an account of this issue. It has noticed that 200 .....

**CHAIRMAN** (in Cantonese): Mr LEUNG, it is inappropriate for you to discuss in this debate the Audit Commission's views on certain government departments or organizations. Members may discuss it on other more suitable occasions. Should you continue to discuss this topic at length, I will ask you to stop speaking.

**MR LEUNG KWOK-HUNG** (in Cantonese): Chairman, I am not discussing the views of the Audit Commission.

**CHAIRMAN** (in Cantonese): Mr LEUNG, I have already reminded you that it is not the time to debate the structure or performance of certain government departments or organizations. Please pinpoint the sum for the relevant head.

**MR LEUNG KWOK-HUNG** (in Cantonese): I see. I see. If additional funding cannot be granted, we are supposed to reduce its expenditure. However, I cannot do so, and neither have I sought to cut its funding. If its expenditure is

not increased, its members will be inadequately trained. Its problem of inadequate training and lack of supervision will not be ameliorated either. As you disallowed me to continue with my speech just now, I can only stop. Simply put, many AMS members cannot even meet the minimum standard of training as required by the AMS Standing Order. Under Article 73 of the Basic Law, I am empowered under the Constitution to monitor the Government. Regarding an essential service provided by a government-funded organization, do you think I, as a Member of the Legislative Council, can have peace of mind in the face of this problem? Hence, I must first explain why I have not proposed any amendment to that expenditure item. Since I cannot propose amendments to increase its expenditure, I can only keep its original expenditure intact. It will bring more pain if its expenditure is reduced instead.

Chairman, I would like to respond to the question raised by you just now. If AMS members are inadequately trained, users, including you and me, will definitely be affected. I recall that the AMS was on duty when we sprained our ankles during a football game. Furthermore, it is not only about quality, but also about quantity, because users might have to wait or even be denied the service they need. Let me cite a simple example to illustrate my point. If 80% of the Legislative Council Members failed to perform their duty, and I happened to make a repeated request for a headcount, as I did just now, do you think the service provided by Members is good or bad? I think it is bad. Nevertheless, I cannot make a quote because you disallow me to do so. It is reported .....

**CHAIRMAN** (in Cantonese): Mr LEUNG, you have not only strayed away from the question, you are also repeating your point of view. Please stop repeating it.

**MR LEUNG KWOK-HUNG** (in Cantonese): Fine, I will raise another point. As you disallowed me to talk about the service, I will turn to the issue of saving public money or how to acquire the relevant service.

Honestly, service charges hinge on whether public money is used appropriately. In other words, whether or not ordinary people can access the relevant service is most crucial. Concerning the fees charged by the AMS, I have no idea of its financial situation — neither can I increase its funding — but the Audit Commission has pointed out at the outset that its fees charging is problematic, mainly because it is unfair to charge fees on a case-by-case basis or

inconsistent charging criteria. Honestly, Chairman, I would not want to be bald if I have hair. Likewise, I would not like to stage a filibuster if I have other solutions. I think it is intolerable if an injured person cannot receive the service because he is charged an exceedingly high or unfair fee. Hence, insofar as the framework is concerned, if the AMS can improve its service .....

**CHAIRMAN** (in Cantonese): Mr LEUNG, I have to remind you again that you should not debate the standard or nature of service of individual government departments or organizations or their fees charging during the Committee stage, or I will stop you from speaking.

**MR LEUNG KWOK-HUNG** (in Cantonese): Chairman, in view of what you said, I can only stop. There is no way for me to explain my rationale clearly. What can I do? I think my speech is no different from those delivered by other Members, only that you treat me more strictly. I am not going to argue with you. I will leave it to others and let them be the judges. Now I hope you can do a headcount under Rule 17 of the Rules of Procedure to see which one of us is right.

**CHAIRMAN** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

**CHAIRMAN** (in Cantonese): Before we continue with the debate, I would like to remind Members that the question proposed is whether the sum for head 26 should stand part of the Schedule. So, Members should speak on this question rather than giving lengthy speeches on the *modus operandi*, management approach or standard of service of various government departments or organizations. Otherwise, I can only rule that their speeches have strayed away from the question.

Does any other Member wish to speak?

**MR LEUNG KWOK-HUNG** (in Cantonese): Chairman, does it mean that I cannot speak as you made a ruling on my speech just now? I heard you say that Members should not give lengthy speeches.

**CHAIRMAN** (in Cantonese): Do you wish to continue?

**MR LEUNG KWOK-HUNG** (in Cantonese): Yes. You said the question now is whether or not the sum for the relevant head should stand part of the Schedule.

**CHAIRMAN** (in Cantonese): Please.

**MR LEUNG KWOK-HUNG** (in Cantonese): Chairman, you are really remarkable. I wonder if you have had your meal. It is amazing that you can remain so clear-headed. After having spoken for such a long time, I think you had better advise me earlier. The question is actually very simple, that is, whether the sum for the relevant head should stand part of the Schedule. After thinking it over, I have now decided that the sum should not stand part of the Schedule, though I initially thought otherwise.

I did not realize it until I heard what you said. As the AMS will not correct its mistakes if it feels no pain, I think the sum should not stand part of the Schedule, so that all its mistakes will be rectified once and for all. Although I have spoken for such a long time, I no longer wish to quote anything. I only wish to point out that the AMS is simply outdated. Furthermore, there is no way for us to monitor it. Are we not getting ourselves into trouble if we provide funding to it? It might kill someone if its service is poor. Moreover, people who cannot access its service will complain. Hence, the head related to the AMS should not receive any more funding. What is the point of providing funding .....

