

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 19 June 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 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.

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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

DR THE HONOURABLE HELENA WONG PIK-WAN

THE HONOURABLE IP KIN-YUEN

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

MEMBERS ABSENT:

THE HONOURABLE KENNETH LEUNG

DR THE HONOURABLE ELIZABETH QUAT, J.P.

PUBLIC OFFICERS ATTENDING:

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

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 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

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

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

CLERKS IN ATTENDANCE:

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

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

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>
Dangerous Drugs Ordinance (Amendment of Second Schedule) Order 2013	101/2013
Hospital Authority Ordinance (Amendment of Schedule 1) Order 2013	102/2013
Prevention and Control of Disease (Amendment) Regulation 2013	103/2013
Prevention and Control of Disease Ordinance (Amendment of Schedules 1 and 2) Notice 2013	104/2013
Declaration of Markets (Amendment) Notice 2013	105/2013
Public Health and Municipal Services Ordinance (Public Markets) (Amendment of Tenth Schedule) Order 2013.....	106/2013
Declaration of Increase in Pensions Notice 2013	107/2013
Widows and Orphans Pension (Increase) Notice 2013.....	108/2013

Other Papers

No. 97 — Correctional Services Children's Education Trust
Report by the Trustee
for the period from 1st September 2011 to 31st August 2012

Report of the Bills Committee on Education (Amendment) Bill 2013

QUESTION UNDER RULE 24(4) OF THE RULES OF PROCEDURE

PRESIDENT (in Cantonese): Questions. Apart from six oral questions for this meeting, I have permitted Mr MA Fung-kwok to ask an urgent question under Rule 24(4) of the Rules of Procedure.

Allegations that Computer Systems in Hong Kong Have Been Hacked

MR MA FUNG-KWOK (in Cantonese): *President, Edward SNOWDEN, a former analyst of the Central Intelligence Agency of the United States, disclosed in a recent interview with the South China Morning Post that the United States Government had been hacking into the computer systems in both Hong Kong and the Mainland since 2009 and had acquired huge quantity of communications information, and the targets included the computer systems of The Chinese University of Hong Kong (CUHK), local public officers, enterprises and students. In this connection, will the Government inform this Council:*

- (a) *whether the authorities have taken immediate and effective measures since the aforesaid report was published in the newspapers to ensure that the overall network and computer systems in Hong Kong will not be hacked; if they have, of the details; if not, how the authorities ensure that information security in Hong Kong will not be threatened;*
- (b) *whether the Government has immediately followed up the aforesaid report with the relevant authorities of the United States and taken immediate and necessary remedial and preventive measures in respect of information security; if it has, of the details; if not, the reasons for that; and*
- (c) *as it has been reported that the aforesaid person is now in Hong Kong, and that he has indicated that he worries about his personal safety because he has received reliable information that the United States Government has requested for extraditing him to the United States, whether the authorities have received any relevant request from the United States Government, and whether they have assessed if the personal safety of the person is under threat; if they have received such request or the assessment outcome is that the person's*

personal safety is under threat, of the immediate follow-up measures to be taken by the authorities?

SECRETARY FOR SECURITY (in Cantonese): President, the major issues raised in the Member's question concern network security, information security and combating technology crimes such as hacker intrusion into local computer systems. These issues are related to the policy areas of the Security Bureau and the Commerce and Economic Development Bureau. Our consolidated reply is as follows:

- (a) To promote information system security and combat technology crimes, the Office of the Government Chief Information Officer (OGCIO) and the Hong Kong Police Force (HKPF) have adopted a series of measures in collaboration with the industry and relevant stakeholders to promote the importance of protecting computer systems and network security. The Administration is also very concerned about recent media reports which alleged that local computer systems had been hacked. The departments concerned have already taken immediate actions to review the relevant information security arrangements.

Regarding the information security within Government, the OGCIO has formulated comprehensive information security policies and guidelines for compliance and reference by bureaux and departments (B/Ds), so as to ensure that they have taken appropriate and sufficient measures to protect the security of their systems and data, with a view to minimizing the risk of information security attacks and hacker intrusion as well as enabling B/Ds to take appropriate response in case of incidents. To protect against information security attacks and intrusion by hackers, B/Ds have implemented the following specific measures:

- (i) install firewalls, anti-virus software, and intrusion detection/prevention systems on Internet gateways to protect critical systems against security threats;
- (ii) timely update systems software and patches and use latest virus signature files to prevent infection of malware;

- (iii) encrypt all confidential data during storage and transmission;
and
- (iv) conduct regular security risk assessment and audit for critical information technology systems.

In response to newspaper reports mentioning that Hong Kong and Mainland computer systems had been hacked, the OGCIO has taken the following measures to ensure that there are proper security arrangements for government network and systems to prevent, detect and protect against cyber attacks and intrusion:

- (i) continue to monitor the network facilities, servers, firewalls, intrusion detection and prevention system, and so on, of the Government Central Internet Gateway System, so as to ensure normal system operation;
- (ii) conduct daily checks on the system status at regular intervals, including the system service utilization, network traffic, system log, alerts of suspicious activities, and so on, so as to rigorously prevent cyber attacks and intrusion; and
- (iii) issue information security reminder to all B/Ds to alert them on the issue.

On raising the awareness of information security in the community, the OGCIO keeps abreast of global information security trend and development at all times, and provides the public with abundant references and latest news on information security through the one-stop INFOSEC website <www.infosec.gov.hk>. Given the rapid technological developments and the ever-changing information security threats, we will continue to work with all sectors of the community to enhance the awareness of information security among organizations and members of the public.

The Hong Kong Computer Emergency Response Team Coordination Centre (HKCERT), established with funding support from the Government, provides computer security incident related services for the Internet community, including co-ordinating actions in response

to computer security incidents, issuing alerts, and raising public awareness on Internet security. The HKCERT is responsible for receiving security incident reports, and offering assistance to the community by providing technical support in response to security incidents. It organizes annual security drill exercise with relevant stakeholders to ensure they have the response capability to tackle cyber attacks.

On another front, the HKPF are committed to preventing and combating technology crimes. As far as crime detection is concerned, a three-tier investigation framework is currently adopted by the HKPF with investigation units at the levels of the Headquarters (the Technology Crime Division of the Commercial Crime Bureau), Regions (Technology Crime Units) and HKPF Districts to ensure optimal resource utilization for effective and efficient investigation of such crimes. Furthermore, a round-the-clock Cyber Security Centre was set up by the HKPF in December 2012. Through strengthening communication and co-ordination between the HKPF and relevant stakeholders, conducting thematic researches and auditing network security measures, this Centre aims to prevent and enhance the response to possible attacks against information systems of critical infrastructures in Hong Kong.

Regarding the concern over the information security of the Hong Kong Internet Exchange (HKIX) of the CUHK, the OGCIO and the HKPF have contacted the HKIX to understand the case and provide support. The HKIX has checked its system setup. The network security and network traffic of HKIX has all along been closely monitored by designated personnel round the clock. There is no sign of irregular network traffic or systems being hacked and everything is under normal operation. Also, the HKPF did not receive any report from the relevant stakeholders on any sign of their information systems being hacked. The HKPF will monitor the situation and continue to maintain close liaison with various stakeholders, and will offer assistance when necessary in respect of auditing network security and contingency measures of the relevant facilities.

(b) and (c)

The Administration is very concerned about the media reports which alleged that the local computer systems had been hacked. We will continue to monitor and ascertain the facts in relation to network security in Hong Kong, and will actively follow up on any incidents related to intrusion of the rights of institutions or individuals in Hong Kong.

The HKSAR Government will handle this case strictly in accordance with the law and procedures of Hong Kong. However, we cannot disclose any details of the operations that we have taken or will be taking. In addition, the HKPF are committed to protecting the safety of the people in Hong Kong. Any person who considers that his/her life is at risk may seek help from the HKPF.

To conclude, network security is a matter which the whole community should be concerned with. The Government, the industry as well as all stakeholders should stay highly alert and adopt necessary measures to ensure network security. In addition, this case is highly complicated. We hope that members of the public would understand the Administration's position of not disclosing or discussing any details of this case.

PRESIDENT (in Cantonese): A number of Members have requested to raise supplementary questions. Will Members and government officials please keep your questions and answers short, so that more Members can raise supplementary questions.

MR MA FUNG-KWOK (in Cantonese): *President, in the Government's reply to parts (b) and (c) of the main question, it is stated that it is not appropriate for the Government to disclose any details of the case. I am not quite happy with this answer, but I can understand. Regarding part (b) of the main question, as news reports generally said that the authorities of the United States had engaged in these activities, may I at least know if the SAR Government has sought clarification for this incident? It is not a legal issue. I am just asking if the*

Government has sought clarification. Has the Government taken such action? I think this question does not involve any case details.

SECRETARY FOR SECURITY (in Cantonese): President, in my earlier reply to part (b) of Mr MA Fung-kwok's main question, I have made it clear that the Government is very concerned about the allegation that local computer systems — including a special computer system of the CUHK as reported by the press — may have been hacked. We had made enquiries with the relevant parties, and they clearly replied that their computer system had all along been monitored round the clock and they had not noticed any sign of hacking. Notwithstanding this, we have taken fully precautions.

Regarding other news reports mentioned by Mr MA Fung-kwok, what I can say is that we are making every effort to ascertain the facts and will actively follow up this case. As for the specific details, as stated in my main reply just now, we are sorry that we cannot disclose them.

MR STEVEN HO (in Cantonese): *President, just now, the Secretary has told us a lot about the measures taken to safeguard network and information security in Hong Kong. These measures include the installation of firewalls, the adoption of the three-tier investigation framework*

PRESIDENT (in Cantonese): Mr HO, please stop giving examples and raise your supplementary question immediately.

MR STEVEN HO (in Cantonese): *Okay. My question is: How effective are these measures? In the actual situation of Hong Kong, does the absence of irregular traffic really signify a safe local network, as stated by the Secretary earlier? I hope the Secretary can spend a little more time to explain about it.*

SECRETARY FOR SECURITY (in Cantonese): A sudden increase in network traffic is definitely a sign of hacking, but it does not mean that there are no other ways to hack into computer systems. For example, in the past four years, the HKPF received 442, 337, 546 and 1 042 reports of technology crimes of hacking

respectively. In the first quarter of this year, the HKPF also received 497 relevant reports. These reports were mainly made by members of the public who suspected that their computer systems had been hacked or their Internet or online accounts had been abused. They might involve email scams, and so on.

According to the law of Hong Kong, these activities are illegal. The relevant ordinances mainly include: the Telecommunications Ordinance, which prohibits unauthorized access to computer by telecommunications; and the Crimes Ordinance, which combats access to computer with criminal or dishonest intent. There are also other ordinances which combat offences of destroying, defacing, concealing or falsifying records kept by computer. Here, I can provide you with some relevant figures. Between 2008 and 2012, the respective numbers of prosecutions and convictions under the Crimes Ordinance were 152 and 122.

From these figures, we know that computer crimes do exist, but the HKPF and other government departments have taken measures in a number of areas to deal with them. The HKPF conduct investigation whenever they receive reports of suspected crimes. More importantly, as stated in my main reply just now, we have taken a series of preventive measures and co-operated with the industry and service providers to raise the awareness of prevention. This point is very important as it is a well-known fact that prevention is always better than remedy.

MR WONG TING-KWONG (in Cantonese): *President, I note that there has been an upward trend in technology crimes and local information systems are at risk of being hacked. It has been reported that the CUHK denied SNOWDEN's claim that its HKIX had been hacked. Do the HKPF have sufficient manpower and professional knowledge to deal with these complicated crimes? Have the HKPF planned to establish a new department to further specialize in the investigation of technology crimes?*

SECRETARY FOR SECURITY (in Cantonese): *President, the HKPF carry out their investigation of technology crimes on different fronts. But before I go on, I have to remark that the *modus operandi* of technology crimes keeps changing. At present, the HKPF adopt a three-tier framework for its investigation. At the lowest tier, the investigation duties are taken up by crime officers in the investigation units in the respective Police Districts and Divisions, and I will talk*

about their training later. At the middle tier, the investigation is done by the Technology Crime Units in Police Regions. There are 60 officers handling these tasks. As for the more serious crimes, that is, organized technology crimes in which critical systems are hacked, they are investigated by the Technology Crime Division under the Commercial Crime Bureau. In this Division, there are a total of 98 officers, an increase of more than 20 officers compared to the manpower establishment a few years ago.

Apart from the three-tier framework mentioned above, the HKPF have also set up the Technology Crime Initial Response Cadre, which is made up of 120 officers. Although they are not functional officers, they have good knowledge of these technology issues. As these officers are serving in other units of the HKPF, the Cadre is a non-functional, or it can even be said voluntary, task force to assist front-line officers in performing duties like collecting evidence on the spot where necessary, so as to optimize the use of our resources through staff deployment. Of course, we will provide all relevant colleagues with appropriate training before asking them to perform these duties.

Our training is multi-faceted. The most fundamental training is provided by the Police College in its professional training courses relevant to technology crime investigation. These courses are not only for trainees in the College but also for police officers receiving investigation training. In addition, the said Technology Crime Division under the Commercial Crime Bureau equips police officers with the latest investigation skills to investigate technology crimes if required. It also organizes courses on Internet crime investigation to inform our relevant officers of the latest tricks in technology crimes. For example, there are courses which provide police officers with further training so that they can understand what "Botnet" is and how to deal with it.

I have mentioned almost all local training available. Yet, we also have to refer to overseas experiences as the cyber world does not limit to Hong Kong but the whole world

PRESIDENT (in Cantonese): Secretary, please make it brief.*(Laughter)*

SECRETARY FOR SECURITY (in Cantonese): The HKPF will co-operate with overseas organizations and send their officers abroad to have exchanges with

those organizations. Just now, Members have asked about the increase in manpower. For the Technology Crime Division, the number of officers has increased from 71 in 2009-2010 to 98 in 2013-2014. The HKPF will keep a close eye on their manpower and consider enhancing the capability and manpower support of the Technology Crime Division through government procedures.

MR JAMES TO (in Cantonese): *President, according to the allegation made by Mr SNOWDEN, the computer networks in Hong Kong have been seriously hacked. While the Secretary has said that he cannot disclose details of the operations, heads of government in other places in the world have indicated that they would ask the Government of the United States to clarify the facts. As the Government has stated in the main reply that it will "ascertain the facts", is it telling us that it does not even dare to make enquiries with and seek clarification from the Government of the United States?*

SECRETARY FOR SECURITY (in Cantonese): President, just now, I have clearly stated in the conclusion of the main reply that this case is highly complicated. Therefore, we do not think we can disclose further details of the operations that we have taken or will be taking. However, we have to clarify that, in handling this incident, we will strictly follow the law of Hong Kong, and we are highly concerned about the hacking of Hong Kong's networks and the intrusion on the rights of individuals in Hong Kong.

PRESIDENT (in Cantonese): Mr TO, what is your point? Please briefly repeat your supplementary question.

MR JAMES TO (in Cantonese): *I have just pointed out that heads of government of other places in the world have already decided to make enquiries with and seek clarification from the United States. Is it true that our Government does not even dare to tell us details of how it tries to "ascertain the facts", including whether it has made any requests to the Government of the United States?*

PRESIDENT (in Cantonese): Secretary, can you please inform this Council whether the Government has ascertained the facts with the Government of the United States?

SECRETARY FOR SECURITY (in Cantonese): President, I have already given a clear account on the stance of the Government in my earlier reply. I have nothing to add.

MR CHRISTOPHER CHUNG (in Cantonese): *I am not quite happy with the Secretary's reply as the specific measures which he has mentioned are*

PRESIDENT (in Cantonese): It is common for Members to find the replies of Directors of Bureaux unsatisfactory. Mr CHUNG, you do not have to repeat the Secretary's reply. Please just raise your supplementary question.

MR CHRISTOPHER CHUNG (in Cantonese): *Alright. His measures are similar to those I adopt at home. They are highly insufficient*

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

MR CHRISTOPHER CHUNG (in Cantonese): *My supplementary question is: Apart from the security measures taken by ordinary families, have the authorities implemented other measures at a government level to guard against network attacks, computer hacking, and leaks of confidential information during operation? Over the past few years*

PRESIDENT (in Cantonese): Mr CHUNG, please sit down after you have asked the supplementary question. Which Secretary will reply? Secretary for Commerce and Economic Development, please.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, it has been clearly stated in the main reply that we tackle this problem on two fronts. Firstly, in respect of information security within the Government, the main reply has given a clear account of the measures now taken by the Government. As for information security in the community, computer users, that is, the end point, must take proper preventive measures. The main reply has also mentioned a number of our past efforts in this respect.

Yet, at the community level in general, we should start with monitoring our networks. That was why we established the HKCERT to monitor and respond to computer security incidents. If it identifies any security threats, it will issue alerts and raise public awareness of Internet security.

As I have just said, the crux lies in whether computer users have taken basic security measures when using computers. For example, they should encrypt their important data to give themselves a better safeguard and solve security problems. As technology is ever-changing in the technology race, we need the HKCERT to inform the public of the latest development.

PRESIDENT (in Cantonese): Mr CHUNG, what is your point?

MR CHRISTOPHER CHUNG (in Cantonese): *Can the Secretary tell us the number of times government computers have been hacked?*

PRESIDENT (in Cantonese): Mr CHUNG, you have already raised your supplementary question and the Secretary has answered it.