**CHAIRMAN** (in Cantonese): Mr LEUNG, you have proposed a number of amendments to reduce the sums of certain heads. Why do you not propose an

amendment for the sum for the AMS under this head to be reduced if you think approval should not be granted to provide funding to the AMS?

**MR LEUNG KWOK-HUNG** (in Cantonese): No, I have already explained to you that I mean .....

**CHAIRMAN** (in Cantonese): I would like to remind Members once again that we are debating head 26 to which no amendment is proposed.

**MR LEUNG KWOK-HUNG** (in Cantonese): I see. You have enlightened me all of a sudden. In the beginning, I did not wish to take action because I was afraid the service provided by the AMS would be slashed. After racking my brain, however, I think we had better stop funding it right away. Honestly, I am also facing a dilemma .....

**CHAIRMAN** (in Cantonese): Mr LEUNG, you are repeating your points.

**MR LEUNG KWOK-HUNG** (in Cantonese): Yes, I reiterate that I now realize I was wrong. I should thus make a correction. However, I am now compelled to express my views to you, that is, we had better stop providing funding to the AMS, so that it will turn over a new leaf after realizing its mistakes and suffering badly. Thank you, Chairman.

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

**MR ALBERT CHAN** (in Cantonese): Chairman, why would Members feel so puzzled? Because we do not have the power to increase the funding. I therefore understand very much the dilemma faced by Mr LEUNG Kwok-hung. If the Legislative Council has the power to increase the funding for certain departments, I believe Mr LEUNG Kwok-hung will propose amendments to significantly increase the head for the AMS, such that it can provide appropriate and quality services with rational arrangement and allocation of resources.

Chairman, I would like to talk about "Head 42 — Electrical and Mechanical Services Department (EMSD)". Among the various technical departments, the EMSD has got the largest increase in funding in this year's Budget. It rose drastically from \$380,380,000 of the revised estimate for 2012-2013 to \$509 million, representing an increase of 32.6%. I welcome such an increase ..... We have to examine numerous heads during the Committee stage, and we may oppose to some of them, but since the various heads will not be put to vote one by one, we have to put on record we support which heads and oppose which others.

Concerning head 42, the People Power supports the relevant provision and the rate of increase of this head. While rendering our support, we also wish to express our concern and criticism about it. The provision for the EMSD has been greatly increased in 2013-2014, and one notable increase is as much as 91.7 million. The increased provision will be used to improve the existing lifts of government bureaux and departments, and create four posts.

We do not oppose the Government's proposal to increase expenditure in this regard to improve the lifts of government buildings, but Members must be aware that Hong Kong people have been plagued and upset by the monitoring of the lifts of private buildings over the past year. Worse still, the casualties involving damaged lifts or lift accidents have also plunged many people into fear.

The additional provision of \$91.7 million is earmarked for Mechanical Installations Safety and mainly used to improve the lifts of government bureaux and departments. However, comparing the actual resource input increase earmarked for the monitoring of lifts of private buildings with the additional provision for improving the lifts of government buildings, the former is relatively lower. What I am going to say is that the Government seems to stress the improvement of lifts installed in their buildings, but places the safety concerns and grievances of the public ..... The EMSD, in particular, which is tasked to monitor lift safety, has not increased the resource input for the monitoring of licensed organizations by the same percentage — I must stress the word "percentage". Although additional resources have also been injected into other areas, such as safety monitoring, the Government alone benefits most in terms of percentage, whereas additional resources deployed for the monitoring of safety for the general public is insignificant.



Therefore, while we support the public expenditure under head 42, we think that the Government has increased resource input for its own good but has been mean to the general public. This is precisely the character of the Financial Secretary, who keeps transferring interests to the major consortia.

Apart from head 42, I also wish to express some views on "Head 33 — Civil Engineering and Development Department (CEDD)". Over the years, there have been numerous problems relating to the CEDD's project development, but I am not going to comment on the relevant policies. Although the CEDD's estimated expenditure has also increased, it is not as large as the abovementioned EMSD. The estimated financial provision of the CEDD is \$2 billion, which is slightly higher than the inflation rate when compared with the \$1.8 billion of last year. This is considered a slight adjustment.

Reviewing the problems relating to the CEDD over the past years, we may notice that many people criticized the building of footbridges and the monitoring of projects. One notable example which has been covered by the media time and again is the late commissioning of a certain footbridge in Tsuen Wan for several months, which has aggravated the local problems. From this, we can see that there must be some problems with the CEDD in the monitoring of public works projects. If financial sanctions have to be imposed, some people should have their salaries reduced. However, it would be difficult for us to make amendments in this regard by using the power of the Finance Committee to approve provisions.

As for its overall performance, I think the most serious and widely discussed problem is related to the use of construction waste. I will not elaborate on this as it involves the CEDD's policies and actual operation, as well as its way forward in terms of development. The Government should greatly increase its expenditures so as to alleviate the problems in this regard.

Thank you, Chairman.

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

**MR WONG YUK-MAN** (in Cantonese): Chairman, you must also stay alert. There are 26 heads to which no amendment has been proposed, and all Members

can speak on them with no limit on the number of times a Member may speak. Nonetheless, Members seem to be muted, are they not? There is one point that I must make .....