MR CHRISTOPHER CHUNG (in Cantonese): *No, he has not answered.*

MR MARTIN LIAO (in Cantonese): *President, just now, the two Directors of Bureaux have said that prevention is the best way to guard against hacking. However, there is a view that the awareness of information security is very low among the general public and companies in Hong Kong. Many people have not even installed security software. May I ask whether the authorities have not*

made sufficient efforts to raise public awareness? Can any improvement be made?

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Commerce and Economic Development, please.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, the Government has all along worked hard to raise the security awareness of the industry and the community. Certainly, the remark just given by Mr Martin LIAO is correct. In the information age, if computer users have not taken any preventive measures, they will run a higher risk of their computers being hacked or their data being stolen. Therefore, it is vital for computer users to take preventive measures.

The Government has been raising the business sector's awareness of information security through different channels, such as websites, seminars, promotion leaflets, online videos and radio announcements. We have also built the one-stop INFOSEC website <www.infosec.gov.hk> for the industry and people in different sectors, such as small and medium enterprises, professionals, parents, teachers, young people and students, to enrich their knowledge of information security.

MR ALAN LEONG (in Cantonese): *The Secretary only has to answer "yes" or "no" for my following supplementary question: Has the Government of the United States sought assistance from the Department of Justice to draft documents for extraditing SNOWDEN?*

SECRETARY FOR SECURITY (in Cantonese): I think I have already answered this question in my main reply. Regarding the SNOWDEN incident, the Government will strictly act in accordance with the law and the established procedures of Hong Kong. However, we cannot disclose any details of the operations that we have taken or will be taking.

MR ALAN LEONG (in Cantonese): *Secretary, is the answer "yes" or "no"?*

PRESIDENT (in Cantonese): Secretary, can you please answer "yes" or "no"? Or are you not going to answer this supplementary question?

SECRETARY FOR SECURITY (in Cantonese): President, I have already answered this question.

DR PRISCILLA LEUNG (in Cantonese): *President, because of the SNOWDEN incident, Hong Kong people have become aware that our privacy is "naked" like the emperor's new clothes. I think it is in the interest of Hong Kong people for us to know more about this incident*

PRESIDENT (in Cantonese): Dr LEUNG, please raise your supplementary question.

DR PRISCILLA LEUNG (in Cantonese): *Alright. My supplementary question is: In the eyes of the United States, the disclosure by SNOWDEN is a crime of political nature; what is the stance of the Hong Kong Government? Given that we have actually signed bilateral agreements on reciprocal juridical assistance, is it still possible for us to turn down the repatriation request according to international practices?*

SECRETARY FOR SECURITY (in Cantonese): I will not comment on the nature of this incident. As for the surrender of fugitive offenders, the Fugitive Offenders Ordinance of Hong Kong has expressly provided the procedures to be taken in specified circumstances. We will strictly follow the provisions and requirements of that Ordinance.

DR PRISCILLA LEUNG (in Cantonese): *President, I would like to follow up. As the authorities have signed*

PRESIDENT (in Cantonese): Dr LEUNG, the Secretary has given a clear answer.

DR PRISCILLA LEUNG (in Cantonese): *He has not answered my question at all.*

MR JEFFREY LAM (in Cantonese): *President, the SNOWDEN incident has sent Hong Kong a clear message, that is, we must take network safety and information security seriously. According to the reply just given by the Secretary, the Government has formulated a set of policies and guidelines which are comprehensive enough to minimize the risks of being hacked, but the systems in Hong Kong are not completely safe.*

May I ask the Secretary whether the authorities will put in more resources to make the systems in Hong Kong completely safe, as well as enhance the strength of local networks to prevent hacking and respond to emergency situations?

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Security, please.

SECRETARY FOR SECURITY (in Cantonese): In respect of crime investigation, we will deploy our existing staff as required. If we later find that we are understaffed or the current establishment should be upgraded, we would actively consider the possible solutions.

DR LAM TAI-FAI (in Cantonese): *President, in the main reply, the Government has pointed out that all confidential data are encrypted during transmission, and there are sufficient measures to prevent intrusion. My understanding is that it is unlikely for the data to be stolen; and even if they are stolen, it is difficult to decrypt them.*

Can the Secretary tell all Hong Kong people that the words of SNOWDEN are complete nonsense? Can he also ensure Hong Kong people that it is impossible to steal any government data?

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Commerce and Economic Development, please.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, Mr SNOWDEN has not told any specific details so far. Therefore, it is hard for me to make any assessment or response.

DR LAM TAI-FAI (in Cantonese): *Then, can the Government guarantee that the data cannot possibly be stolen?*

PRESIDENT (in Cantonese): Which Secretary would like to make supplementary remarks? Secretary for Commerce and Economic Development, please.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): As information technology is ever-changing, we must take proper preventive measures. Therefore, in the main reply just given

DR LAM TAI-FAI (in Cantonese): *Secretary, all you have to do is to make a guarantee. You do not have to explain information technology to me.*

PRESIDENT (in Cantonese): Dr LAM, please sit down.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, all we can do is to adopt the highest security standard in

encrypting confidential data during transmission and storage. This is the best prevention available.

MR CHAN HAN-PAN (in Cantonese): *The Secretary has just said that as there is no sign of irregular network traffic, it means that our systems have not been hacked. His comment is really ridiculous.*

May I ask the Secretary whether the HKPF would be concerned about the personal safety of Mr SNOWDEN? Has the Government provided him with any personal protection?

SECRETARY FOR SECURITY (in Cantonese): President, as stated in my main reply just now, the HKPF are committed to protect public safety, and "public" refers to everyone in Hong Kong. If any person in Hong Kong considers that his/her safety is at risk, he/she may seek help from the HKPF.

MRS REGINA IP (in Cantonese): *President, according to the information released by SNOWDEN, the Government of the United States has intruded into civilian facilities, such as hospitals and universities, and he was most concerned about the immense danger that might arise should there be any technical mistakes. Two years ago, the HKPF set up the Cyber Security Centre (CSC) to keep various local civilian facilities under surveillance. I would like to ask the Secretary: Have the authorities made any assessment on whether we are sufficiently competent to protect our civilian facilities from collapsing and, consequently, posing significant threats in case the Government of the United States makes any technical mistakes?*

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Security, please.

SECRETARY FOR SECURITY (in Cantonese): The HKPF set up the CSC at the end of last December to, among others, monitor some of the important networks just mentioned by Mrs Regina IP and the network traffic.

Just now, I have already said that network traffic can show if a network has been attacked because hacking is often done through siphoning a huge amount of data. Moreover, the HKPF have kept close contact with some major institutions in Hong Kong, including the Hong Kong Association of Banks and the Monetary Authority. Also, we have all along been collaborating with the HKCERT and the OGCIO to discuss and explore the latest technological advancement, the ways to minimize risks of network attack and the contingency plans in case of unexpected incidents.

The CSC was established mainly to safeguard the stability and safety of computer systems, and ensure quick recovery after attacks. Such kind of work is ongoing in nature and cannot be done in a short period of time. As we all know, technologies and programmes are ever-changing in the cyber world. Therefore, we must closely monitor their development, identify and quickly fix the loopholes of commonly used software, and inform the public of the remedies required. We will continue to carry out such work.

MR TAM YIU-CHUNG (in Cantonese): *As revealed by Mr SNOWDEN, some government departments of the United States have hacked the networks of Hong Kong. Under the existing legislation of Hong Kong, can the Government institute prosecutions after uncovering hacking cases? Besides, after this incident, will the Government consider reviewing and amending our legislation?*

SECRETARY FOR SECURITY (in Cantonese): President, at present, there are legislation in Hong Kong to combat computer and Internet-related crimes. For example, the Telecommunications Ordinance prohibits unauthorized access to computer by telecommunications; the Crimes Ordinance combats access to computer with criminal or dishonest intent; and the Personal Data (Privacy) Ordinance provides for the protection of personal data privacy.

While some relevant ordinances have not made explicit reference to the cyber environment, they actually cover both the physical and the cyber worlds. Just now, I have repeated time and again that we cannot make further disclosure of this case; therefore, I must clarify that my following comments are not made with reference to a particular case. I am only explaining how the HKPF will generally deal with reported cases in accordance with the relevant ordinances and established procedures.

It is a cross-border crime for any overseas hackers to attack Hong Kong's computer systems. The HKPF will co-operate with their overseas counterparts to investigate into these cross-border crimes and collect evidence. The procedures involved will certainly take a longer time and require more efforts. There may also be hiccups in the course of investigation. Here, I repeat once again that I am not talking about this particular case. Generally speaking, the investigation of computer hacking often involves a number of territories; therefore, the investigation cannot take a "straight route", particularly when the offenders hide their identities by using "proxy" or "springboard".....

PRESIDENT (in Cantonese): Secretary, your reply is not directly related to the supplementary question of the Member.

MR YIU SI-WING (in Cantonese): *May I ask the authorities, since SNOWDEN has strongly indicated that he would be unfairly treated or even be tortured for a confession if he was surrendered to the United States, do the authorities have any measures to protect his interests? Can the existing proceedings give him sufficient protection?*

SECRETARY FOR SECURITY (in Cantonese): President, last year, the Government amended the Immigration Ordinance to provide for the handling of torture claimants on issues like the approval of torture claims and the appeals against approval results. Also, the Fugitive Offenders Ordinance has clearly stipulated that a torture claimant will not be surrendered until his/her torture claim is completely processed.

Here, I must point out that I am referring to the statutory requirements instead of commenting on this incident.

MR LEE CHEUK-YAN (in Cantonese): *If the Government of the United States seeks to extradite SNOWDEN to stand trial in the United States, will the SAR Government consider this request a diplomatic issue under the law of Hong Kong? Does it have to report this request to the Central Government? And*

has it reported to the Central Government how it will deal with the SNOWDEN incident?

SECRETARY FOR SECURITY (in Cantonese): President, regarding the procedures and considerations for surrendering fugitive offenders, there are detailed provisions in the Fugitive Offenders Ordinance. The SAR Government will handle this case strictly in accordance with the law and established procedures of Hong Kong.

As time is limited, I will not repeat the detailed provisions here. Also, we will not comment on a specific case concerning the surrender of fugitive offender.

PRESIDENT (in Cantonese): Secretary, the Member is asking whether it is a diplomatic issue. Do you have anything to add?

SECRETARY FOR SECURITY (in Cantonese): President, I do not have anything to add.

MR TOMMY CHEUNG (in Cantonese): *President, given that a foreign country has hacked our local computers, I would like to ask the Secretary for Security whether the Hong Kong SAR Government will lodge a complaint to their consul-general in Hong Kong. Or will it complain to the Government of the United States through the Ministry of Foreign Affairs, telling them not to engage in this kind of activities again?*

SECRETARY FOR SECURITY (in Cantonese): President, it seems to me that Mr Tommy CHEUNG has asked a hypothetical question as it is only based on press reports. In the main reply, I have made it clear that we are highly concerned about these reports. However, I am sorry that I cannot openly discuss and disclose the operations that we have taken or will be taking.

PRESIDENT (in Cantonese): Mr CHEUNG, what is your point?

MR TOMMY CHEUNG (in Cantonese): *President, I do not intend to argue with the Secretary for Security whether or not my supplementary question is hypothetical. But when SNOWDEN has expressly said that the CUHK is the target, how can the Secretary accuse me of asking a hypothetical question?*

PRESIDENT (in Cantonese): Mr CHEUNG, the Secretary has already answered your question. If you are not satisfied with his reply, please follow up through other channels.

MR WONG KWOK-HING (in Cantonese): *President, the Basic Law clearly provides that defence and foreign affairs are under the jurisdiction of the Central Government. As the matter uncovered in the SNOWDEN incident may fall within this jurisdiction, I would like to ask the Secretary through the President: Has the SAR Government contacted the Central People's Government with regard to the SNOWDEN incident? "Yes" or "no"?*

PRESIDENT (in Cantonese): In fact, Mr LEE Cheuk-yan has asked the same question. Secretary, do you have anything to add in response to the supplementary question of Mr WONG Kwok-hing?

SECRETARY FOR SECURITY (in Cantonese): President, I do not have anything to add.

MR CHARLES PETER MOK (in Cantonese): *President, my supplementary question is similar to the one just raised by Mr Alan LEONG as I also want to ask the Secretary to simply answer "yes" or "no". In the main question, it was asked whether has followed up with the relevant authorities of the United States. It means there have been more than 300 attacks against the CUHK, public officers, students, and so on*

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

MR CHARLES PETER MOK (in Cantonese): *my question for the Secretary is: Has the Government asked the Government of the United States to explain their attacks and remedial measures?*

SECRETARY FOR SECURITY (in Cantonese): President, we are very concerned about these reports. We have already stated clearly that — I do not want to repeat my reply but I have to say it once again — we will ascertain the facts and actively follow up this incident. However, as this incident is complicated, we cannot disclose any details of the operations that we have taken or will be taking.

MR SIN CHUNG-KAI (in Cantonese): *President, the Secretary has just said that the procedure for surrendering fugitive offenders takes a very long time, but all I need is a short answer. I am not asking about a particular case but the general legal proceedings. When an application is made for transferring offender, does the offender have the right of defence at court? Under what circumstance will the trial be conducted behind closed door?*

SECRETARY FOR SECURITY (in Cantonese): According to my understanding, the Fugitive Offenders Ordinance has clearly provided that the relevant judicial proceeding must be held in court. Yet, I cannot speculate whether, in a judicial proceeding, the parties concerned will apply to court for a special arrangement for their case. It is an issue of the Court.

MR MICHAEL TIEN (in Cantonese): *President, what has happened has happened, and what I am concerned about is the future. Just now, the Secretary has said that our existing legislation is also applicable to overseas hacking. Is it easy or difficult for the Government to deal with these acts? Overseas hacking may happen anytime in future. Do the authorities have confidence to guard against overseas hacking or enforce relevant legislation by relying on their existing staff and experts?*

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Commerce and Economic Development, please.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, in our replies to the previous supplementary questions, we have already said that the best way to prevent hacking is to enhance our own safeguards. We have publicized to the community, through different channels, that they should enhance their safeguards by taking measures like encrypting their computer data with some specific software or upgrading their security level. These are the best preventive measures.

As for the system level, we will pay attention to the network traffic. If we find that the network traffic varies greatly within a period of time, the HKCERT will keep it under surveillance.

MR MICHAEL TIEN (in Cantonese): *My supplementary question is about law enforcement. While there is legislation to regulate these acts, how will the authorities enforce the law against overseas hacking?*

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Security, please.

SECRETARY FOR SECURITY (in Cantonese): President, as stated earlier, hacking does not have to take place in Hong Kong. It may take place in a number of foreign territories. Therefore, the HKPF need to have exchanges and communication with their overseas counterparts when investigating these cases.

MS EMILY LAU (in Cantonese): *President, information security and cyber security are very important and may involve sensitive issues. We learn from the experience of other councils that the authorities should be subject to monitoring in this respect. In view of this, will the authorities invite the Legislative Council to set up a special committee, conferred with powers and privileges, to monitor*

how the authorities exercise their powers so as to safeguard information security?

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Security, please.

SECRETARY FOR SECURITY (in Cantonese): President, as stated by Secretary Gregory SO and I earlier, we have joined hands with all relevant stakeholders and system owners to work on various information security issues. The Government will continue to push the work forward and call on the co-operation of the industry and stakeholders. I believe we can effectively enhance our resilience through co-operation.

MS EMILY LAU (in Cantonese): *President, my question is: Given the sensitive nature of this issue, will the authorities invite the Legislative Council to set up a special committee to monitor the work of the authorities?*

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

SECRETARY FOR SECURITY (in Cantonese): President, I do not consider it necessary to do so.

PRESIDENT (in Cantonese): There are still four Members waiting for their turn to ask questions. They are Ms Cyd HO, Dr Kenneth CHAN, Mr NG Leung-sing and Dr KWOK Ka-ki. After they have asked their questions, the urgent question will come to a close.

MS CYD HO (in Cantonese): *According to Article 19 of the Basic Law, the Courts of the Hong Kong Special Administrative Region shall have no jurisdiction over acts of state such as defence and foreign affairs. The Courts shall obtain a certificate from the Chief Executive on questions of fact concerning acts of state such as defence and foreign affairs. Before issuing such a*

certificate, the Chief Executive shall obtain a certifying document from the Central People's Government.

May I ask the Secretary, should the above situation arise, who is the one to make a decision? Should the petitioner or the judge be allowed to take the initiative to make an interpretation? Or when an application is made to transfer someone, can the person in question be allowed to raise this issue to be handled by the Court?

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Security, please.

SECRETARY FOR SECURITY (in Cantonese): President, as far as I remember, there was no such case in Hong Kong before. In my view, it does not matter who is the one to raise this issue and how this issue is raised. What we have to do is to consider the case details, the specific facts and the presentation of both parties before determining whether the law applies. Therefore, I cannot give a general answer to the supplementary question of Ms HO.

DR KENNETH CHAN (in Cantonese): *President, just now, the Secretary for Security has provided us with the statistics of network security incidents that occurred in Hong Kong in the past few years. Can the Secretary please inform this Council of the number of suspected cyber attacks on the Government (including the Chief Executive's Office, Policy Bureaux and government departments) in the same period?*

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Security, please.

SECRETARY FOR SECURITY (in Cantonese): President, I do not have these statistics in hand. I will ask my colleagues to provide this information in response to the supplementary question of Dr CHAN after the meeting. (Appendix I)

MR NG LEUNG-SING (in Cantonese): *Over the past few days, the Government of the United States has stated that they foiled a number of destructive plots by using the data they obtained from the network. Can the Government, based on these reports, say that cyber hacking, which aims at obtaining data, does exist and that it is admitted indirectly?*

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Security, please.

SECRETARY FOR SECURITY (in Cantonese): President, I do not think we should speculate or make comment on what might have happened based on these reports.

DR KWOK KA-KI (in Cantonese): *President, a number of popular websites, including Facebook, Google and Yahoo, took the initiative to reveal that they had submitted tens of thousands of emails to the Government of the United States. As Mr SNOWDEN is in Hong Kong, has the Security Bureau taken the initiative to follow up his case and invite him to make further disclosure so as to safeguard the network security of Hong Kong?*

SECRETARY FOR SECURITY (in Cantonese): President, regarding this incident, we will not openly discuss or disclose the operations that we have taken or will be taking.

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

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): First question.

Incidents Relating to Cosmetic Procedures and Surgical Plastic Operations

1. **MR VINCENT FANG** (in Cantonese): *President, last year, a beauty salon referred a number of its customers to undergo high-risk medical*

procedures performed by medical practitioners, and such procedures caused one death and three persons in serious illness. The incident prompted the Government to set up a working group to differentiate between medical procedures and beauty services. It has been learnt that the Government plans to define certain procedures currently carried out in beauty salons as medical procedures, and prohibit such procedures from being performed in beauty salons again. In future, beauticians who have received the relevant recognized training will no longer be allowed to perform such procedures, and only registered medical practitioners will be allowed to do so. However, some members of the beauty industry have relayed to me that, in the past decade, most of the serious incidents involving cosmetic procedures or surgical plastic operations were performed by registered medical practitioners or those who had been suspended from practice. In this connection, will the Government inform this Council:

- (a) of the number of serious incidents relating to cosmetic procedures or surgical plastic operations in the past three years and, among them, the respective numbers of those in which the procedures or operations concerned were performed by beauticians, registered medical practitioners or those medical practitioners who had been suspended from practice, as well as whether they were penalized; the respective numbers of persons who were hospitalized, became permanently disabled or died as a result of such incidents, the procedures or operations involved in such incidents, as well as the types of premises where such incidents occurred;*
- (b) of the number of private medical practitioners penalized in the past three years by the Medical Council of Hong Kong (MCHK) for contravention of the requirements under the Professional Code of Conduct and, among them, the number of those who were penalized because of their involvement in the incidents mentioned in part (a); the reasons for penalizing them and the details of the penalties; whether the authorities monitor if the medical practitioners, who have been suspended from practice, continue their practice during the suspension period; and*
- (c) whether at present the authorities have required that medical practitioners must have received specialized training before performing procedures or operations such as injection of weight-loss*

drugs, augmentation mammoplasty, removal of eye bags, laser facial depigmentation or dermabrasion; if so, of the details; if not, the reasons for that?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, regarding the incident in October 2012 causing one death and serious sickness of three other patients resulting from high-risk medical procedures, the Department of Health (DH) took immediate follow-up actions upon receiving report from the Hospital Authority and found that the incident involved a beauty services company and a laboratory processing health products for advanced therapies. As the police are conducting criminal investigation into the case, we are not in a position to provide details of the incident so as not to prejudice the legal proceedings that may be involved in the future.

To enhance the safety of beauty services, the DH, the Customs and Excise Department and the Consumer Council have strengthened co-operation since October 2012 to protect consumer interests. Such efforts include public education on how to select safe beauty services. The DH has stepped up screening of advertisements of beauty services and established an information exchange mechanism with the Consumer Council to analyse complaints for follow-up actions. It will also conduct proactive inspection of beauty salons and where necessary, take enforcement actions against beauty services companies suspected of allowing non-qualified persons to provide high-risk medical treatments to customers.

We agree that there is a need to review the regulatory framework of high-risk medical procedures for better protection of public health. The Working Group on Differentiation between Medical Procedures and Beauty Services, which is chaired by the Director of Health and includes representatives from relevant medical specialties, the beauty industry and consumer groups, is set up under the Steering Committee on Review of the Regulation of Private Healthcare Facilities to differentiate high-risk medical procedures from low-risk, non-invasive beauty services, and make recommendations on procedures which should be conducted only by medical practitioners.

My reply to the three-part question raised by Mr Vincent FANG is as follows:

- (a) The DH does not keep statistics or information on incidents related to cosmetic procedures or plastic surgical operations. However, according to the information gathered under the abovementioned information exchange mechanism established by the DH and the Consumer Council, there were 48 complaints on adverse events related to beauty procedures performed at beauty parlours as at 10 June 2013. Of these cases, seven involved medical practitioners, 36 were not performed by medical practitioners, and for the remaining five, there is no information on who performed the procedures. Among all these cases, 40 involved the use of energy-emitting apparatus (such as laser machine) and performance of invasive procedures.
- (b) In the past three years, a total of 77 medical practitioners were subject to disciplinary inquiries of the MCHK. Among them, 69 were found guilty of professional misconduct and were subject to disciplinary sanctions. None of them was involved in serious incidents relating to cosmetic procedures or plastic surgical operations. All medical practitioners subject to disciplinary inquiries, except two, were not practising in the public sector when the incidents occurred.

The nature and circumstances of each inquiry case are different, and some may involve more than one charge. The MCHK will record in the judgment details of the case, as well as the disciplinary punishments imposed for each charge and their justifications. Judgments will be uploaded in full to the MCHK's website after completion of the disciplinary proceedings for public information.

Any person who continues to practise medicine during the period when his name is removed from the General Register of the medical practitioners commits an offence and is liable to a fine and imprisonment.

- (c) Professional conduct of registered medical practitioners is regulated by the MCHK. They should comply with the Code of Professional Conduct for the Guidance of Registered Medical Practitioners issued by the MCHK. In general, medical practitioners must act in patients' best interests when performing clinical treatment. They must also possess the relevant knowledge and skills. Before any

treatment is offered, the medical practitioner should explain clearly to the patient the treatment procedures and risks involved, and seek the consent of the patient. If a patient is dissatisfied with the professional conduct of a medical practitioner, he may lodge a complaint to the MCHK.

A registered medical practitioner who wishes to become a specialist must satisfy the requirements set out in section 20K of the Medical Registration Ordinance (Cap. 161). He should be a Fellow of the Hong Kong Academy of Medicine and have satisfied the continuing medical education requirements, or possesses equivalent professional standards. He should also have the approval of the MCHK for inclusion of his name under the relevant specialty in the Specialist Register. Any person who claims to be a specialist without the approval for registration as a specialist commits an offence and is liable to a fine and imprisonment.

Moreover, the Hospital Accreditation Programme, in which a number of public and private hospitals in Hong Kong have participated, also requires hospitals to implement a credentialing system so as to ensure that their medical practitioners possess the qualifications and competency necessary for delivering certain medical procedures.

MR VINCENT FANG (in Cantonese): *President, the Secretary has stated in his main reply that the authorities should take enforcement actions against beauty services companies suspected of allowing non-qualified persons to provide high-risk medical treatments to customers. Do non-qualified persons include beauticians who have received recognized training? The Secretary has also mentioned in the main reply that some high-risk medical treatments should be provided by medical practitioners. Are these medical practitioners general practitioners or plastic surgeons?*

PRESIDENT (in Cantonese): Each Member should only ask one supplementary question, but Mr Vincent FANG's supplementary questions are both about the professional qualifications of the persons concerned. Secretary, please reply.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Concerning Mr FANG's question, I believe it depends on the type of beauty procedures involved if the treatments are provided by beauticians. The beauty procedures should not be provided by beauticians if they are basically high-risk medical treatments. As to the appropriate procedures to be carried out by medical practitioners, this depends on the procedures involved. In other words, some procedures should be carried out by specialists while some others can also be carried out by general practitioners.

DR LEUNG KA-LAU (in Cantonese): *President, no matter which method is adopted to differentiate or regulate medical and beauty procedures, we cannot prevent the recurrence of incidents similar to those related to the DR Medical Beauty Group because the crux of the problem lies in the monitoring of beauty services companies but not the method of differentiation.*

At present, so long as these companies have completed the business registration formalities, they can promote some high-risk medical beauty procedures not supported by scientific evidence without subject to any restraints. When these companies have successfully attracted customers, they do not need to employ beauticians; all they have to do is to employ some young and inexperienced medical practitioners to perform these procedures. Should problems arise, these young medical practitioners have to shoulder the responsibilities while the beauty services companies, the main culprit, can go free

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

DR LEUNG KA-LAU (in Cantonese): *..... and there is an abundant supply of young medical practitioners in the market. May I ask the Secretary when the authorities would be willing to enact legislation to regulate the companies which claim to provide medical beauty services?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, the most important point is that we are concerned if the services provided, including the services provided by beauty services companies to customers, are high-risk medical procedures.

If they are high-risk medical procedures, first, they must be carried out by registered medical practitioners; second, before carrying out these procedures, registered medical practitioners must comply with the requirements of the Professional Code of Conduct and determine if the patients need to undergo the high-risk medical procedures. If so, they must explain in detail the need for the procedures, the risks involved and other alternatives. With the patients' informed consent, qualified and experienced doctors can then perform the procedures.

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

DR LEUNG KA-LAU (in Cantonese): *My supplementary question is clear, and I have already mentioned the existing loopholes.*

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

DR LEUNG KA-LAU (in Cantonese): *My supplementary question is when the Secretary will enact legislation to regulate companies which claim to provide medical beauty services.*

PRESIDENT (in Cantonese): Secretary, will the Government enact legislation to regulate the companies providing medical beauty services?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I wish to point out that our prime concerns, and I believe they are also the prime concerns of the Legislative Council and the public, are who will perform these high-risk medical procedures, and whether people performing these high-risk medical procedures should be qualified medical practitioners, as well as whether the medical practitioners concerned have fulfilled the requirements under the Professional Code of Conduct. These are the most important points.

MR TOMMY CHEUNG (in Cantonese): *President, I would like to ask the Secretary: while the establishment of clinics is regulated under the Medical Clinics Ordinance, are there any restrictions on the premises where medical practitioners practise medicine or perform medical procedures? For example, if resident doctors of beauty salons or doctors in their own beauty salons carry out non-beauty services medical procedures, such as augmentation mammoplasty and removal of eye bags, have they violated the law? If there is no restriction on the premises where such services are provided by medical practitioners, even if the Secretary defined laser treatment as a medical procedure, there is no violation of law so long as resident doctors are employed to provide services in these premises. What countermeasures does the Secretary have?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): *President, the supplementary question raised by Mr CHEUNG is worthy of our serious consideration. According to the existing legislation, separate registration is not required for registered medical practitioners working in their own clinics, because all high-risk medical procedures were carried out in hospitals in the past. However, with technological development in recent years, many medical procedures, including high-risk medical procedures, can now be performed in certain premises in the community. Members may be aware that the Government has set up three working groups under the Steering Committee set up to regulate private healthcare facilities. One of the working groups is to examine how to regulate high-risk medical procedures performed in community facilities in the future. I am afraid that legislative procedures may be involved.*

MR TOMMY CHEUNG (in Cantonese): *President, the Secretary has not answered my supplementary question. I actually ask if the Government will legislate in the future to regulate the premises where medical practitioners will perform these procedures.*

PRESIDENT (in Cantonese): *The Secretary has just replied.*

MR WONG TING-KWONG (in Cantonese): *President, some beauty industry players have indicated that many medical practitioners have not received training on beauty procedures and operation of beauty devices, such as Intense Pulsed*

Light and laser treatment. On the contrary, beauticians have received training and taken examinations on a number of beauty treatments and attended the relevant symposiums in recent years. Thus, medical practitioners are not as familiar as beauticians about the relevant procedures and operations. Have many medical practitioners received training on beauty procedures and how familiar are they with the relevant operations?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I thank Mr WONG for his question. I do not wish to discuss in depth about individual procedures, I only wish to say that all medical procedures performed by medical practitioners must comply with the requirements of their specialties and these medical practitioners must first receive relevant training before performing these procedures.

MISS ALICE MAK (in Cantonese): *President, I notice that a Member used the term "medical beauty treatments" when he raised a supplementary question, but the Secretary has not mentioned this term in his reply. Does the relevant working group under the Steering Committee intend to define medical beauty treatments, or confirm there are no treatments known as medical beauty treatments or elaborate on the differences between medical and beauty services? What is the progress of work of this working group and how can it consult the views of the industry?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as Miss Alice MAK has said, one of the working groups set up under the Steering Committee is now working on the definition of medical procedures, especially high-risk medical procedures, and trying to differentiate these procedures from ordinary beauty procedures. The working group, led by the DH, has held two meetings and it will soon convene the third meeting. According to its procedures of work, the working group will submit a report to the Steering Committee in the third quarter of this year.

MR CHUNG KWOK-PAN (in Cantonese): *President, an Honourable colleague has just mentioned the Medical Clinics Ordinance, which specifies that medical practitioners operating clinics must meet certain requirements under the*

Ordinance, such as complying with the laws concerning drugs or keeping the patients' medical records. The Medical Clinics Ordinance has not specified the medical procedures to be carried out by medical practitioners; thus, the high-risk medical procedures mentioned in this question are not regulated. Will the Secretary review the existing Medical Clinics Ordinance?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as I have just said, I believe it is most important to define high-risk medical procedures first, and that these procedures must be performed by registered medical practitioners. About the performance of these procedures by registered medical practitioners, I have just mentioned certain principles and the Code issued by the MCHK must be complied with. I am not going to repeat these points.

As regards the premises where these medical procedures are performed, I have just mentioned that another working group has been set up under the Steering Committee to study whether it is necessary to regulate by other means, including legislation, the premises and medical practitioners which may have performed high-risk medical procedures in the community.

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

MR CHUNG KWOK-PAN (in Cantonese): *Right.*

PRESIDENT (in Cantonese): Please repeat the part of your question that you think the Secretary has not answered.

MR CHUNG KWOK-PAN (in Cantonese): *Will the Secretary consider a review of the Medical Clinics Ordinance?*

PRESIDENT (in Cantonese): Secretary, will you consider a review of the Medical Clinics Ordinance?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): The scope of review of the Steering Committee is wide, covering all private medical clinics and hospitals, hence we do not rule out the possibility that the review will cover the existing Medical Clinics Ordinance.

MR TAM YIU-CHUNG (in Cantonese): *President, representatives of the beauty industry have conveyed to us their views that the composition of the Steering Committee, mentioned by the Secretary just now, as well as its scope of work, mainly focus on medical practitioners. Therefore, they were worried that the final conclusion drawn by the Steering Committee will lead to excessive regulation of the industry, thereby depriving industry players of their original job opportunities. In this connection, will the Secretary consider suitable regulation so as to concurrently look after the interests of the beauty industry and consumers?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as beauty services cover many aspects and may involve knowledge of various medical specialties, when the Director of Health took over the work of the working group, he did invite many representatives from various medical specialties to offer professional advice. However, I wish to emphasize that members of this working group mainly assist the Director of Health in his work and the Director should bear responsibility as he is the responsible enforcement authority. Regardless of the number and proportion of the members of the working group, they only give advice to the Director of Health and the number of members will not affect the decision of the Director. In other words, this working group basically does not make decisions through head counts or voting. The decisions made would not be influenced by the number of members, and those who speak louder may not have their views more readily accepted.

The Director of Health will take into consideration the views of the working group, the practices of different regions (including regions outside Hong Kong), and based on the guiding principle of giving priority to the public's health and safety, make final recommendations to the Steering Committee.

MR LEE CHEUK-YAN (in Cantonese): *President, the Secretary's reply is really strange, and it is nothing more than an insult to the members of the*

working group. The Secretary claimed that the work of the committee is not affected by which party has a larger number of members or person has a louder voice. However, the fact is that there are more medical participants than other parties, and their voice is louder, so much so that our union representatives have to withdraw membership in protest. The Secretary has said that having more people and talking louder is not important because other factors will be considered,

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

MR LEE CHEUK-YAN (in Cantonese): *Why was this working group set up at the outset? Why is its composition so unbalanced?*

My supplementary question is: since Dr KO has said earlier that the authorities are very concerned about public safety and health, and considered that high-risk medical procedures should be performed by medical practitioners, will the Secretary define laser treatments which have been carried out most frequently by beauticians for many years as high-risk medical procedures? If laser treatments are considered as high-risk medical procedures, are there sufficient medical practitioners in Hong Kong to carry out these high-risk treatments? Do the authorities wish to allow all medical practitioners to provide beauty services such that no medical practitioner is going to treat other patients under our healthcare system?

PRESIDENT (in Cantonese): Mr LEE, you have raised your supplementary question. Please sit down.

MR LEE CHEUK-YAN (in Cantonese): *Do all medical practitioners only care about making money? How will the Secretary define high-risk medical procedures?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as I have just reported, the working group led by the DH has held two meetings and is going to hold the third meeting. According to its procedures of work, the

working group will submit a report to the Steering Committee in the third quarter of this year. I have not yet received any recommendation from the working group about issues such as the laser treatments as mentioned by Mr LEE.

PRESIDENT (in Cantonese): We have spent more than 23 minutes on this question. Second question.