**CHAIRMAN** (in Cantonese): Please speak on the question.

**MR WONG YUK-MAN** (in Cantonese): ..... I will certainly speak on the question. Will you just speak on the question but nothing else? If not, then do not bicker with us. Everyone is muted because they know nothing and merely act perfunctorily.

**CHAIRMAN** (in Cantonese): Mr WONG, which head are you talking about?

**MR WONG YUK-MAN** (in Cantonese): I am talking about "Head 26 — Census and Statistics Department (C&SD)".

This part is concerned with the C&SD. As Members may not know clearly what it is about, so let me give a brief description. This head covers a number of programmes, namely: (1) Trade Statistics, (2) Social Statistics, (3) National Accounts and Balance of Payments Statistics, (4) General Statistical Services, (5) Price/Industry/Service Statistics, and (6) Labour Statistics. The so-called statistics of all programmes have been clearly set out ..... For example, there is a detailed breakdown of the provision and it provides a lot of information for us to speak on. We will certainly not digress as they are all related to provisions.

Looking at the financial provision of \$590 million, the part on Social Statistics very much warrants our grave concern. Chairman, the provision for this programme is \$79 million. This warrants our concern because — I wonder if Members have noticed that — forgery of data by C&SD staff has been uncovered, and the falsified statistics are precisely related to Social Statistics.

A newspaper has interviewed a number of front-line survey officers from the C&SD and discovered that about half of the front-line survey officers were suspected to have been involved in forgery of data when conducting the monthly

General Household Survey. For example, when conducting a survey on the unemployed people, they made deceptive claims that these people have no intention to rejoin the labour market, just to save the trouble of asking about 12 follow-up questions and thus shorten the interview time to boost their efficiency. There were also cases that front-line survey officers have made deceptive claims that no one answered the door and skipped the investigation when they discovered that the interviewees are "sub-divided unit tenants". This is because according to the work indicators of the survey officers, the investigation of households living in those so-called "one split into four" subdivided units will only be counted as one case. Chairman, one unit splitting into four.

**CHAIRMAN** (in Cantonese): Mr WONG, you need not discuss individual cases in such great detail.

**MR WONG YUK-MAN** (in Cantonese): We are talking about provision ..... the \$79 million provision for Social Statistics. Is this not about provision? If you stop me from speaking all the time, it would mean that we need not talk about anything. We had better cast our votes like a machine and indicate whether or not they should stand part of the Schedule. Is that what we are supposed to do, Chairman TSANG?

**CHAIRMAN** (in Cantonese): Members should know this very well as a lot of discussions have already been held on the financial proposals of the Government in the Finance Committee.

**MR WONG YUK-MAN** (in Cantonese): We are not talking about proposals.

**CHAIRMAN** (in Cantonese): Members should know which involves policies and which involves the performance of the department. None of them should be discussed on this occasion.

**MR WONG YUK-MAN** (in Cantonese): Chairman, I am not discussing with you policies. I am citing an example about the programme "Social Statistics".

**CHAIRMAN** (in Cantonese): Mr WONG, please listen to me. I am not stopping you from speaking, but I must remind all Members that no specific examples should be quoted to illustrate the performance of certain departments, which have actually been discussed in the other panels.

**MR WONG YUK-MAN** (in Cantonese): And yet, I recall that not many people have discussed the response of the C&SD to this incident or the related scandal in the relevant panel. Chairman, as you are so busy, you should have no idea what was discussed in various panels. Being a responsible representative of the people, I am obliged to tell the public ..... the C&SD, regarding the part on Social Statistics .....

**CHAIRMAN** (in Cantonese): Mr WONG, I have reminded you that if you continue to stray away from the question, I will ask you to stop speaking.

**MR WONG YUK-MAN** (in Cantonese): Of course, you have the absolute authority to do so. It would be too stupid of me to challenge you, and so I am not doing this. This is not only a waste of time, but also a very stupid move. We are in the middle of a filibustering war and there is no amendment for this head, so it does not worth spending so much time discussing it. I am just mentioning it in passing. Mr TSANG, let me tell you, we will advance many justifications when it comes to the examination of amendments .....

**CHAIRMAN** (in Cantonese): Mr WONG, please speak on the question.

**MR WONG YUK-MAN** (in Cantonese): ..... I hope you will understand. There is nothing I can do if you intentionally find trouble with me. Okay, let me continue.

Regarding head 26 which is concerned with the C&SD, I am pretty concerned about the \$79 million provision for Social Statistics. Of course, as the head under discussion is not subject to any amendment — which Members should know for sure — we have not proposed to reduce the provision and I therefore cannot talk about the reason for reducing this provision. I can only turn to the question of it standing part of the Schedule. The question is whether it should stand part of the Schedule. I wish to remind Members, in particular, that in the \$590 million provision, there are some problems with the \$79 million earmarked for Social Statistics. And yet, I am afraid the Chairman will not allow me to elaborate the problems. So, what can I say? I can only tell Members that there are problems with it.

Also, we have to look at the analysis of the financial and staffing provision of this \$590 million. For Programme (1), provision for 2013-2014 is \$18.3 million higher than the revised estimate for 2012-2013, which accounts for 12.4%. This is mainly due to the additional operating expenses for conducting supplementary surveys to track the latest developments in the trade structure of Hong Kong and the increased salary provision for the creation of four posts in 2013-2014, filling of vacancies and staff changes.

For Programme (2), provision for 2013-2014 is \$6.4 million lower than the revised estimate for 2012-13, which accounts for 7.5%. This is mainly due to the reduced operating expenses for the 2011 Population Census, partly offset by the increased salary provision for filling of vacancies and staff changes.