Regulation of Accommodation for Tourists

2. **MR YIU SI-WING** (in Cantonese): *President, it has been reported that recently an incident occurred in a licensed guesthouse in Chungking Mansions in which a guest was raped by a man who had sneaked into that guesthouse, and that a fire broke out at an unlicensed guesthouse in Mong Kok. On the other hand, some youth hostels were reported to have low occupancy rates. Some members of the tourism industry have pointed out that the above incidents show that the security of licensed guesthouses is poor, the authorities are ineffective in combating unlicensed guesthouses, and the accommodation resources of youth hostels are being wasted. In this connection, will the Government inform this Council:*

- (a) *whether it has compiled statistics on the current number of unlicensed guesthouses; if it has, of the number; if not, the reasons for that; of the number of law-enforcement actions taken by the authorities against the operation of unlicensed guesthouses, as well as the respective numbers of prosecutions and convictions, in each of the past three years;*
- (b) *whether the authorities have regulated the security arrangements of licensed guesthouses; if they have, of the details; if not, the reasons for that; and*
- (c) *whether it knows the names of the youth hostels which had an average occupancy rate below 60% last year, as well as their respective occupancy rates; regarding those youth hostels with low occupancy rates, whether the authorities will urge the operators*

concerned to boost their hostels' occupancy rates; if they will, of the details; if not, the reasons for that?

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, operation of guesthouses in Hong Kong is regulated by the Hotel and Guesthouse Accommodation Ordinance (the Ordinance) (Cap 349). The primary purpose of the Ordinance is to, through a licensing regime, to ensure that premises used as hotels and guesthouses meet the building and fire safety standards specified in the Buildings Ordinance (Cap 123) and the Fire Services Ordinance (Cap 95) to safeguard the tourists and public. In accordance with the Ordinance, any premises providing sleeping accommodation at a fee shall obtain a guesthouse licence unless all accommodation in the premises is provided with a tenancy period over 28 consecutive days for each letting. The Office of the Licensing Authority (OLA) under the Home Affairs Department is responsible for implementation of the Ordinance, including issuing guesthouse licences and carrying out relevant enforcement work.

My replies to Mr YIU's three-part question are as follows:

- (a) The OLA is committed to combating unlicensed guesthouses. In recent years, the OLA has increased its manpower resources and adjusted its strategy with a view to boosting its enforcement efforts. Upon identification of a guesthouse suspected of unlicensed operation, the OLA will collect evidence through various means, such as conducting surprise inspections at different time, launching large-scale and targeted inter-departmental operations, or posing as clients (commonly known as "snaking"), having regard to the circumstances of individual case. Prosecution shall be instituted immediately if there is sufficient evidence that the premises concerned is involved in unlicensed guesthouse operation.

The number of inspections to suspected unlicensed guesthouses by the OLA last year (2012) has increased by 1.5 times as compared with that of 2010; the number of prosecutions has increased from 38 in 2010 to 128 in 2012; the number of convictions has increased from 44 to 110. These figures fully demonstrate the strength and results of the enhanced enforcement efforts (enforcement figures of the past three years are tabulated at Annex).

Upon receipt of a report of suspected unlicensed guesthouse, the OLA will conduct an inspection within eight working days and, having regard to the circumstances of individual case, take appropriate follow-up actions. Prosecution shall be instituted if there is sufficient evidence. In this connection, the OLA has maintained the statistics of reports received, prosecution and conviction, but do not have any statistics of unlicensed guesthouses (the number of complaints received by the OLA against suspected unlicensed guesthouses is also provided in the Annex).

- (b) To safeguard the safety of tourist and public, guesthouses shall meet building and fire safety standards and the licensees concerned are required to comply with a requirement stipulated in the Ordinance and the licensing condition that the operation, management and control of the guesthouses shall be under their continuous and personal supervision. If an offence occurs in a licensed guesthouse, the OLA will require the licensee concerned to give an explanation pursuant to the licensing condition. Also, the OLA can, having regard to individual circumstances, cancel the licence or refuse to renew the licence by exercising the power conferred by the Ordinance.
- (c) As mentioned above, the primary purpose of the Ordinance is to regulate the building and fire safety of guesthouses. Matters in relation to the daily operation and management of a guesthouse fall outside the ambit of the Ordinance. Therefore, guesthouse licensees are not required to provide information of occupancy rate or other operational details to the OLA.

As regards youth hostel, their operation modes and marketing strategies are the matters of individual operating organizations. The Administration will not interfere. Since youth hostels issued with guesthouse licences are no different from ordinary licensed guesthouses, the OLA does not have any information of their occupancy rates.

Complaints received by the OLA and Enforcement Statistics
(2010 to the present)

	2010	2011	2012	2013 (up to 31 May)
Complaints ⁽¹⁾	366	696	1 418	470
Inspections	2 678	3 125	6 791	3 837
Prosecutions ⁽²⁾	38	53	128	75
Convictions ⁽²⁾	44	39	110	81

Notes:

- (1) Including repeated complaints against the same premises. Some cases may eventually be found unsubstantial as the investigations reveal that the premises concerned are let out on a monthly basis, thereby falling outside the ambit of the Ordinance.
- (2) The figures of prosecution and those of conviction in the same year are slightly different because trials of some prosecution cases are conducted in the following year.

MR YIU SI-WING (in Cantonese): *President, can I raise two supplementary questions?*

PRESIDENT (in Cantonese): You can only raise one supplementary question, but you may wait for another turn to raise another supplementary question.

MR YIU SI-WING (in Cantonese): *Okay. My question is: Given that youth hostels have received certain concessions from the Government, and some are only required to pay a nominal license fee of \$1, the Government is therefore obliged to gain an understanding of their operation. May I ask if the Government will revise its existing non-intervention policy in the future? Otherwise, this is unfair to taxpayers.*

SECRETARY FOR HOME AFFAIRS (in Cantonese): The enforcement work of the OLA concentrates on the safety of the hostels. Other aspects, including

the operation as well as the demand and supply of hostels, will be examined by the Policy Bureau responsible for tourism.

DR JOSEPH LEE (in Cantonese): *President, as shown in the Secretary's main reply, enforcement through inspections, for example, has been very effective. Although the number of complaints received has increased, prosecution has also been stepped up accordingly. Since the guests may not know if a hostel is licensed, thus the complaints received are probably concerned with poor hygiene, the infestation of bed bugs or poor security. May I ask the Secretary if he has the breakdown of complaints made against unlicensed guesthouses under your purview, and the number of cases under each category?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): In the main reply, I have mainly set out the reported cases of unlicensed guesthouses and they do not include complaints against the internal problems of the guesthouses. Any guesthouse, if unlicensed, will contravene the existing law.

PRESIDENT (in Cantonese): Mr YIU Si-wing, if you wish to raise another supplementary question, please press the "Request to speak" button.

MS STARRY LEE (in Cantonese): *President, as stated in the preamble of the main question, licensed guesthouses have many security problems. And if they are located in residential buildings, the problem will be even more serious because the guesthouses may attract all kinds of people, thereby causing great nuisances to other residents. Regrettably, strong opposition from the residents is futile as the existing licensing procedure of guesthouses has not taken into account the aspirations of the residents of the building concerned. A licence will be issued so long as the guesthouse meets the requirements on structural safety and fire safety. In fact, the Home Affairs Department is also aware of the public resentment against guesthouses. I learned that some residents have planned to organize a march to express to the Secretary*

PRESIDENT (in Cantonese): Ms LEE, please raise your supplementary question.

MS STARRY LEE (in Cantonese): *My supplementary question is very simple: May I ask if the authorities will review the licensing procedure of guesthouses or amend the law to ensure that public views or other factors will be considered before a licence is issued, as against the present arrangement of merely considering structural and fire safety?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, we are aware that guesthouses located in residential buildings do cause nuisances to members of the public, and local residents have expressed concern about this. It is true that the existing law has not required the OLA to issue licences in the light of public views.

The OLA can only take enforcement actions according to the provisions of the Ordinance, that is, to consider the structural and fire safety of the building concerned. A licence will be issued if the requirements are complied with. We will keep an eye on the enforcement of the Ordinance to see if there is a need for amendment. And yet, if the relations between the guesthouse and the residents of the building have to be taken into consideration, the supply of guesthouses may be affected as a result. Therefore, this warrants a comprehensive evaluation and assessment.

MR MA FUNG-KWOK (in Cantonese): *President, the fact is on the one hand, we notice that there is demand for budget guesthouses in the market, but on the other hand, we are aware of the nuisances caused by the guesthouses to local residents.*

May I ask if the Government has reviewed its licensing policy to balance the interests of the two parties, such that the guesthouses can be better managed and can provide quality service without affecting local residents?

SECRETARY FOR HOME AFFAIRS (in Cantonese): As Mr MA has said, this issue involves two aspects and must be considered in parallel. Firstly, the

market does have demand for guesthouses at present. An increase in the number of visitors has created the market demand for budget guesthouses. According to the existing Buildings Ordinance, guesthouses or hostels can be established in residential buildings. Our priority concern is safety, that is, the structural and fire safety of buildings. We do not want our enforcement to be so stringent as to stifle the industry, and adversely affect the overall supply of guesthouses and the operation of tourism.

MR NG LEUNG-SING (in Cantonese): *Concerning the licensing of hostels, may I ask if the Government has promoted the setting up of an association by members of the trade to look after the management issues, with a view to encouraging self-regulation?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, we have not thought about this. Our prime concern at the moment — which is also of particular concern to the community — is the increasing number of reported cases of unlicensed guesthouses in recent years. Priority has been given to deploying additional resources to combat unlicensed guesthouses in view of the safety concerns. Guesthouses which operate without a licence may not comply with the requirements of structural and fire safety, and thus fail to meet the safety standard. They must be dealt with in the first place. As for the general internal management, it remains in the hands of the guesthouses.

MR PAUL TSE (in Cantonese): *President, as shown in part (a) of the main reply, there has been significant increase in inspections and prosecutions. While this reflects that the authorities have stepped up enforcement, it also highlights the seriousness of the problem.*

Nonetheless, as stated in Note 1 of the Annex, there were repeated complaints against the same premises. Does this reflect the weak deterrent effect of the existing laws or penalties, which have encouraged the guesthouses to continue with their unlawful operation by treating the fines as an operating cost, just like the case of illegal parking?

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, the existing penalties include a fine of \$200,000 and two years' imprisonment, and we consider that they do have deterrent effect.

Of course, the penalty imposed is subject to the judgment of the Court. We observed that in many cases, the penalties imposed were pretty light though much effort has been made in prosecution, and as Mr TSE has said, it could be a fine of only a few thousand dollars. While we respect the judgment of the Court, we will carefully examine each case and pursue an appeal for the more serious cases.

Although the fine imposed is not heavy, the relevant offence will lead to a criminal record. The approach that we have adopted so far is: Upon conviction, all cases will be referred to the relevant departments accordingly, for example, convicted cases may be referred to the Rating and Valuation Department to recover from the guesthouses the outstanding fees for business operation. We will also notify the Inland Revenue Department and the financial institutions concerned.

DR KWOK KA-KI (in Cantonese): *President, as in many big cities, there is an ardent demand for housing in Hong Kong and the rent is exorbitant, and this has given rise to home-stay lodgings or small-scale guesthouses. Has the Government implemented any policy to help small property owners who intend to enter the trade to operate small-scale licenced guesthouses according to government policies, thereby providing more alternatives for visitors for the sake of Hong Kong's tourism industry?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, we have also thought about this option. Guesthouses in Hong Kong are mostly found in multi-storey buildings, and they are different from those home-stay lodgings which usually located in village houses elsewhere. Our policy does not intend to expel or replace the guesthouses located in residential buildings, and we simply want to ensure their operational safety. Therefore, we must make sure everyone who intends to operate guesthouses will apply for a licence in compliance with the law.

We have recently stepped up our promotion effort in this regard, as well as launched promotion via the Internet and the mass media.

MS STARRY LEE (in Cantonese): *President, the growth of visitors will only generate higher demand for guesthouses. I expect that more and more guesthouses will be established in residential buildings. As the Secretary and other Members have said, we must find a point of balance. As far as I understand, tutorial centres or residential care homes for the elderly must apply for approval before they can be established in residential buildings. An independent person will then listen to the views given by the two parties, and the Town Planning Board will, in general, require*

PRESIDENT (in Cantonese): Ms LEE, please stop making comment and raise the supplementary question right away.

MS STARRY LEE (in Cantonese): *..... the provision of a separate exit or staircase so as to avoid affecting other residents. I consider that is a balanced approach which would enable the guesthouses to sustainably operate on the one hand*

PRESIDENT (in Cantonese): Ms LEE, please raise the supplementary question.

MS STARRY LEE (in Cantonese): *Will the Secretary consider adopting the abovementioned approach, whereby an independent person will listen to the aspirations of the two parties and special requirements will be imposed on the guesthouse applicants to minimize the impact on the residents of the building concerned?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, the existing licensing regime takes the structural safety of buildings into consideration, for example, the provision of sufficient fire escapes, and our professional colleagues will give advice in this regard. Take the OLA as an example, the responsible enforcement officers are deployed from the Fire Services Department.

Ms LEE asked if licences will be issued in the light of public views, such as the nuisances caused, but the existing laws have not provided for the relevant considerations.

MS STARRY LEE (in Cantonese): *My earlier question has been very clear. It is precisely because the existing laws have not provided for the relevant considerations that I have called on the Secretary to introduce public consultation as a factor for consideration in issuing guesthouse licences.*

PRESIDENT (in Cantonese): Secretary, will there be a review of the existing Ordinance?

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, with regard to Ms LEE's views, consideration will be made in our day-to-day monitoring of the enforcement of the Ordinance.

MR YIU SI-WING (in Cantonese): *According to the data provided by the Government, while government inspections of unlicensed guesthouses in 2012 have doubled that of 2011, the number of such complaints has also doubled, reflecting that the situation has not improved. May I ask the authorities if any enhanced measures will be introduced in the coming two years?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): President, we will basically work on several fronts. Firstly, enforcement actions will be stepped up, which include enhanced inspections, large-scale joint departmental operations and "snaking". Secondly, we will step up promotion, which include the launching of promotion for the general public and owners' corporations, as well as for overseas countries and the Mainland through the networks of the Hong Kong Tourism Board and the Tourism Commission. Since the Consumer Council has launched a promotion campaign for Mainland visitors, we will get this message across to Mainland visitors through this channel. Thirdly, we will strengthen our intelligence work so as to identify the problems in advance and take prompt enforcement actions. Fourthly, we will step up deterrent actions, and as I have said in response to Mr TSE's question earlier, we will notify the

relevant departments of all the convicted cases, so as to enhance the deterrent effect of the offences concerned.

MR PAUL TSE (in Cantonese): *President, it is undeniable that the demand for low class guesthouses has increased in recent years. Nonetheless, the occupancy rate of many youth hostels is very low. Have the authorities examined the imbalance situation? Have we provided assistance to the wrong recipient?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): I have heard Members' views about the youth hostels. The youth hostel directly managed by the Home Affairs Bureau is located at the Youth Square and it has an occupancy rate of over 80%, which is more or less the same as those ordinary hotels and guesthouses in Hong Kong.

On the question of whether other youth hostels have been under-utilized or the resources have been wasted, we will look into the matter within the Government.

PRESIDENT (in Cantonese): Third question.

Construction Costs of and Advertisement Income from Platform Screen Doors and Automatic Platform Gates at MTR Stations

3. **MR GARY FAN** (in Cantonese): *President, for many years, the MTR Corporation Limited (MTRCL) and its predecessor have collected an extra charge of \$0.1 (the surcharge) per journey from passengers paying the fares with Octopus Cards, in order to pay for half of the costs of the project of retrofitting platform screen doors (PSDs) and automatic platform gates (APGs) at MTR stations. Some members of the public have queried that it is an unfair practice of the MTRCL to collect the surcharge from passengers while all the income generated from displaying advertisements on PSDs and APGs goes to the Corporation. In this connection, will the Government inform this Council:*

- (a) *whether it knows when the MTRCL started to display advertisements on PSDs and APGs, of the current number of PSDs and APGs involved, as well as the income generated from such advertisements last year;*
- (b) *given that the MTRCL and passengers have each contributed half of the costs of retrofitting PSDs and APGs, whether the Government will, based on the principle of fairness, request the MTRCL to directly pass on to passengers the income generated from the advertisements on PSDs and APGs according to the contribution ratio; if it will, of the implementation timetable and details; if not, the reasons for that; and*
- (c) *whether it knows the total amount of surcharge collected by the MTRCL up to the end of April 2013, when the collection of the surcharge is expected to cease, and if the MTRCL will pass on to passengers the costs of retrofitting APGs for the East Rail Line (EAL) and the Ma On Shan Rail Line in future?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the MTRCL has all along worked towards providing safe and reliable train service for its passengers. Though according to international railway safety operation standards, PSDs or APGs are not essential facilities, their provision can further ensure the safety of passengers waiting at platforms and reduce the accidents of passengers falling onto the tracks.

After the successful completion of the PSD trial installation and detailed assessment at Choi Hung Station in 1997 by the pre-merger Mass Transit Railway Corporation (MTRC), it announced in 1999 to proceed with the PSD retrofitting programme at 30 underground stations on the Kwun Tong Line, Tsuen Wan Line and Island Line in phases. For new railway lines started operating since 1998, PSDs or APGs have become a standard station feature and they are included during the planning stage of new railway projects.

The PSD retrofitting works at 30 underground stations started in 2000, and were completed in 2006. Apart from the installation of the PSDs, the works also included alterations of the environmental control systems (which comprise the ventilation, air-conditioning and smoke extract systems), construction of

equipment rooms and modification of signalling system for the new operating environment with PSDs retrofitted. The total cost was about \$2 billion.

As the MTRC's original investment plan for constructing the early railway lines did not include this capital cost, passengers therefore had to contribute to half of the cost, that is, \$1 billion. On this basis, the MTRC started to collect an additional \$0.1 from each journey on the pre-merger MTR taken by passengers using Octopus cards in July 2000 until recouping the \$1 billion expenditure in whole.

Given the constraints of the station structures, retrofitting PSDs at aboveground stations faced quite some technical difficulties. For instance, the complexity of installing the massive air-conditioning and ventilation systems to cope with the installation of PSDs is highly akin to station rebuilding. After the rail merger, the MTRCL completed a technical study to overcome the difficulties concerned. The MTRCL subsequently decided in 2008 to retrofit APGs at eight pre-merger aboveground and at-grade stations, including Heng Fa Chuen, Chai Wan, Kwai Fong, Kwai Hing, Tsuen Wan, Kowloon Bay, Ngau Tau Kok and Kwun Tong stations. The construction cost was about \$300 million, with half of the cost (that is, \$150 million) similarly contributed by passengers using Octopus cards with \$0.1 collected per journey. As a result, the MTRCL will collect a total of \$1.15 billion from passengers using Octopus cards for the retrofitting of PSDs and APGs.

My reply to Mr Gary FAN's question is as follows:

- (a) Since May 2003, the then MTRC and later MTRCL have been displaying advertisement on PSDs and APGs. A total of 17 stations and 960 PSDs and APGs have been successively involved. The revenue generated last year from this type of advertising was about \$1.5 million.
- (b) The purpose of collecting \$0.1 for each journey using Octopus cards is to share the capital cost of retrofitting the PSDs and APGs. Last year, the MTRCL invested about \$17 million for the maintenance of PSDs and APGs, an amount far exceeded the advertising revenue from PSDs and APGs.

All profits generated by the advertising revenue (including those generated from the advertisements displayed on PSDs and APGs) of the MTRCL are already included in the MTRCL's underlying business profits. According to the profit sharing mechanism under the new Fare Adjustment Mechanism, the MTRCL will, based on its underlying business profits each year, set aside an amount and put into a "fare concession account" to provide same day second trip discounts. Passengers will hence share the MTRCL's operational success, and their burden from fare increase will be relieved. Taking 2012 as an example, the MTRCL will contribute \$150 million for this fare concession based on its underlying business profits.

- (c) Up to April 2013, the MTRCL has collected a total of \$1.063 billion through the collection of \$0.1 for each journey using Octopus cards. It is expected that the amount will be fully recovered in the first half of 2014. The \$0.1 collection arrangement will then stop. As to when half of the capital cost can be fully recovered, it depends on the patronage in the coming few months. For the APG retrofitting works along the Ma On Shan Line (MOSL), as the original number of train compartments will increase from four to eight, to link up with the train service of the Shatin to Central Link (SCL), the retrofitting of APGs will also have to tally with the SCL project. The existing platforms of MOSL therefore have to be extended to allow the usage of the 8-compartment trains. As the EAL will also link up with the SCL, the retrofitting works of APGs along the EAL will also proceed in tandem with the construction works of SCL, to minimize the unnecessary duplication of works and inconvenience to passengers. To address passengers' concern and the latest requirement on railway safety, the Government is discussing with MTRCL to seek for an arrangement where passengers do not have to bear part of the capital cost. A decision will be made later.

MR GARY FAN (in Cantonese): *President, the Government, playing the dual role as the majority shareholder and regulator of the MTRCL, has not duly monitored the situation where the bill for retrofitting PSDs is footed by passengers while the relevant advertisement income is pocketed by the MTRCL. President, just now the Secretary has not replied part (b) of the main question, that is, whether the MTRCL will, based on the principle of fairness, directly pass*

the income generated from the advertisements on PSDs and APGs onto passengers? I am not asking the Government about the existing arrangement of the MTRCL, that is, giving back a small portion of advertising revenue to passengers. Will the Government require or request the MTRCL to directly pass the relevant revenue onto the passengers according to the ratio, for example, by way of single journey fare concession, rather than evading its "refund" responsibility by some indirect or even circuitous means such as the 10% Same Day Second Trip Discount or monthly passes?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, as I just said in the main reply, basically, advertising revenue of the MTRCL is already included in the MTRCL's underlying business profits. As such, the relevant revenue has already been included under the profit sharing mechanism, and the MTRCL will set aside a share of this amount to benefit the passengers.

Mr FAN's question is mainly about whether advertising revenue generated from PSDs and APGs will be passed directly onto passengers of the affected MTR lines. According to our information, the revenue generated last year from this type of advertising was \$1.5 million. Assuming that half of this sum or \$750,000 is passed onto passengers, the percentage is relatively low when compared to the overall expenditure. Moreover, we expect that the \$0.1 collection arrangement will stop soon.

MR CHAN HAK-KAN (in Cantonese): *President, had it not been the question from Member and the reply from the Secretary, we would still have no idea that MTRCL has already discreetly collected some \$1.06 billion, and the capital cost of retrofitting PSDs would be fully recovered by the middle of next year. May I ask the Government, as no announcement has been made by the MTRCL, the public would really be kept in the dark about the progress of the PSD retrofitting works had the Council not followed up this matter; in this connection, will the Secretary request the MTRCL to provide regular updates about the progress, financial position, costs and completion date of the relevant works on its website? As such, the public will be clearly informed at all times without having to wait for the Secretary's reply in response to the follow-up by this Council.*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, basically, the MTRCL has already provided these figures at times in response to questions raised by Members in the Legislative Council or for other reasons. As I just mentioned in the main reply, the arrangement to collect \$0.1 for each journey using Octopus cards is expected to stop by the first quarter of next year, while the exact time will of course depend on the patronage in the coming few months. After the conclusion of this arrangement, I believe that basically, the same arrangement will no longer be adopted for other railway lines such as EAL and MOSL.

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

MR CHAN HAK-KAN (in Cantonese): *President, I request the Secretary to instruct the MTRCL to upload, on its own initiative, the progress and financial position of the relevant works onto the MTRCL's website; will the authorities do so?*

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

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I can convey this view to the MTRCL.

MR TANG KA-PIU (in Cantonese): *President, the authorities have previously indicated in a meeting that PSDs would only be installed or proceed to be installed in 2020. We consider this timeframe too late indeed.*

My supplementary question is, although a service performance arrangement has been introduced under the new fare adjustment mechanism, whereby a fine will be imposed on the MTRCL for serious service disruptions, passengers' behaviour has not been included as a factor causing disruptions within the MTRCL's control. Given the Government has concluded that PSDs can ensure or help ensure safety, and the reason for not retrofitting PSDs at the 22 stations of EAL or MOSL is to align the works with the SCL project — but the early installation if PSDs can actually help prevent incidents of passengers

falling onto the railway track — I would like to ask whether the MTRCL or the Government will re-consider the proposal that passengers falling onto the railway track be included as a factor causing disruptions within the MTRCL's control; in other words, a fine can be imposed for this type of disruption?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, if actions taken by passengers on their own initiative, regardless of the reason for taking such actions, have caused service disruptions of the MTRCL, they should certainly be excluded from the penalty scheme under the service performance arrangement. However, for incidents that happened at station platform or inside MTR facilities which are considered to be within the MTRCL's control, regardless of the identity of the person(s) involved, fines could be imposed on the MTRCL.

Separately, the APG retrofitting works along EAL and MOSL have to tally with the SCL project mainly because it would involve modification of the signalling system, and in certain cases, the existing platforms would have to be modified to cater for the use of trains with more compartments in the future. If the works are to proceed separately, it will actually bring more inconvenience to passengers and affect the progress of works; moreover, there may be wastage in case some APGs have to be removed afterwards. While the Government and the MTRCL had also explored ways to expedite progress during previous discussions, the final conclusion was that the retrofitting works should tally with the SCL project. Nonetheless, after repeated efforts made by the Government and the MTRCL, the completion date of MOSL originally scheduled for 2018 can be advanced for one year to 2017.

MR TANG KA-PIU (in Cantonese): *President, the Secretary has not heard my supplementary question clearly.*

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

MR TANG KA-PIU (in Cantonese): *My supplementary question is, if a passenger falls onto the railway track, the action itself is neutral as the passenger*

does not necessarily jump from the platform on his own initiative; does the Secretary understand what I am saying?

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

MR TANG KA-PIU (in Cantonese): *In case a passenger falls onto the railway track, albeit on his own initiative or otherwise, can this incident be included under the penalty scheme?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I have already tried to explain just now that we would have to find out the reason why this passenger fell onto the railway track. If the fall is attributed to platform facilities, we will then determine whether it is within the MTRCL's control; if the fall is an action taken by the passenger on his own initiative which is out of the MTRCL's control, it would of course be handled differently.

MS CLAUDIA MO (in Cantonese): *I never know that MTRCL has been recouping half of the capital cost by collecting an additional \$0.1 from each journey taken by passengers using Octopus cards, and as much as tens of billions of dollars has been collected so far; this gives the passengers a feeling of being "robbed"*

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

MS CLAUDIA MO (in Cantonese): *My supplementary question is, notwithstanding the Fare Adjustment Mechanism which allows upward and downward adjustment of fares, MTR fares are invariably adjusted upward each year; and at the same time, fare concessions would be introduced by the MTRCL. All these upward and downward adjustments have incurred an unimaginably large sum of administrative costs. I am not blaming the Secretary as he is new to the Government, and he is a professor, but*

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

MS CLAUDIA MO (in Cantonese): *my supplementary question is firstly, does the Secretary admit that it is bureaucratic red tape? Because the Government is supposedly the largest shareholder of the MTRCL; secondly, does the Secretary admit that it is a waste of public funds? Because the sum of administrative costs incurred can be enormous; thirdly, whether the Bureau will, on its own initiative, ask the Audit Commission to carry out an audit check, in order to ascertain the total amount of administrative costs incurred by such upward and downward adjustments?*

PRESIDENT (in Cantonese): Firstly, Members should only ask one supplementary question at a time. Secondly, Ms MO, all the three supplementary questions you just asked are not directly related to the main question. Ms MO, please think again before asking one supplementary question that is directly related to the main question.

IR DR LO WAI-KWOK (in Cantonese): *President, as the Secretary has already mentioned in his reply just now, PSDs will be incorporated into the design of new railway projects during the planning stage, does it mean that additional surcharge will no longer be levied on passengers because PSDs have become a standard facility for all new railway projects? As regards another facility, that is toilet, which is regarded as essential by many members of the public, will consideration be given for its provision under new railways projects?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, the point mentioned by Ir Dr LO Wai-kwok is correct, that is, PSDs or APGs have now become a standard feature in the planning for all new railway projects. As I have already mentioned in the main reply, we are seeking for an agreement where passengers do not have to bear the capital cost of retrofitting PSDs along EAL and MOSL. During the initial stage of retrofitting APGs and PSDs, it was decided at that time that passengers had to contribute to half of the cost, and the relevant collection arrangement should stop by the first quarter of next year.

MR PAUL TSE (in Cantonese): *President, it turned out that the MTRCL has already discreetly collected \$1.063 billion from July 2000 to April this year. Also, the public may be unaware that only frequent travellers using Octopus cards are required to pay the extra \$0.1, while passengers using return tickets or single journey tickets need not pay the surcharge. What is the authorities' rationale for adopting such an arrangement? Is that because frequent travellers are the easy targets?*

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, when planning was first made by the former MTRC for railway lines such as Kwun Tong Line, Tsuen Wan Line and Island Line, PSDs or APGs were not a standard station feature. Hence, the decision was made at that time for passengers to contribute to half of the capital cost. Notwithstanding, the maintenance cost of PSDs and APGs is borne by the MTRCL. However, except for the abovementioned railway lines, it is now a general requirement to provide PSDs or APGs as a standard station feature for other railway lines and hence, passengers will no longer be asked to share out any cost.

MR PAUL TSE (in Cantonese): *This is basically a discriminatory charge. Why is the arrangement discriminating against passengers using Octopus cards, such that the same surcharge is not levied on passengers using single journey tickets?*

PRESIDENT (in Cantonese): Secretary, can you provide additional information why two different approaches are adopted?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I cannot give an explanation right now on behalf of the MTRCL. However, my personal view is that passengers using Octopus cards may already get certain concessions, while \$0.1 is not a large amount proportionately. That is perhaps why such decision was made then.

MR PAUL TSE (in Cantonese): *Can the Secretary ask the Octopus Company Limited or the MTRCL to provide us with an explanation on the rationale for this*

discriminatory charge? It is alright to provide the supplementary information in writing.

PRESIDENT (in Cantonese): Secretary, can you provide the supplementary information in writing after the meeting?

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): Yes, I will ask the MTRCL to provide an explanation. (Appendix II)

PRESIDENT (in Cantonese): Fourth question.

Manpower Resources Development Strategy

4. **MR WONG KWOK-KIN** (in Cantonese): *President, last year, the authorities published the Report on Manpower Projection to 2018, which projected a shortfall of 22 000 workers in 2018 at the broad education level covering upper secondary, craft, technician and sub-degree. In this connection, will the Government inform this Council:*

- (a) *how often the authorities review the manpower resources development strategy; whether they had ever published the details of the relevant reviews in the past; if they had, of the publication dates and the details involved; whether the past reviews had projected the aforesaid manpower supply shortfall; if so, of the measures formulated by the authorities to address the shortfall; if not, the reasons for that;*
- (b) *of the process adopted by the authorities for formulating the manpower development strategy; of the co-operative relationships and division of work among the Manpower Development Committee and the relevant manpower resources training agencies such as the Vocational Training Council, Employees Retraining Board and organizations which implement the Qualifications Framework, and so on; and*

- (c) *whether it will set up a high-level committee on manpower resources development strategy straddling various policy areas to co-ordinate the policy areas involved in manpower resources development strategy, such as economic development, people's livelihood and cultural industries, and so on?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, my reply to the three parts of the question raised by Mr WONG Kwok-kin is as follows:

- (a) Starting from 1989, the Administration has been conducting the Manpower Projection (MP) from time to time to assess at the macro level Hong Kong's future manpower supply and demand in the medium term, and to assess whether there is any potential imbalance between the demand and supply of manpower across different education levels. The Administration has so far published six rounds of findings of the MP in May 1990, March 1992, July 1994, November 2000, July 2003 and April 2012 respectively. The base year and projection period of each of these MP exercises are given in the Annex to this reply.

The findings of the first five rounds of MP reveal no shortfall in the overall manpower supply. However, the MP to 2018, published in April 2012, projects a slight shortfall in the overall manpower supply in Hong Kong by 2018. It is estimated that there will be a projected shortfall of about 22 000 workers at the upper secondary, craft, technician and sub-degree education level, while there will be a small manpower surplus of about 8 500 workers at the lower secondary level and below. To help relieve the projected manpower shortage at the upper secondary, craft, technician and sub-degree education level, the Administration will enhance the competitiveness and employability of those with education attainment at the lower secondary level or below mainly through training services.

The Administration is conducting a new round of MP with 2012 as the base year for projecting the manpower supply and requirement

situation up to 2022. We plan to release the projection findings by the first quarter of 2014.

- (b) The MP is undertaken by Government professional statisticians with reference to a host of relevant statistics and data, including those collected from surveys on commercial organizations. We also conduct extensive consultation with the business community, trade associations and academia on future manpower requirements in various sectors. From time to time, we report to, and seek advice from, the Manpower Development Committee on matters relating to the projection framework, progress and findings of the MP exercise. Chaired by the Secretary for Labour and Welfare, the Manpower Development Committee comprises Chairman of the Employees Retraining Board, Chairman of the Vocational Training Council, Chairman of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, representatives of the Labour and Welfare Bureau and the Education Bureau, the Government Economist, Secretary-General of the University Grants Committee as well as independent members from various sectors.

Government bureaux and departments as well as other stakeholders make reference to the findings of MP in conducting manpower studies for various sectors and making necessary planning. Depending on their needs and circumstances, bureaux and departments may set up committees or task forces to consult the sectors, such as the Steering Committee on Strategic Review on Healthcare Manpower Planning and Professional Development and the Task Force on Manpower Development of the Retail Industry. In designing its courses and planning for its services, the Vocational Training Council conducts manpower surveys for 24 industries and makes projections about their manpower requirements.

- (c) The Steering Committee on Population Policy, chaired by the Chief Secretary for Administration, is a high-level committee spanning various policy areas. Members of the Steering Committee come from different sectors of the community and the relevant bureaux and departments. The Steering Committee will study a range of population issues, including how to "improve manpower balance and

skills matching so that our workforce can, in terms of its quantity and skills level, support the economic development of Hong Kong".