For Programme (3), provision for 2013-2014 is \$6.4 million higher than the revised estimate for 2012-2013, which accounts for 8.4%. This is mainly due to the increased salary provision for filling of vacancies and staff changes.

For Programme (4), provision for 2013-14 is \$5.1 million higher than the revised estimate for 2012-2013, which accounts for 15.8% .....

**CHAIRMAN** (in Cantonese): Mr WONG, what is your point of reading out the figures that all of us can see?

**MR WONG YUK-MAN** (in Cantonese): I read them out because no Member has ever read the data, and they are not listening. Chairman, as the meeting is

on live broadcast, I read them out to let other people know what is happening. This is certainly related to provision, but Members simply refuse to hear, mention or see it. What kind of Members are they? I must tell Hong Kong people what is being discussed .....

**CHAIRMAN** (in Cantonese): Mr WONG, you are wasting time. Please clearly state your viewpoint.

**MR WONG YUK-MAN** (in Cantonese): I do not understand why I cannot speak on the data. If this is the case, Mr TSANG, please tell me what I should say.

**CHAIRMAN** (in Cantonese): I just wished to remind you that you were reading out the data paragraph by paragraph, which have nonetheless been published. This is therefore unnecessary.

**MR WONG YUK-MAN** (in Cantonese): Who have read it? Chairman, can you ask the Members. Have they read what I have just read out?

**CHAIRMAN** (in Cantonese): All Members can see them.

**MR WONG YUK-MAN** (in Cantonese): The point is not whether they can see them, but whether they have read them. How about members of the public? What is the purpose of conducting a debate in this Council? Without any background information, Members can only speak and comment on the "numbers". Is this like betting in a horse race?

**CHAIRMAN** (in Cantonese): Mr WONG, if you have to continue to argue with me, I will have to ask you to shut up.

**MR WONG YUK-MAN** (in Cantonese): Not "shut up", please be polite. You should ask me to stop speaking, okay?

(Mr LEUNG kwok-hung stood up)

**CHAIRMAN** (in Cantonese): Mr LEUNG Kwok-hung, what is your point?

**MR LEUNG KWOK-HUNG** (in Cantonese): May I ask if a quorum is present?

(The Clerk indicated that a quorum was present)

**CHAIRMAN** (in Cantonese): Mr WONG, please continue.

**MR WONG YUK-MAN** (in Cantonese): To me, today's debate, especially this part, is not at all meaningful, but the fact that the Chairman is determined to find trouble with me is indeed very interesting to me. This has nonetheless shown the public that this is a struggle, an absolute struggle, and it has enabled us to test here .....

**CHAIRMAN** (in Cantonese): Mr WONG, you have strayed away from the question, so please be seated and stop speaking. Does any other Member wish to speak?

**MR CHAN CHI-CHUEN** (in Cantonese): Mr LEUNG Kwok-hung has just asked if a quorum is present. Has the Chairman made a ruling already?

**CHAIRMAN** (in Cantonese): He has just asked if a quorum is present.

**MR CHAN CHI-CHUEN** (in Cantonese): May I ask if a quorum is now present?

**CHAIRMAN** (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

(After the summoning bell had been rung, a number of Members returned to the Chamber)

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

(Mr CHAN Chi-chuen stood up)

**CHAIRMAN** (in Cantonese): Mr CHAN Chi-chuen, please speak.

**MR CHAN CHI-CHUEN** (in Cantonese): I have just pressed the "Request to speak" button.

Chairman, after more than an hour's discussion, I begin to understand the criteria which should be used when we speak on these 26 heads without amendments. I would also like to do some explaining. I do not mean to waste Members' time because there are some heads which do not require any reduction and they have a reason for their existence. However, there are some places in which we wish to increase or reduce the expenditure. I would like to explain this clearly.

In order to prove that I am not trying to make any delays, I wish to say that I am going to speak on two heads and I would speak on them at the same time. These are: Head 33 — Civil Engineering and Development Department (CEDD) and Head 118 — Planning Department. I am going to deal with Programme (8) Advice on Development Proposals under Head 33 — CEDD. This programme contributes to Policy Area 22: Buildings, Lands, Planning, Heritage Conservation, Greening and Landscape. Then I will deal with the programme under Head 118 — Planning Department and it is about Programme (2) District Planning. Its estimate for 2013-2014 has increased by 6.8% over last year, that is, \$3,579, 000, or 9.8% over the original estimate for 2012-2013. Why do I have to single out this head for discussion? Also, I have just overlooked Programme (8) of the CEDD. Its estimate for 2013-2014 is \$31 million, representing an increase over the original estimates in 2012-2013 by 5.6%.



These two heads together form an issue which I am most concerned about and, that is, district development, including that for North East New Territories, reclamation and rock caverns. If only I could take an across-the-board approach, I would cut all of them, that is, these programmes should all be cut. Then no planning or future development will be made. It is because I think there are some serious problems with the planning undertaken by the Government in the development of these aspects, especially with respect to public consultation. But why do I have to keep this head? I would like to explain my position now. When the Government has to force its way to implement these planning and development efforts, irrespective of whether they are about reclamation, rock caverns or North East development, if we do not approve of the funding, the consultation exercise conducted by the Government would be very bad. So if the Government wants to undertake planning and development, and although we would query its intention, we would still have to allocate enough funds to the Government. I hope that the Government can make use of the funding to conduct some effective consultation.