Annex

Base year and projection period of MP

<i>Publication date of the findings of the MP</i>	<i>Base year</i>	<i>Projection period up to</i>
May 1990	1988	1996
March 1992	1990	2001
July 1994	1991	Update of the MP in 2001
November 2000	1999	2005
July 2003	2001	2007
April 2012	2010	2018

MR WONG KWOK-KIN (in Cantonese): *President, I notice the Secretary has said in part (a) of the main reply, "The findings of the first five rounds of MP reveal no shortfall in the overall manpower supply." However, I have also heard many employers in the community complain about manpower shortfall and they want to import foreign labour. The industries involved include the construction, elderly services, catering and retailing.*

I would like to ask the Secretary whether the Government has made a mistake in MP or the employers have exaggerated the manpower shortfall in an attempt to import foreign labour so as to suppress the wages of local workers.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): *President, Mr WONG has keen observation. The MP reports referred to in my main reply were past reports which analysed the situation according to the information available then. The MP report now in question concerns the situation to 2018 and the period is not yet over. Therefore, we have to wait till the whole cycle is completed in 2018 in order to get a more realistic picture. Looking back to the*

past rounds of MPs first conducted in 1990 to the MP conducted in 2003 which projected the situation up to 2007, we had, upon review and analysis, concluded that generally there had been no shortfall in the overall manpower supply. However, the MP report in question is up to 2018 and the period is not yet over and the human resources situation continues to change.

You can also see we project that there will be a shortfall of about 22 000 workers at the upper secondary, craft, technician and sub-degree education level, while there will be a small manpower surplus of about 8 500 workers at the lower secondary level and below. Therefore, Members have to understand that we are talking about the present situation, while the situations described in the main reply referred to those stated in the past reports.

MR IP KIN-YUEN (in Cantonese): *President, in this question, we can see that the main function of MP is to compare the demand of the overall economic development and various industries with the manpower supply, so as to identify the problems and make adjustments.*

In the whole projection, one very important point is the future manpower demand of the six industries where Hong Kong enjoyed clear advantages. According to a table in the report, among the six industries, the education and medical services industries will almost take up half of the manpower required in the future. However, what the Government is now re-examining whether it should continue to develop the two industries of education and medical services where Hong Kong enjoyed clear advantages.

I would like to ask the Secretary if this projection is already outdated at the outset? Will the authorities re-assess whether the number of jobs offered by these two industries will continue to have a significant increase? This is my supplementary question.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): I thank Mr IP for his question. In the next round of projection to be commenced soon, we will definitely follow up the issue mentioned by him. Our purpose is to up-date the various data, so as to review the trend of economic development and examine if there will be any changes in the environment with the times. Therefore, the

point mentioned by Mr IP just now will be considered in the new round of projection that has just commenced.

MR TANG KA-PIU (in Cantonese): *President, as a matter of fact, the Government has not made sufficient efforts in respect of manpower training and education co-ordination. In some cases that we have received, some education institutions claim that the self-financing post-secondary programmes that they offer are pegged to sub-degrees and encourage students enrolment, but that is not true, as those programmes offered have already obtained level 4 in the Qualification Framework.*

My supplementary question is: regarding the Education Bureau, Vocational Training Council (VTC), Employees Retraining Board (ERB) and Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ), does the Secretary admit that the bureau and agencies are not well co-ordinated and they even compete among themselves; and how will the Secretary tackle this problem?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I thank Mr TANG for this supplementary question. Each Policy Bureau and agency has its specific role to play, and we are all aware of that. For example, regarding qualification framework, the Education Bureau is the responsible bureau and the VTC is the agency that provides training and the courses or programmes offered will be awarded the relevant qualifications. Therefore, I do not see any overlapping of duties because one is responsible for implementing the policy while the other is in charge of formulating the policy framework. Nevertheless, mechanisms have been established, and the bureaux and agencies do have interchanges and communication.

Take the Manpower Development Committee that I chair as an example, we have just held a meeting to review the latest development of the qualification framework. The Committee comprises of heads of the various agencies, including Chairman of the VTC, Chairman of the ERB and Chairman of the HKCAAVQ, as well as the Secretary-General of the University Grants Committee and colleagues of the Education Bureau. We join together to

conduct a macroscopic analysis. Of course, if problems are found, we will consider how to rationalize, optimize or improve them immediately.

MR POON SIU-PING (in Cantonese): *President, the Secretary has, in his reply, suggested that there may be a slight shortfall in the overall manpower supply by 2018 and the Government is conducting a new round of MP. In its reply to Mr IP Kin-yuen's written question in November last year, the Government advised that the number of intakes for sub-degree programmes was over 30 000 in 2012-2013 and 24 000 in 2011-2012. However, problems related to the prospects of sub-degree graduates have still not been solved. On the other hand, the shipping industry and the construction industry are plagued by the lack of new entrants. May I ask the Government whether it will conduct a comprehensive review on the sub-degree system and encourage more young students to enrol in vocational training schools instead of allowing post-secondary institutions to keep on increasing the student intakes for sub-degree programmes?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): Mr POON has asked a very good question, which is the problem of job mismatch encountered by young people when they graduate. For example, apart from the construction industry which I have frequently mentioned, the aviation, aircraft maintenance and maritime industries all have many job vacancies. The residential care homes for the elderly (RCHEs) in particular have a keen demand for manpower. Owing to manpower mismatch, we are studying how to step up efforts in counselling young people, especially sub-degree students or senior secondary school graduates, for early career planning while they are still in school, so as to arouse their interest and enhance their understanding in these areas, thus enabling them to make an informed choice about their career and have a better idea of the latest development of the job market. We will engage more in this area of work.

MR FRANKIE YICK (in Cantonese): *Mr WONG Kwok-kin has also questioned the Secretary's remarks in part (a) of his main reply concerning the findings of the first five rounds of MP that there was no shortfall in the overall manpower supply and only a slight shortfall of about 22 000 technicians by 2018.*

President, I believe that basically the Government's study and research in this respect cannot keep up with the real situation. Mr POON Siu-ping has also affirmed that there is a severe manpower shortfall in various trades and industries, especially the shortfall in technical workers, ranging from aircraft maintenance mechanics to welders. In the sector that I represent, there is also a short supply of drivers of various types of vehicles. Of course, training takes time and we cannot start training workers today and produce talents tomorrow. I want to ask the Secretary whether the Government will, in the face of the prevailing manpower shortfall, consider extending the Supplementary Labour Scheme at an appropriate level to import foreign labour to alleviate the difficulties faced by various sectors?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I thank Mr YICK for his supplementary questing. We are also very concerned about the manpower shortfall faced by individual industries, and we are aware of the problems. We have been closely monitoring the development of, for example, the construction, retailing and elderly services industries. The Construction Industry Council, the Development Bureau and the Government have maintained close liaison and have been stepping up the training work in the hope of attracting more new immigrants to Hong Kong to join the industries to rejuvenate our workforce. This is the first step.

Secondly, as you all know, the Task Force on Manpower Development of the Retail Industry has been set up to study the future development of this industry. Besides, the Labour and Welfare Bureau has also set up a special working group for elderly services and it is studying how to tackle this problem. We are aware of Mr YICK's concern and we hope that we can take full advantage of the present mechanism regarding the importation of labour, the Supplementary Labour Scheme, to alleviate the manpower shortfall faced by various industries.

DR CHIANG LAI-WAN (in Cantonese): *Secretary, the training of talents needs to start at a young age. We know that very often some secondary students or those who are about to enter the university do not have a clear idea what programme to enrol in when they enter the university. Can we keep them informed of the situations of various trades and industries, so as to help them develop an interest in joining one of the industries? Will the Secretary consider*

making a chart, clearly indicating the projection of industries which will have the highest demand for labour in the next five or 10 years?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): I thank Dr CHIANG for her supplementary question. This question consists of two parts. The first part is how to equip university students for the employment market. In this respect, we agree that more preparation has to be made beforehand rather than wait till they graduate. As I have said, students should plan their career life during their upper secondary years to have an understanding of the overall development of the labour market which is very important to their choice of programme in their future studies. Moreover, more counselling on employment and information should be provided to them when they enter the employment market and this is the work we will certainly do.

Regarding the second part of the question concerning the chart on manpower demand in the next five to 10 years, I am afraid that such a chart is difficult to make because the economic environment is constantly changing. Our current projection is at a macro level but it has reference value in the sense that it purely involves analysing the groups of student at various education levels, for example, the supply and demand of university graduates in the next few years. It will at least give us an idea whether there will be a surplus or shortage of university graduates and that is our purpose. However, it will be difficult to make a projection of individual trades or industries as law graduates may not want to be lawyers, they may become businessmen; by the same token, engineering graduates may not work as engineers but engage in marketing or sales. Therefore, the projection of individual industries may not be accurate. But we agree with Dr CHIANG that we should provide as much information as possible to help students understand and grasp the situation. We will consider if we can do more in this aspect.

MR IP KWOK-HIM (in Cantonese): *President, the MP report forecasts that there will be a job mismatch in Hong Kong in the future. Some experts suggest that to resolve this problem, the Government should on the one hand enhance the skills of local workers and provide more training for the development of talents; on the other hand, it should promote the diversification of industries, by consolidating the traditional pillar industries while at the same time developing new industries with growth potentials, in order to create more jobs. I would like*

to ask the Secretary his view on these suggestions of the experts and whether the Government has any macroscopic measures to resolve or alleviate the problem of job mismatch?

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): I thank Mr IP for his supplementary question. We are aware of the challenges concerned and we have a series of measures to deal with them. As I have said in my main reply, the foremost and most important task is to enhance the working population with low skills and low level of educational attainment through training. Therefore, the Government has allocated enormous resources to the ETB. At present, the ETB has accumulated over \$2 billion of levies the Government has abolished the levy on foreign domestic helpers, and it will bear the responsibility to finance the ETB. We hope that we can continue to do so, making greater efforts to enhance our retraining work.

Moreover, should there be a shortfall of talent, we will examine how the present mechanism can attract foreign experts to work in Hong Kong. Hong Kong is an open society and if there is a short supply of manpower in certain professions, there are various schemes through which foreign talents can apply to work in Hong Kong to meet the employers' demand. Moreover, I have mentioned earlier that should employers need workers for some low-skilled jobs, they can also apply for importation of labour under the Supplementary Labour Scheme monitored by the Labour Advisory Board. We will endeavour to meet the demands in various levels but our primary goal is to increase the employment opportunities for the local population and one of the problems that need further efforts is to solve job mismatch.

MR LEUNG YIU-CHUNG (in Cantonese): *President, the Secretary has time and again mentioned that there is a job mismatch. He has also said that importing foreign labour is an easier way to tackle the current labour shortage problem. I wonder if we have examined the reasons why people are not interested in taking up the job vacancies. As far as I know, take the RCHEs as an example, very often the jobs available are poorly paid with long working hours and workers may sustain work injuries easily, hence no one is willing to take up this kind of work*

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

MR LEUNG YIU-CHUNG (in Cantonese): *I would like to ask the Secretary, is it due to the lack of government support that RCHEs do not have sufficient resources to offer better employment terms to hire sufficient staff? Simply put, RCHEs normally charge their fees according to the rates of Comprehensive Social Security Allowance (CSSA), and the low rate of CSSA is hardly sufficient to run RCHEs. Therefore, may I ask the Secretary whether the rate of CSSA will be increased so that RCHEs can have sufficient resources to offer better terms in employing their staff?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, this supplementary question has somewhat deviated from the main question but I will be willing to answer it all the same. The Member has accurately described the problems facing RCHEs. I am aware of Members' concern and the job mismatch problem that I mentioned is very complicated, concerning factors such as people's mindset, working environment and working hours and it is very difficult to say conclusively the reason contributing to the mismatch. We should suit the remedy to the case and make a greater effort to tackle the problem.

Regarding Mr LEUNG's question about RCHEs, in fact after the implementation of minimum wage, workers in RCHEs or any other organizations have basic income protection, which is the most important. Regarding the unfavourable employment terms offered by some RCHEs, we have been working hard to address the problem by encouraging the RCHEs to offer better terms to attract more local workers. Although we permit some RCHEs to employ foreign workers, we have a strict regulation mechanism. As we know, the pay offered to foreign workers cannot be too low, we definitely do not encourage cheap labour, and median market wage should be offered. For example, a private RCHE must pay over \$9,000 to employ a foreign worker, which is by no means low.

MR LEUNG YIU-CHUNG (in Cantonese): *President, the Secretary has not answered my supplementary question. My question is: given that RCHEs do not have sufficient resources to offer attractive employment terms, will the authorities allocate more resources to RCHEs, such as raising the rate of CSSA, to help*

PRESIDENT (in Cantonese): Your follow-up question is already very clear. Secretary, will there be additional support provided to RCHEs? Please reply briefly.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, if the RCHEs are subsidized by the Social Welfare Department, they will certainly adjust the pay level according to the market level. In particular, after the upward adjustment of the minimum wage level, the authorities will certainly increase the wage allowance for these RCHEs to make up for the difference and the rate of CSSA is determined according to market rate.

PRESIDENT (in Cantonese): This Council has spent over 23 minutes on this question. Fifth question.

Rezoning of Sites in 2013-2014 Land Sale Programme

5. **MR ALBERT CHAN** (in Cantonese): *President, among the sites included in the 2013-2014 Land Sale Programme (LSP) released by the Government on 28 February this year, 22 residential sites (including a site located in the southwest of Aegean Coast in Tuen Mun) are currently not zoned for residential purposes. The authorities have yet to make applications to the Town Planning Board (TPB) for rezoning such sites, or consult the District Councils (DCs) concerned in this regard. In this connection, will the Government inform this Council:*

- (a) *when the authorities will apply for rezoning the aforesaid 22 sites and consult the DCs concerned, and when the planning procedure is expected to be completed? I wish the information can be listed out in table form; and*
- (b) *given that the aforesaid 22 sites are not zoned for residential purposes and the authorities have not applied for their rezoning, of the reasons for the authorities including them in the LSP; and when the authorities will put them up for sale?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I reply to the question as follows:

- (a) The 2013-2014 LSP announced by the Government on 28 February 2013 has 46 residential sites, of which 22 are subject to statutory planning procedures of amending the relevant outline zoning plans (OZPs) for rezoning or revision of development parameters. The information on the location, size, zoning under the current OZP, gazettal date of application for rezoning/revision of development parameters and date of DC consultation, and so on, of these 22 sites are set out in Annex. Among these sites, 15 of them have completed or commenced the statutory planning procedures with the relevant DCs consulted. Regarding the remaining seven sites pending commencement of the statutory planning procedures, the relevant DCs have been consulted on the rezoning proposals for two of them. In general, the statutory planning procedures of rezoning must be conducted and completed within the time frame stipulated in the Town Planning Ordinance, and the actual time needed for each site to complete the planning procedures varies depending on circumstances.
- (b) It is the established practice of the Government to formulate and announce the LSP on an annual basis, and to include in the LSP sites that it anticipates can be made available for sale in the market during that year. Some of the individual sites in the LSP may not be immediately available pending completion of various processes (for example, termination of short-term tenancy, pending the completion of works project, pending the completion of statutory town planning procedures for amending the relevant OZPs), but are anticipated to be available within the year. This arrangement provides the market with the information about anticipated land supply and facilitates the necessary preparation by the market. As for sites subject to the statutory town planning procedures for amending the relevant OZPs, the Government will sell such sites in the market only after the completion of relevant procedures. The departments concerned will accord priority to the relevant tasks and endeavour to expedite the completion of relevant processes.