Take the example of the North East New Territories. The consultation was far from being desirable. Although money was spent, many people affected by the development had not been informed throughout all these three rounds of consultation. It was until mid-August that they learnt about that their homes and villages would be destroyed. Has the funding been used properly? I just wish to cite one example and it is about how the Government makes use of the funding approved by us for consultation. I hope that the Development Bureau, the CEDD and the Planning Department will pay special attention. The example I have cited is part of the Stage 2 Public Engagement of Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development. I am holding the Stage 2 Public Engagement Digest. If this kind of work is to be carried out again, it will be done by the funding for the item just mentioned by me. This Digest is beautifully produced, comparable to the sales brochures for some luxury property developments. It comes with lots of pictures and it looks fabulous. But does the Government have to make this digest so grand? The funding we have approved of, is it ..... The Government says that it spends a lot of money to conduct consultation, but it turns out that no consultation sessions are held and the only consultation done is producing a consultation document. I do not know what the costs incurred are, could Honourable colleagues in the printing business tell me after the meeting .....

**CHAIRMAN** (in Cantonese): Mr CHAN, should these questions from you be raised in a special meeting of the Finance Committee?

**MR CHAN CHI-CHUEN** (in Cantonese): What I wish to say is, let me cite an example ..... it would be okay when I cite this example. When the Government has got our funding and conducts this so-called consultation, there appears something which I think is a kind of serious guidance, or even misguidance. I just wish to cite one example. About the Stage 2 Public Engagement, actually, the Government talks about developments like reclamation and rock caverns, but these are only potential projects that have yet to be finalized. But the first question asked in this Digest is: What land uses do you wish to include in the proposed reclamation and rock cavern development sites? It is strange because the Government is not asking us whether or not we would agree to such land uses. Actually, this example can be applied to the so-called public engagements conducted by various other departments. The figures obtained look very nice because the questions asked are heavily guided. You can design questions to give you the answers you want. Actually, anyone who knows anything about statistics or has such basic knowledge will know and there is no need .....

**CHAIRMAN** (in Cantonese): Mr CHAN, you have strayed away from the question.

**MR CHAN CHI-CHUEN** (in Cantonese): Yes. I wish to sum up this item. We are not cutting the funding for these two items but we hope that in future when the Government undertakes planning, especially when giving its views on development proposals and district planning, including consultation, it can make good use of public money and resources.

I so submit.

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

**MR ALBERT CHAN** (in Cantonese): Chairman, I would like to talk about two heads, which are Head 45 — Fire Services Department (FSD) and Head 118 — Planning Department.

Head 45 involves the expenditure of the FSD and its total expenditure in 2013-2014 is \$4.69 billion. One of the main parts of the expenditure is staff emoluments, amounting to \$4.4 billion, that is, the \$4.425 billion operational expenses under Subhead 000. Chairman, why should I express worries about this? That is because everyone knows that the FSD staff have expressed many views about their working hours and even launched a work-to-rule campaign for that purpose. However, from the revised estimated expenditure contained in the Budget, we can see that it is only a slight increase compared with last year.

Last year, in 2012-2013, the revised estimated expenditure on personal emoluments was \$3.469 billion while the estimated expenditure for this year is \$3.5 billion, representing an increase in the emolument expenses. We know that if the departmental management eventually accepts the demand of the staff, it cannot be ruled out that a certain adjustment will have to be made to their emoluments, even if it will not be a dramatic adjustment, it will still be relatively big increase. But it seems that the Government has not make any estimation about this. Of course, I understand that any financial expense of the Government has to be estimated according to the real situation. While we support the appropriation under head 45, we also express our concern and worries over the possible changes to the estimated expenses on the firemen's estimated emoluments.

As regards Head 118 — the Planning Department (PlanD), the overall increase is also small. Concerning the territorial planning, the estimate for this year has an increase of only 6.5% on the original estimate of 2012-2013, from \$89 million to \$95 million. In respect of the overall expenditure, the PlanD's estimate for 2013-2014 is \$570 billion but the increase rate for territorial planning is relatively low, which I find disturbing. Why should I say that? Because the Chief Executive has already stated that housing supply is the focus of the Government's work this year. To search for suitable land all over the territory, the PlanD must take the lead to carry out the actual work. With an increase of only 6.3% in the financial resources allocated to territorial planning over the revised estimate of last year, I suspect the actual manpower deployment will not be able to cope with the actual demand of the work.

Planning is a complicated procedure which does not allow some laymen to impose any dictates as once anything goes wrong, it can cause substantial over-spending and waste of time. The dispute over the site for the Baptist University is a simple example. For the sake of the construction of a few hundred units on the site, senior officials of the relevant government departments have to spend a large amount of time and resources to handle the issue. If the professional staff of the PlanD have ample time and resources to carry out appropriate planning, I believe it can yield more result with less effort. However, because of the possible insufficient manpower and emoluments, various problems may arise. The People Power must take this opportunity to express its worries.

One of the parts under territorial planning is the performance indicators in respect of territorial planning ..... I beg your pardon; it should be in paragraph 6 of the report of the controlling officer on head 118, page 733 of the Chinese version and page 777 in the English version, concerning the matters requiring special attention in 2013-2014. The People Power is particularly concerned about one of the items, which is on "monitor the Hong Kong-Macao-Guangdong Information Database and continue with research on development issues with a cross-boundary dimension".

Little discussion on the work in this area was made in the relevant panel and little about it was made public in the past. We are unable to find out the actual amount of spending on such work even though we originally planned to explore it. Of course, the expenditure in this aspect also comes under the category of territorial studies but we can find no information whatsoever on the actual amount of expenditure on the monitoring of the Hong Kong-Macao Information Database. We are concerned whether this will benefit Hong Kong and is useful and suitable to Hong Kong. Given the many questions about Hong Kong being planned, we are very worried that the work in this respect may facilitate Hong Kong being planned and if we know the actual amount of expenditure, we will delete it. Apart from that, the People Power supports the other expenditure items of the PlanD and thus supports the appropriation under head 118.

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

**MR LEUNG KWOK-HUNG** (in Cantonese): Chairman, I wish to speak on head 48, which is related to the Government Laboratory. Have you found it? Yes? Thank you. Programme (1) is about Statutory Testing and Programme (2) is about Advisory and Investigative Services. Programme (1) Statutory Testing ..... Chairman, can you please have the lighting adjusted to make it brighter? I cannot see clearly. Is it possible to adjust the lighting?

**CHAIRMAN** (in Cantonese): There should be a lamp on your desk.

**MR LEUNG KWOK-HUNG** (in Cantonese): Yes, but someone told me that the reflection on Members would make us appear like ghosts on television. Do you know that? I cannot move this lamp, so perhaps I read it this way. If no adjustment can be made, then forget it. I do not mean it, and it has nothing to do with you.

Programme (1) is about Statutory Testing. The estimated expenditure has increased by 11%, or is 10.7% higher than that of 2012-2013. However, after looking at the number of tests completed, Members should know that the increase in the workload of statutory testing is alarming. I think that regardless of whether it is forensic or other services, statutory testing is definitely one of the most important jobs of the Government. Let us look at Programme (1). The small increase in estimated expenditure is insufficient to cope with the relevant workload. Let me quote an ..... Since you have told us not to quote examples, so forget it, Chairman. As shown in Figure 1, the increase in output from 1997 to 2001 was alarming: While it was 152 250 tests in 1997, it rose to 225 124 tests in 2001. Chairman, noting such an alarming increase, you will agree that the estimated expenditure of the Government is insufficient. Since Members can only propose a reduction rather than an increase the estimated provisions, I think that Part 2 of Chapter 4 of the General Revenue Account of the Hong Kong Special Administrative Region concerning the "Provision of services by the Government Laboratory" has confirmed my comment. As stated in paragraph 2.1 of the Chinese version, "這部分匯報政府化驗所工作量不斷增加及它對化驗服務完工時間的影" (This part reports the increasing workload of the Government Laboratory and its impact on the turnaround time of testing services.) — Look, mistakes can also be found in government publications. There should be the word "響" at the end of the sentence, but it is missing. I assume the word "響" is there — "This part also suggests

improvement measures to assist the Government Laboratory in achieving its targets". Chairman, the Government was not really unaware of the problem, but the increase is inconsistent with the report. Chairman, if we agree to include the relevant funding, it would mean that we support the conclusion that the services provided were inadequate, but the funding included was nonetheless enough. Is this a dilemma? The increase was insufficient to cope with the need for services, and even the Government has highlighted the impact on services. Therefore, Chairman, sometimes ..... I understand that you have to enforce the Rules of Procedure and disallow us to mention the relevant policies again, but this dilemma has actually placed Members in a very difficult position. Honestly, if we step into each other's boots such that I rule on your speech, you will also feel puzzled about the serious contradiction. Why did the increase proposed in the relevant programme of the Controlling Officer's Report run counter to the view expressed in the General Revenue Account?

**CHAIRMAN** (in Cantonese): Mr LEUNG, since you have seriously examined those government figures, you should have noticed that the expenditure was irrational long ago. Have you raised this point at the previous special Finance Committee meetings so that government officials could explain how they arrived at the figures?

**MR LEUNG KWOK-HUNG** (in Cantonese): I have. However, as you may be aware, Chairman, you have been a Member too ..... But you are so lucky that now you need not attend any panel meeting. I have once discussed with you in private about whether government officials could be removed from the Chamber for I can do nothing if they remain silent. You often ruled that if I have any questions, I could follow up on other occasions .....

**CHAIRMAN** (in Cantonese): The Government has replied to more than 5 000 questions raised by Members and a number of meetings have been held to listen to Members' views. You may, of course, express views on the amount of funding with regard to this head, but if you intend to discuss the rationality of the figures in great detail, you should have raised it for discussion with the Government at the previous special Finance Committee meetings.

**MR LEUNG KWOK-HUNG** (in Cantonese): No, Chairman, it is a matter of my dignity, so I cannot refrain from making a response. Please give me some time. You should be well aware that the current situation is like giving little time to the dozens of chickens in the chicken fold. It is useless no matter how you raise your hand or press the button. This is a matter of my dignity and I must say something. I did press the button, but I was still waiting for my turn to speak. But now I cannot talk about it all the same. Would it give the impression that I have not performed my duties? Be true to your conscience. Since you have been a Member too, have you ever come across a situation that after you have pressed the button .....

**CHAIRMAN** (in Cantonese): Mr LEUNG, please clearly state your opinion and viewpoint, but not to repeat or stray away from the question.

**MR LEUNG KWOK-HUNG** (in Cantonese): Hence, the service staff time is inconsistent with the abovementioned increase in respect of Statutory Testing under Programme (1). Chairman, as I am aware that you will not allow me to discuss this in great length, I will move on to Part 3, that is "Co-ordination between the Government Laboratory and client departments" which is concerned with the Advisory and Investigative Services. Chairman .....