Annex

<i>Lot No.</i>	<i>Location</i>	<i>Site Area (ha) (about)</i>	<i>Zoning under the current OZP (as at 10 June 2013)</i>	<i>The gazettal date of rezoning/revision of development parameters under the Town Planning Ordinance</i>	<i>Date of DC consultation</i>	<i>Remarks</i>
TMTL 497	So Kwun Wat Road, Tuen Mun (opposite to A.D. and F.D. of Pok Oi Hospital Mrs. Cheng Yam On Millennium School)	0.3267	Residential (Group B)	23 March 2012	11 April 2012 and 8 May 2012	Statutory planning procedures completed (Approved Tuen Mun OZP gazetted on 22 March 2013)
TMTL 498	Junction of Wu On Street and Wu Hong Street, Tuen Mun	0.2231	Residential (Group A)	23 March 2012	11 April 2012 and 8 May 2012	Statutory planning procedures completed (Approved Tuen Mun OZP gazetted on 22 March 2013)
STTL 581	Whitehead, Ma On Shan, Sha Tin	3.7700	Comprehensive Development Area (2)	24 February 2012	1 March 2012	Statutory planning procedures commenced
Lot 1180 in DD 215	Hong Tsuen Road, Sai Kung Tuk, Sai Kung	0.8130	Residential (Group B) 4	24 August 2012	14 September 2012	Statutory planning procedures completed (Approved Sai Kung Town OZP gazetted on 14 June 2013)
TMTL 501	So Kwun Wat Road, Area 56, So Kwun Wat, Tuen Mun (north of A.D. and F.D. of Pok Oi Hospital Mrs. Cheng Yam On Millennium School)	0.3500	Residential (Group B)	23 March 2012	11 April 2012 and 8 May 2012	Statutory planning procedures completed (Approved Tuen Mun OZP gazetted on 22 March 2013)
KIL 11238	322 and 324 Reclamation Street/445 and 447 Shanghai Street, Mong Kok	0.0252	Residential (Group A)	31 May 2013	25 April 2013	Statutory planning procedures commenced

<i>Lot No.</i>	<i>Location</i>	<i>Site Area (ha) (about)</i>	<i>Zoning under the current OZP (as at 10 June 2013)</i>	<i>The gazettal date of rezoning/revision of development parameters under the Town Planning Ordinance</i>	<i>Date of DC consultation</i>	<i>Remarks</i>
KIL 11240	Junction of Soy Street and Shanghai Street, Mong Kok	0.0611	Residential (Group A) 4	31 May 2013	25 April 2013	Statutory planning procedures commenced
NKIL 6536	Renfrew Road, Kowloon Tong, Kowloon	0.8800	Residential (Group B)	15 February 2013	7 March 2013	Statutory planning procedures commenced
NKIL 6520	Fung Shing Street, Ngau Chi Wan, Kowloon	0.6940	Government, Institution or Community	to be gazetted in due course	6 November 2012	Statutory planning procedures not yet commenced
Lot 682 in DD Peng Chau	Kau Yuk Road, Peng Chau, former Peng Chau Chi Yan Public School (Northern Portion)	0.1709	Residential (Group C) 4	22 March 2013	22 April 2013	Statutory planning procedures commenced
RBL 1198	Junction of Shouson Hill Road West and Wong Chuk Hang Path, Hong Kong	1.0930	Residential (Group C) 3	22 March 2013	15 April 2013	Statutory planning procedures commenced
Lot 1681 in DD 243	Junction of Pik Sha Road and Clear Water Bay Road, Sai Kung	0.1280	Residential (Group C) 10	10 May 2013	7 May 2013	Statutory planning procedures commenced
Lot 1181 in DD 215	Hong Kin Road, Tui Min Hoi, Sai Kung	0.3390	Residential (Group B) 5	24 August 2012	14 September 2012	Statutory planning procedures completed (Approved Sai Kung Town OZP gazetted on 14 June 2013)
NKIL 6534	Junction of Fuk Wa Street and Fuk Wing Street, Cheung Sha Wan, Kowloon	0.2250	Residential (Group A) 10	19 April 2013	15 January 2013 and 7 May 2013	Statutory planning procedures commenced
TMTL 494	Off Kwun Fat Street, So Kwun Wat, Tuen Mun	5.8900	Residential (Group C) 1	to be gazetted in due course	DC to be consulted in due course	Statutory planning procedures not yet commenced

<i>Lot No.</i>	<i>Location</i>	<i>Site Area (ha) (about)</i>	<i>Zoning under the current OZP (as at 10 June 2013)</i>	<i>The gazettal date of rezoning/revision of development parameters under the Town Planning Ordinance</i>	<i>Date of DC consultation</i>	<i>Remarks</i>
TMTL 505	So Kwun Wat Road, Area 56, So Kwun Wat, Tuen Mun (north of A.D. and F.D. of Pok Oi Hospital Mrs. Cheng Yam On Millennium School)	2.2520	Mostly Open Space	to be gazetted in due course	DC to be consulted in due course	Statutory planning procedures not yet commenced
TMTL 506	Junction of So Kwun Wat Road and Castle Peak Road-So Kwun Wat, Area 55, So Kwun Wat, Tuen Mun	0.8833	Government, Institution or Community	to be gazetted in due course	DC to be consulted in due course	Statutory planning procedures not yet commenced
TPTL 213	Fo Chun Road, Pak Shek Kok, Tai Po	1.9000	Residential (Group B) 5	18 January 2013	9 January 2013	Statutory planning procedures commenced
TPTL 214	Fo Yin Road, Pak Shek Kok, Tai Po	1.9000	Residential (Group B) 5	18 January 2013	9 January 2013	Statutory planning procedures commenced
YTIL 42	Lei Yue Mun Path, Lei Yue Mun, Kowloon	0.3315	Mostly Government, Institution or Community	to be gazetted in due course	8 January 2013	Statutory planning procedures not yet commenced
STTL 593	Junction of On Ming Street and On Muk Street, Shek Mun, Sha Tin	1.0100	Open Space	to be gazetted in due course	DC to be consulted in due course	Statutory planning procedures not yet commenced
STTL 594	On Muk Street, near river channel, Shek Mun, Sha Tin	0.8400	Open Space	to be gazetted in due course	DC to be consulted in due course	Statutory planning procedures not yet commenced

MR ALBERT CHAN (in Cantonese): *President, the Secretary's main reply gives people an impression that he has inflated the number to deceive the public.*

Right now, among these 22 sites, only five of them have completed the planning procedures, providing a total area of just 2 hectares. Based on a plot ratio of five, only some 2 000 units can be built at most.

The mention of 22 sites will first give people the impression that the overall housing supply will increase substantially. However, the truth is that most of the sites have not yet completed the planning procedures. The situation is just like a bakery owner boasting his bakery when all he has got is flour but not bread. Will the Secretary consider changing the current practice by including sites in the LSP only when all the relevant planning procedures have been completed? As for those sites which are undergoing or pending planning procedures, they must be removed from the LSP to avoid giving people an impression that the Government is lying to the voters by inflating the number.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, we have no intention to change the established practice. As stated just now, for sites pending the completion of planning procedures but anticipated to be available for sale during the year, we will include them in the LSP in advance. This is to provide information to the market so that the interested parties can know in advance and make preparation. We carry out different procedures concurrently to save time. If we only take one step at a time and carry out one procedure after the completion of another, the increase in land supply will slow down.

MR ALBERT CHAN (in Cantonese): *inflate the number to deceive the public.*

PRESIDENT (in Cantonese): The Secretary has answered your question.

MR CHAN CHI-CHUEN (in Cantonese): *President, the Government has jumped the queue to include these sites in the LSP before they are rezoned for residential use. It is indeed a pre-emptive measure to force residents and the DCs to accept the rezoning. Is it true that we must accept the rezoning? Here is my supplementary question. Just now, the Secretary has said that this practice is to provide information to the market. Yet, to me, this practice is to provide false information to the market, exaggerate the number and create a false*

impression on land supply in an attempt to affect market operation. Secretary, do you agree?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, Mr CHAN Chi-chuen has some misunderstandings. The situation that he described does not exist because there is a practical need for the market to know in advance which government sites will be put up for auction. It is to facilitate the interested parties to study and plan for the sites so that they can decide whether or not to submit their bids.

In my view, our current practice can clearly inform the market of the government sites to be available and let the public know about the future land supply. Meanwhile, it allows us to carry out different procedures at the same time.

MR MICHAEL TIEN (in Cantonese): *President, I would like to ask the Secretary a question about the site located in the southwest of Aegean Coast. I have checked the records of the Tuen Mun DC and found that, on 19 September 2008, the Planning Department (PlanD) proposed to use this site as open space.*

For what I know, this proposal was passed by the Tuen Mun DC. In fact, the Government had once planned to use this site for the construction of the Tuen Mun to Tsuen Wan railway or the expansion of the Light Rail, but it later said that this site was no longer needed for such purpose. Therefore, the PlanD proposed to rezone the site as open space. Yet, the Government now declares that the site will be used for housing development. May I ask why the PlanD and the Secretary have different views? Does it imply that the decision of the PlanD can be overruled anytime? May I ask the Secretary to make a clarification?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, regarding the government site in front of Aegean Coast in Tuen Mun, it was handed to the lot owner for formation, greening and maintenance according to the land lease of Tuen Mun Town Lot No. 374 until the Government took possession of the site under the relevant land lease conditions.

This site belongs to the Government, and we have already taken possession of it under the said lease conditions. Part of the land will be used for widening Castle Peak Road (So Kwun Wat section). As for the remaining part, since the Government is obliged to optimize land use, we have reviewed afresh the land use. After the review, we hold that the site is suitable for residential housing development, therefore, we will consider rezoning it for residential use through the town planning procedures.

MR MICHAEL TIEN (in Cantonese): *I would like to clarify my supplementary question.*

PRESIDENT (in Cantonese): Do you think your supplementary question has not been answered?

MR MICHAEL TIEN (in Cantonese): *He has not answered my question. I asked him while the PlanD had previously proposed is the current practice a normal procedure?*

PRESIDENT (in Cantonese): I think the Secretary has clearly stated how the planning issues are dealt with. If you disagree, please follow up on other occasions.

DR KWOK KA-KI (in Cantonese): *President, the current-term Government has said that it will build 68 000 residential units in three to four years. As a matter of fact, the Government has lots of rural land and idle land, but it does not make use of them. Instead, it includes 46 sites in the LSP. Moreover, to date, only a limited number of housing units have been completed. As property prices have kept surging recently, home purchase is now very difficult. Can the Secretary clearly inform this Council of the number of residential units to be built on these 46 sites in the coming year? When will they be completed for occupation?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, if all the 46 sites in the LSP can be sold as scheduled, a total of 13 600 units can be built.

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

DR KWOK KA-KI (in Cantonese): *What does the Secretary mean by saying "as scheduled"? Does he mean in the next year; or in the next two or three years? What is the time frame? How many sites are available? How many residential units will be provided?*

PRESIDENT (in Cantonese): Secretary, can you please provide information on the time frame?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, some of the sites were already sold in the first quarter. Our current practice is that we will announce in this quarter the sites to be sold in the next quarter. Taking into account the sites sold in the first quarter of this year, that is, between April and June 2013, as well as the West Rail Long Ping Station project which has been tendered out, we project that the total housing production on these sites can reach 3 300 units. In around late June, we will announce the sites to be sold in the next quarter, and they can be used to build a considerable number of units. Our land sale is on a quarterly basis, and according to our present plan, we will strive to build more than 13 000 units this year.

MR ALBERT CHAN (in Cantonese): *President, my question is still about the planning procedures. The LSP has fully reflected the hypocrisy of the Hong Kong communist rule under LEUNG Chun-ying and their lies. They deceive the people*

PRESIDENT (in Cantonese): Mr CHAN, please stop making comments.

MR ALBERT CHAN (in Cantonese): *In respect of planning, many sites in the LSP are not zoned for residential use. If town planning procedures have to be carried out, the TPB will have to consult the public. It has to go through all statutory procedures before making its decision on rezoning. However, the*

Government has now designated these sites as residential sites before formally amending their statutory plans. This pre-emptive measure ignores the transparency and openness

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

MR ALBERT CHAN (in Cantonese): *..... of the statutory consultation procedure. Given that the Government has included these sites in the LSP before amending their statutory plans, has it ignored the neutrality of the statutory procedures and disrespected those who oppose the rezoning? People have the right to raise their objection, but the Government has now considered all opposing views a load of crap.*

PRESIDENT (in Cantonese): Mr CHAN, please sit down after you have raised your supplementary question.

MR ALBERT CHAN (in Cantonese): *As Hong Kong people have the right to oppose the rezoning, is the current practice of the Government a disrespect to them?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, as pointed out in my main reply, the sites in question will only be put to auction after they have completed their planning or rezoning procedures. I have also explained why we included these sites in the LSP before the completion of the relevant procedures. Right now, we are taking a multi-pronged approach to increase land supply in the short and medium term. It is our established practice to include a site in the LSP when we consider it suitable to be rezoned as residential site and expect the rezoning procedure to be completed in a year.

According to our current procedures, if a community or institution site is to be rezoned for residential use, the PlanD will draw up a proposed amended OZP after consulting relevant departments. It will then consult the relevant DCs and local residents. The TPB, being an independent statutory body, will deal with the rezoning issues fairly. It is required to follow specific procedures, such as

allowing two months for public consultation after the release of the proposed amended OZP. Under the town planning procedures, the TPB will, within a specified time frame, announce the public views collected so as to invite people in the community to give further views. It will then consider the collected views altogether.

President, there were indeed cases in which the proposed rezoning for residential use was turned down. Therefore, we hope Members can understand that the TPB is an independent statutory body which mainly comprises non-official members. These members are independent individuals highly respected by society. The TPB will make its decisions after considering views from different sectors as required by the procedures.

MR ALBERT CHAN (in Cantonese): *He has not answered my supplementary question. I asked him whether he showed no respect to people opposing the rezoning as he had already put up for auction the relevant site for residential development. The people have the right to raise their objection. Is this practice of the Government a complete disrespect to people holding opposing views? President, he has not answered this question at all.*

PRESIDENT (in Cantonese): Mr CHAN, Secretary for Development has already answered this question.

MR PAUL TSE (in Cantonese): *President, given the public's concern about the shortage of land supply, it is understandable for the Government to expedite the approval procedures. However, since the current-term Government has taken office, it gives people an impression that, in response to the pressure of populism, it very often implements measures seeking instant success without giving careful and in-depth consideration; the case mentioned in the main question is a case in point. In the past, the Government would not adopt such practice, but that is the approach adopted by the Government now. Has the Government carefully considered the possible consequence? If these rezoning proposals are later turned down during the town planning procedures, it will deal a blow to the credibility of the Government. In my view, the focus of the issue is whether the*

Government has anticipated and fully considered the said consequence and hence made an appropriate arrangement.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I must reiterate that the current practice is not an invention of the current-term Government. It is an established practice which has long been effective. It intends to expedite land supply in the market.

On the other hand, many members of the community have now accepted that more sites are needed for housing development, public or private alike. However, in making relevant planning, we have come across the situation as mentioned by Mr Paul TSE, that is, at district level, while people agree that more residential buildings should be built, they do not want the new buildings to be in the vicinity or in front of their residences. I think the whole society should ponder on this populism response.

MR MICHAEL TIEN (in Cantonese): *President, there is a point that I still do not understand. According to the Secretary, the sites in question, though having been included in the LSP, are pending the rezoning approval of the TPB. If the TPB does not give its approval, these sites will be removed from the LSP. In this case, what is the purpose of including them in the LSP at present? I am a bit confused on this point. Has everything been finalized before including a site in the LSP? If not, why should it be included in the LSP? I do not understand and wish to clarify this point.*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, we have included these sites in the LSP because we are confident that their rezoning proposals will very likely be approved. In case some of the proposals are not approved, we have no choice but to accept the decision of the community. No matter what, we are using every means to increase the short-term land supply. As stated in the Policy Address, we are reviewing Green Belt areas and some idle and deserted areas. What I can tell is that, according to our preliminary assessment, there is a high chance for more sites to be included in the LSP this year.

DR CHIANG LAI-WAN (in Cantonese): *President, I would like to ask the Secretary, before submitting the rezoning proposals to the TPB, will they be first submitted to the DCs? If these proposals are turned down by the DCs, will they be submitted to the TPB?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, as stated just now, in the process of rezoning, we must draw up a proposed amended OZP and consult the relevant DCs and local residents. In case the DCs or local residents object to the rezoning proposal, the TPB will make an independent decision on whether to go on with the rezoning. I think the TPB will consider the specific justifications for the objection.

DR KENNETH CHAN (in Cantonese): *President, I am a staff member of the Hong Kong Baptist University (HKBU); and, of course, I have to mention the site next to the HKBU at Renfrew Road, Kowloon Tong. I would like to ask the Secretary: What is populism? Is it populism when the President and Vice-Chancellor, students and alumni of a university fight for a school site?*

PRESIDENT (in Cantonese): The question raised by Dr CHAN is not about the sites in the main question. However, as the Secretary has, in his earlier reply, touched on populism, a concept mentioned by Dr CHAN, he may answer the supplementary question of Dr CHAN.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, regarding the rezoning of the site of the former campus of The Hong Kong Institute of Vocational Education (Lee Wai Lee), it is undergoing the town planning procedures. Therefore, I am not going to comment on it at this stage. As for the reasons for rezoning this site, I had given a clear explanation when I answered the oral questions of Members in the past. I have nothing to add.

MR CHAN CHI-CHUEN (in Cantonese): *President, the Secretary has just mentioned populism in his earlier reply. I would like to ask the Secretary to clarify one point. Just now, he has said that people wish that the Government*

would build more residential flats, but not in their backyard. Secretary, do you consider it is a sign of populism?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I think, for any cases, we must look into the particular sites and their specific problems. If there are people objecting to the rezoning of a site for residential use, we must know the justifications for their objection.

MR CHAN CHI-CHUEN (in Cantonese): *President, he has not answered my supplementary question. What was he referring to when he talked about populism just now?*

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

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I do not have anything to add. I think I have already made it clear.

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

Measures to Alleviate Shortage of Doctors in Public Hospitals

6. **MR CHUNG KWOK-PAN** (in Cantonese): *President, in order to alleviate the shortage of doctors, the Hospital Authority (HA) has in recent years employed non-local doctors who were granted limited registration by the Medical Council of Hong Kong (MCHK) to work in public hospitals. In this connection, will the Government inform this Council:*

- (a) *whether it knows the number of local medical graduates and the number of newly recruited specialists in public hospitals in each of the past three years; the current number of vacancies of specialists; the specialties with the most acute shortage of manpower at present;*

and the average waiting time for out-patient services in each specialty last year;

- (b) whether it knows the number of job applications received by the HA from non-local doctors in each of the past three years, the number of those among them who were granted limited registration by MCHK, and the specialties in which they mainly worked; the number of additional non-local doctors needs to be employed in future as estimated by the HA, and if the HA will increase the number of recruits particularly for those specialties with the most acute shortage of manpower; given that at present, the contract period for non-local doctors is one year only, whether the HA will consider extending the contract period in order to attract more non-local doctors to apply for work in Hong Kong; and*
- (c) whether it will consider urging MCHK to relax the vetting and approval criteria for limited registration of non-local doctors, extend the validity period of limited registration, improve the licensing examination system for non-local medical graduates and simplify the registration procedures for specialists, with a view to alleviating the shortage of doctors and enhancing the quality of medical services?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, with factors like an ageing population, advances in medical technology, and an increasing demand for healthcare services in the community, the manpower requirement for healthcare personnel grows commensurately. In the past few years, the HA has implemented a series of measures to address manpower issues. In 2013-2014, the HA expects to recruit about 300 additional doctors to meet the service demand. To increase doctor manpower in the short term, the HA enhanced the remuneration package and allowed greater flexibility for employment of part-time doctors in early 2012. Without affecting the promotion of other young doctors, the HA has made proactive efforts to retain some of the doctors who have retired or left the HA. In 2011, there were about 60 retired or departed doctors continuing to serve in public hospitals on a part-time basis. As at March 2013, there were approximately 290 part-time doctors working in the HA, in which about 190 are retired or departed doctors, providing support equivalent to 110 full-time doctors. In addition, in recent

years, the HA has created additional promotion posts, strengthened professional training and relieved the workload of its front-line healthcare workers by re-engineering the work processes and streamlining work procedures with a view to boosting staff morale and improving staff retention. Such measures have reaped positive results and the turnover rate of full-time doctors dropped from about 5% in 2010-2011 to 4.4% in 2012-2013. Besides, the Government has taken steps to tackle the healthcare manpower shortage problem at source by a number of measures, including the allocation of an additional \$200 million for the triennial cycle starting from 2012 to increase the number of first-year first-degree places in medicine by 100 to 420 per year. The HA expects to see an increase in the total number of doctors when 320 and 420 medical graduates complete their internship in 2015-2016 and 2018-2019 respectively.