**CHAIRMAN** (in Cantonese): Which part are you talking about?

**MR LEUNG KWOK-HUNG** (in Cantonese): I am talking about the Controlling Officer's Report, that is, head 48.

**CHAIRMAN** (in Cantonese): You are still speaking on the Controlling Officer's Report? Please continue.

**MR LEUNG KWOK-HUNG** (in Cantonese): Sorry, this is really very complicated and I have to cross-check the two papers in parallel. The question is, be it Statutory Testing of Programme (1), Advisory and Investigative Services

of Programme (2) or Forensic Science Services of Programme (3), they should be consolidated as one item.

Chairman, perhaps you do not understand it, the major employer of the Government Laboratory is the Government because the clients of the Government Laboratory's testing services are the various departments. Why would I highlight the problems of co-ordination between the Government Laboratory and other departments and the lack of funding? The answer is actually contained in Chapter 4 of the paper just mentioned by me. Hong Kong ..... Chairman, how come mistakes are always found? Is it only a mistake in my copy or what? "Hong Special Administrative Region" — it should be "Hong Kong" — In this chapter, it says "This part reviews the co-ordination between the Government Laboratory and its major client departments and suggests improvement measures". Actually, this is followed by a long paragraph, but I am not going to read it out because you will definitely rule that my speech is too lengthy. What is the problem then? Members will understand it after looking at the provision under Programme (2). It is in page 262 ..... it should be page 261. My assistant has stapled them wrongly, sorry, and mixed up the pages. Although the provision has slightly increased and is smaller than Programme (1), representing a mere increase of 9.3%, it has increased by 12.9% when compared with the original estimate of 2012-2013. In other words, the base has shrunk.

The Advisory and Investigative Services and Forensic Science Services of Programme (3) are the hardest hit areas, which involves the co-ordination between the Government Laboratory and its client departments. Honestly, what are the causes of the problem? It is caused by the failure of the client departments to appropriately reflect their difficulties, which might have constituted a driving force for an increase in expenditure. I wish to point out that in view of the outbreak of the H5N1 avian flu, I have entrusted the Government Laboratory, for example, to carry out some tests. But then I did not follow up either because the results were unavailable or not satisfactory. As a result, the urgency of the financial implications is not truly reflected.

There must be a reason for me to speak today. As Members may be aware, the avian flu is around the corner and a lot of work has been done by Prof YUEN Kwok-yung of the University of Hong Kong. Very simply, a government department, say, the Agriculture, Fisheries and Conservation Department, has engaged the Government Laboratory to carry out statutory or forensic tests — forensic tests are mostly conducted for murder cases — I would



be really sympathetic if neither the Financial Secretary nor the client departments were informed of the need to increase expenditure for service improvements.

**CHAIRMAN** (in Cantonese): You are repeating the same viewpoint.

**MR LEUNG KWOK-HUNG** (in Cantonese): If I have repeated the same viewpoint ..... I do respect you very much and am grateful for your enlightenment. "Is it not delightful to have friends coming from distant quarters? Is it not pleasant to learn with a constant perseverance and application?" You have taught me a lot and now I .....

**CHAIRMAN** (in Cantonese): You have strayed away from the question.

**MR LEUNG KWOK-HUNG** (in Cantonese): I shall stop here, so that other Members can speak.

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

**MR CHAN CHI-CHUEN** (in Cantonese): Chairman, before I speak on the head that I wish to speak on, I have to correct Mr LEUNG Kwok-hung because he has spoken in a most disorderly manner. He seemed to be very familiar with the materials but he was quite disorderly. I suspect that he could not distinguish between Programmes (1) and (3) under head 48 as the policy areas of the government departments involved in Programme (1) are agriculture and fisheries, food safety and health. I heard him mention more about the forensic test service of the Security Bureau in the latter part of his remarks. If he has time after he goes home tonight, I hope he will consider Programme (3) more which I find to have many problems. However, if Mr LEUNG Kwok-hung has already considered it, I will not discuss it here. I will talk about the head that I am concerned about.

I wish to talk about Head 42 — Electrical and Mechanical Services Department. In this session, I wish to concentrate on Programme (2)

Mechanical Installations Safety. The estimated expenditure for 2013-2014 is \$161.5 million, a 131.4% increase over that in 2012-2013. Why is there such an alarming increase? I wish to focus my discussion on what I consider a very important reason, which is the lift incidents, and hence the estimated expenditure is more .....

**CHAIRMAN** (in Cantonese): Another member of your party, Mr Albert CHAN, has already pointed out this.

**MR CHAN CHI-CHUEN** (in Cantonese): I wish to focus on the figures that I am concerned about which Mr Albert CHAN has not clearly elaborated. I wish to talk about the number of lifts and escalators inspected and the number was estimated to be 9 400 in 2013, 13.5% of the existing lifts and escalators. The percentage was lower than that in 2011 and 2012, perhaps because of the increase in the number of lifts and hence a lower percentage. We do not have the authority to increase the appropriation but from the perspective of the people currently, they all hope that the inspection rate can be raised rather than lowered compared to that of 2012. Concerning this, we do not have much confidence.

Let us look at the number of incidents and the figures arouse my suspicion. In 2012, the number of incidents involving lifts was five per 1 000, and in 2013, it is estimated to be 4.9 per 1 000. As regards the incidents involving escalators, for every 100 registered escalators, there were 19.4 incidents in 2012 and it is estimated to be 18.2 incidents in 2013, a percentage of 4.9% and 18.2% respectively.

I have to question what it means by the number of incidents happened. Concerning the so-called reported incidents, would it only be considered an incident after someone has called 999? I live in an old building and I do have personal experience about such incidents. Sometimes when the lift stops, it is over a foot above or below the level of the lift door. When a lift incident happens, if the police have not been alerted and firemen have not been called in, will this incident not be included in the statistics?

There are four issues requiring special attention in 2013-2014. As I do not wish to waste Members' time, I will only bring up two of them, which are "continue to step up inspection and enforcement actions, public education and

publicity efforts to enhance the safety of lifts and escalators; and continue to implement the Lifts and Escalators Ordinance and publicize the new requirements to relevant stakeholders." It is said so literally, but I feel that public education is also very important. If the appropriation could be increased, I prefer it be increased in this area. The old people living in old buildings do not know their right. They would alert the security guards and ask them to arrange for the lift technicians to come and repair the lift. The lifts of the building where I live would run out of order three or four times a week. Will these incidents be counted into the number of incidents in the report? No one knows.

Therefore, I hope that the Bureau will enhance their work in public education and publicity; otherwise even after funding is allocated and the direction of policy and issue requiring special attention are set, it will not achieve the intended effect. It is not important that the effect cannot be achieved but it is a serious matter if casualties are caused. Every time when an incident happens, everyone will pay attention but what people pay attention to afterwards are only the statistics or guidelines while disasters continue to happen, which no one wants to see. I so submit.

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

**MR ALBERT CHAN** (in Cantonese): Chairman, I would like to talk about "Head 181 — Trade and Industry Department". With regard to the problem that Mr CHAN Chi-chuen just talked about, I already commented on it earlier on. Its cause is actually very simple. Because the expenditure on lifts in government buildings has increased substantially and as a result, the proportion of the expenditure on manpower for monitoring the safety of lifts incurred by the Electrical and Mechanical Services Department actually has not been reduced .....

**CHAIRMAN** (in Cantonese): Mr CHAN, you already mentioned this point earlier.

**MR ALBERT CHAN** (in Cantonese): I only wish to explain the reason for this situation and why I expressed our concern earlier on.

Chairman, regarding "Head 181 — Trade and Industry Department", we are opposed to it. We support most of the other heads but we are opposed to this head. As we did not request that a vote be taken on this head separately at the outset, we, therefore, wish to put this on record. The expenditure under this head is \$770 million, an increase of 18.1% to \$770 million compared to the revised estimate in 2012-2013. We oppose it mainly because the Trade and Industry Department (TID) is derelict of its duty. I also criticized the Civil Aviation Department (CAD) earlier but although we are dissatisfied with it, I dare not oppose the provisions for the CAD because the funding involves aviation safety. However, the dereliction of duty on the part of the TID involves the provision of assistance for small and medium enterprises (SMEs), and the dereliction of duty on the part of the TID has caused the operation of SMEs to face greater difficulties and a further downturn.

A key area of work of the TID is to manage the SME Loan Guarantee Scheme, the SME Export Marketing Fund and the SME Development Fund which are all provided with funding approved by the Legislative Council Finance Committee. Other than these funds, the TID, being a dedicated department, is tasked with the major responsibilities of assisting and promoting industries and trade in Hong Kong, especially in providing assistance to the SMEs. To the SMEs, the TID is indeed a very important department among the many government departments.

The TID has many funds, and if we take a look at the number of SMEs benefited under each fund, we will see that these funds have made respective achievements. Therefore, I cannot entirely deny that the TID has provided certain assistance to the SMEs in some aspects. For example, from 2011 to 2013, the SME Loan Guarantee Scheme can benefit 1 500 to 1 600 SMEs each year; and from 2011 to 2013, the SME Development Fund has benefited 40 to 50 SMEs, whereas the SME Export Marketing Fund can benefit 2 800 to 3 000 SMEs annually. Having said that, there are about 300 000 SMEs in Hong Kong and the proportion of SMEs that can benefit from these funds is comparatively low. I am not saying that the small number of SMEs benefited means dereliction of duty on the part of the TID or its failure to fully assist the SMEs. This actually involves the overall policy of the Government.

The Government's policy is basically just putting the SMEs "on saline drip". With the active assistance of some Members, the Government has as a nominal gesture allocated some funds and subsidies to help the SMEs ride out

some difficulties. However, the entire economic policy and the financial and monetary policies of the Government have, in fact, caused the SMEs to shrink gradually. Financial hegemony, real estate hegemony, and I will not go into details .....

**CHAIRMAN** (in Cantonese): I again have to ask the Member to discuss the policy on other occasions.

**MR ALBERT CHAN** (in Cantonese): I will speak no further, Chairman. I will speak no further. I am only saying that for this reason, the influence that the TID can exercise is minimal. Given that the TID cannot provide full assistance to the SMEs in Hong Kong or even help the SMEs to continue to survive and operate reasonably, not to mention helping the SMEs in their development, the People Power opposes the appropriation under "Head 181 — Trade and Industry Department".

#### **SUSPENSION OF MEETING**

**CHAIRMAN** (in Cantonese): It is now exactly 10 pm. I now suspend the meeting until 9 am tomorrow.

*Suspended accordingly at Ten o'clock.*