In tandem with the said measures, the HA started the recruitment of non-local doctors to practise with limited registration in 2012 as one of the additional and immediate measures to address the manpower problem.

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

- (a) The numbers of local medical graduates and Resident Trainees recruited by the HA in each of the past three years are set out in Annex 1. The manpower shortfall of the HA doctors in 2012-2013 was around 250. The specialties with the most acute shortage of manpower included Anaesthesia, Accident and Emergency (A&E), Family Medicine, Intensive Care Unit, Medicine, Paediatrics and Psychiatry. The 2013-2014 central recruitment exercise for Resident Trainees is underway. According to the HA's preliminary estimate, there will be a shortfall of around 290 doctors after this year's central recruitment exercise.

The waiting time for the first appointment of new cases in major specialties of the HA in the past three years is set out in Annex 2. The HA will regularly assess the manpower situation of each specialty and flexibly deploy healthcare staff to meet the service demand and operational needs.

- (b) The HA received 160 and 72 job applications from non-local doctors in 2011-2012 and 2012-2013 respectively. Applicants must have

passed a specialist training examination which is comparable to the Intermediate Examinations of the constituent Colleges of the Hong Kong Academy of Medicine, possess three years or above clinical working experience, and be able to speak fluent Cantonese (except for the specialty of Anaesthesia). After vetting by the Task Force on Limited Registration Scheme and consideration by the selection panels, the HA submitted 17 applications to the MCHK, of which 16 applicants obtained the MCHK's approval for practice under limited registration and were employed by the HA to serve in the specialties of Anaesthesia, A&E, Family Medicine, Medicine and Psychiatry. The HA will continue to work on the recruitment of non-local doctors for practice under limited registration. As the MCHK's approval for practice under limited registration is valid for a maximum of one year, this validity period serves as a reference in devising the contract period for most non-local doctors serving in the HA under limited registration.

The recruitment of non-local doctors to practise with limited registration is one of the additional and immediate measures of the HA to address the manpower problem and to provide immediate replenishment for those specialties with the most acute shortage of manpower. Besides, the HA will continue to implement the abovementioned measures to recruit and retain local staff so as to ensure an adequate supply of healthcare manpower to meet the service demand.

- (c) The MCHK is established under the Medical Registration Ordinance (Cap. 161) and empowered to handle regulatory matters relating to medical practitioners in Hong Kong including registration and disciplinary proceedings. Persons who wish to apply for limited registration and specialist registration must satisfy the requirements set out in section 14A and section 20K of the Ordinance respectively. The MCHK will approve the applications in accordance with the requirements in the Ordinance. The Licensing Examination of the MCHK aims to ensure that those who wish to register as medical practitioners in Hong Kong after receiving medical training outside Hong Kong have attained a professional standard comparable to that of local medical graduates. This is to

safeguard the quality of our medical services and hence public health. Papers of the Licensing Examination are set by the two faculties of medicine with reference to the papers of local medical examinations at a comparable level of difficulty.

Like other statutory regulatory bodies for healthcare professions, the MCHK is operating on the principle of professional autonomy. The Government respects its decisions on registration that are made according to the Medical Registration Ordinance, the appropriate arrangements for medical practitioners registration that are formulated within the purview of its professional autonomy, as well as its arrangements in respect of licensing examination.

In the face of challenges posed by an ageing population and increasing demand for healthcare services, the Government has set up a high-level steering committee to conduct a strategic review on healthcare manpower planning and professional development in Hong Kong. The review covers healthcare professionals from 13 professions which are subject to statutory regulation. The steering committee will assess manpower needs in the various healthcare professions and put forward recommendations on how to cope with anticipated demand for healthcare manpower, strengthen professional training and facilitate professional development having regard to the findings of the strategic review, with a view to ensuring the healthy and sustainable development of Hong Kong's healthcare system.

Annex 1

Number of local medical graduates in the past three years

<i>Year</i>	<i>Number of local medical graduates⁽¹⁾</i>
2010	266
2011	248
2012	263

Number of Resident Trainees recruited by the HA in the past three years

<i>Year</i>	<i>Number of Resident Trainees recruited by the HA⁽²⁾</i>
2010	301
2011	283
2012	275

Notes:

- (1) Source of information: Education Bureau/University Grants Committee
- (2) Source of information: HA. The HA recruits Resident Trainees around July every year. New recruits include local medical graduates, non-local doctors passing the Licensing Examination of the MCHK and private practitioners.

Annex 2

Waiting Time for New Case Booking
of Major Specialties under the HA (Weeks)

	<i>2010-2011</i>		<i>2011-2012</i>		<i>2012-2013^(Note)</i>	
	<i>Median Waiting Time</i>	<i>90th Percentile Waiting Time</i>	<i>Median Waiting Time</i>	<i>90th Percentile Waiting Time</i>	<i>Median Waiting Time</i>	<i>90th Percentile Waiting Time</i>
Ear, Nose and Throat	5	50	7	52	8	37
Gynaecology	11	49	11	53	11	56
Medicine	10	48	13	53	15	63
Ophthalmology	4	50	4	48	4	60
Orthopaedics and Traumatology	13	70	15	94	16	100
Paediatrics and Adolescent Medicine	6	23	6	26	7	24
Psychiatry	4	37	6	44	7	58
Surgery	12	96	13	98	15	97

Note:

Provisional figures

MR CHUNG KWOK-PAN (in Cantonese): *President, I learn from the main reply that there is severe manpower shortage in specialties, and the waiting time for new case booking is very long. As we know, the ageing population in the future will add to the pressure on healthcare personnel. We believe that importation of foreign healthcare talents is the most effective and expeditious way to offer the best help to Hong Kong people.*

Therefore, I would like to ask the Secretary whether restrictions will be first relaxed for talents from international renowned medical schools to practise in Hong Kong, so as to avoid merely protecting the interests of a group of people in the medical sector rather than protecting the medical interests of the general public in Hong Kong.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): *President, as I have pointed out earlier, the MCHK is empowered by the Ordinance to ensure the professional standard of medical practitioners in Hong Kong. At present, the design of the Licensing Examination is set at a level comparable to that of the graduation examinations of the two local faculties of medicine. I believe this falls under the MCHK's scope of enforcement with its statutory power.*

However, there is the question as to whether the procedures of examinations can be improved to offer greater convenience. In particular, I have heard a lot of views about whether we can facilitate Hong Kong students who have received medical training abroad (that means outside Hong Kong) to return to Hong Kong to provide service, and whether we can make the procedures and frequency of examinations more convenient for them to attain the qualifications for practising in Hong Kong through official and legal channels and then come back to serve in Hong Kong. We will conduct a study on this matter.

MR VINCENT FANG (in Cantonese): *President, the public healthcare system has a strong demand for specialists. Just now the Secretary indicated in part (b) of the main reply that in 2011-2012, 160 applications were received, whereas in 2012-2013, 72 applications were received, but only 16 or 17 applications had passed.*

I would like to ask the Secretary, as indicated by those documents, non-local doctors must pass an examination which is comparable to the relevant

Intermediate Examinations in Hong Kong, and they must be able to speak fluent Cantonese. Are these the barriers which have currently obstructed them from passing the examination? Are these the reasons?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I do not have any information at hand which explains why these doctors have failed the examination. Nevertheless, I would like to clarify one point, Mr Vincent FANG's supplementary question is about limited registration. The mechanism of limited registration allows the MCHK to accept applications for non-local doctors who basically have not yet passed the Licensing Examination in Hong Kong to register in Hong Kong under limited conditions. Therefore this mechanism is not related to examinations.

As for the reason why, among the several dozen and 100-odd applications, only so few of them were qualified after vetting, I guess I need to elaborate a little. I have mentioned earlier in the main reply the specialties with the most acute shortage of manpower. So, when the HA recruits non-local medical graduates with limited registration, priority will certainly be given to the local specialties in which the manpower shortage is more acute. As a result, firstly, not every non-local medical graduate who make the application may fall under these specialties, and our recruitment must serve our needs. Secondly, of course we will impose a minimum requirement on doctors who make the job applications because doctors who are fresh graduates need further training. Hence, I think the HA has, after consideration, considered that requiring the applicants to possess clinical working experience of three years or above, appropriate. When these applicants are recruited, they have at least three years' experience and possess qualifications comparable to the Intermediate Examinations of the Hong Kong Academy of Medicine — actually they are not required to fully meet the requirements of the Hong Kong Academy of Medicine for registered specialists. It is simply a requirement of qualifications comparable to the Intermediate Examinations. Hence, the requirement for qualifications comparable to the Intermediate Examinations plus three years' clinical working experience can ensure that they will be able to help with the work right after they take up the posts. So, after this procedure, we would know how many people are suitable, and only then would we submit these suitable candidates to the MCHK for approval.

DR LEUNG KA-LAU (in Cantonese): *President, fellows in the business sector are eager to import foreign labour, but importation of foreign labour must comply with certain principles. Employers who make such applications have to prove that the relevant profession suffers from an overall shortage of manpower, and they also have to try to conduct open recruitment in the local market first.*

Let us take a look at the situation of doctors. At present, there are some 12 000 doctors in Hong Kong, among them, 6 000 are specialists, and half of them, employed by the HA, provide nearly 90% of in-patient service. The other half are private practitioners, providing only 10% of in-patient service. Obviously, there is plenty of surplus manpower in the private sector. Furthermore, on the HA's website, I did not see any recruitment advertisement for the vacancies mentioned by the Secretary. I only read from the HA's website that it wished to recruit four consultants, three residents, that means seven posts in total

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

DR LEUNG KA-LAU (in Cantonese): *In general, big organizations will have a lot of part-time staff or outsourced services to cope with seasonal changes in manpower requirement, and the Government also has 10%. May I ask the Secretary, how many percent of the HA's doctors are part-time or outsourced staff? Will consideration be given to engaging part-time doctors through open recruitment, so as to meet the demand?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as shown by the figures which I have provided earlier in the first paragraph of the main reply, at present, there are about 290 part-time doctors in the HA, providing support equivalent to about 110 full-time doctors. For the calculation of the percentage, there are a total of some 5 000 doctors in the HA.

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

DR LEUNG KA-LAU (in Cantonese): *My supplementary question is, will the Administration engage part-time doctors through open recruitment? As there is currently no advertisement for part-time doctors, even if my colleagues want to take up the job, they cannot find any recruitment advertisement.*

PRESIDENT (in Cantonese): Secretary, will open recruitment be conducted?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I believe that the HA will conduct recruitment exercises where necessary at different times.

MR CHAN KIN-POR (in Cantonese): *President, the Secretary has stated in the main reply that the MCHK operates on the principle of professional autonomy in handling matters relating to the registration and disciplinary proceedings of local medical practitioners. This approach of operation is often criticized as "regulation by own peers". Actually what measures have been put in place by the Government to ensure that the MCHK's decision will accord priority to the interests of all Hong Kong people instead of protecting only the interests of the medical sector?*

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, as we know, the MCHK's functions are highly important, and it is most important to safeguard Hong Kong people's health. Their job is to ensure that medical practitioners in Hong Kong have reached a certain standard. Of course, the MCHK has another duty, which is to conduct disciplinary hearings on doctors who have been complained for non-compliance with the MCHK's Code of Practice for Doctors. In this regard, if need be, we could provide Members with a lot of information to let Members know about the situation. As a matter of fact, I have provided similar figures in another question earlier concerning disciplinary hearings conducted by the MCHK. A considerable number of doctors were held by the MCHK as having committed professional misconduct and were thus subject to various kinds of penalties.

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

MR CHAN KIN-POR (in Cantonese): *President, the Secretary has only pointed out the MCHK's work, but he did not mention how to monitor its work.*

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

SECRETARY FOR FOOD AND HEALTH (in Cantonese): Perhaps let me put it this way. Apart from doctors, the MCHK's membership includes lay members as well as government representatives, such as representatives of the Department of Health and the HA. It should be able to ensure that the main function of the Council is to safeguard Hong Kong people's health rather than protecting doctors' interests.

MR MARTIN LIAO (in Cantonese): *President, the waiting time for the first appointment of new cases at specialist out-patient clinics has become longer year after year. As we know, of course it will be better if patients can get treatment earlier. I have noted that there will be a shortfall of 290 doctors this year. I have also read from the main reply of the Policy Bureau that the HA received 160 and 72 job applications from non-local doctors in 2011-2012 and 2012-2013 respectively, but it had only selected 17 applications for the MCHK's approval.*

May I ask, on what criteria did the HA vet these job applications from non-local doctors, and why was the figure so low?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, perhaps let me explain again. As pointed out by Mr LIAO, these are indeed the respective numbers of job applications received from non-local medical graduates in those two years, but as I have pointed out once or twice earlier, the shortfall of doctors varies in each specialty in the HA, and I have also pointed out in the main reply earlier in which specialties the shortfall is especially serious. Therefore, in recruiting non-local medical graduates, the HA certainly needs to focus on those specialties in which the shortfall is especially serious.

Of course, I do not have any detailed record or information at hand which provides the specialty background of those 170 or dozens of doctors who made the job applications, but the principle is that the people employed by us must meet our requirements. As the first checkpoint, they have to fit into our specialties with manpower shortage. Secondly, when they are recruited, they must meet a certain level of experience and qualifications in specialties. Thus the HA has set the possession of qualifications comparable to the Intermediate Examinations of the Hong Kong Academy of Medicine and about three years' clinical experience as the criteria. I believe this is appropriate because we hope the doctors recruited can readily fit into our specialties in which the shortfall is especially serious, and they already have considerable clinical experience and specialist qualifications.

DR CHIANG LAI-WAN (in Cantonese): *President, I would like to ask the Secretary if there is currently any list or standard of the World Health Organization which sets out the overall doctor to population ratio, or the doctor to population ratio in each specialty.*

My supplementary question is, in terms of the world standard, is the present doctor to population ratio in Hong Kong normal, low or high?

SECRETARY FOR FOOD AND HEALTH (in Cantonese): First of all, I would like to point out that every country in the world has its own doctor to population ratio. Is there any consensus in the world about what ratio can meet people's needs? At the moment I do not know of such a consensus. Why? It is because the healthcare system in each place is different. In particular, we need to see what financial mechanism is adopted by the place to meet the demand for healthcare services, and it is different in each place. For this reason, I do not believe there is an ideal or absolutely suitable standard. Nevertheless, I think Dr CHIANG is correct. Compared with certain countries, the doctor to population ratio in Hong Kong is relatively low.

As I have pointed out earlier, to solve this problem, it is necessary to start at the source, which means to enhance the training of local doctors. Thus, in the past few years — I will not go into the details again — we have increased the number of first-year places for medical students in the two local faculties of medicine in phases. To date, the number of medical students who graduate this

year will be 200-odd, which is less than 300. A few years later, in 2017 and 2018, the number should increase to about 420 a year.

PRESIDENT (in Cantonese): This Council has spent more than 23 minutes on this question. Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS

Redevelopment of Nga Tsin Wai Village

7. **MISS CHAN YUEN-HAN** (in Chinese): *President, Nga Tsin Wai Village (NTW Village), having a history of more than 600 years, is the only walled village remaining in the urban area of Hong Kong. The redevelopment project of NTW Village was one of the 25 urban renewal projects announced by the former Land Development Corporation in 1998, but it has not yet been completed so far, and the authorities have not announced its latest development proposal. Some members of the public have relayed to me that NTW Village has high historic and cultural values, and is an important element in the conservation aspect of the Kai Tak New Development Area. As a result, various sectors of the community are concerned about the redevelopment of the Village and remain vigilant on whether the new plan can retain the history and cultures of the Village. In this connection, will the Government inform this Council:*

- (a) *of the latest progress of the redevelopment project of NTW Village; the number of households and shop operators involved in the private land interests yet to be resumed by the authorities so far, the difficulties encountered in the process of resuming private land interests and whether such difficulties are related to the developer that owns the majority of property interests in the Village; the details and timetable of the latest rehousing and compensation proposals offered by the authorities to the affected parties;*
- (b) *given that the buildings in NTW Village have a long history, together with a news report that the archaeological works conducted by the authorities in the Village recently have damaged the beams of the village houses and, as a result, affected their structural safety, whether the authorities have assessed if the main structures of the*

various buildings in the Village comply with the current statutory requirements on building safety at present; if they have, of the number and percentage of buildings which fail to meet the requirements; whether the authorities have formulated proposals to ensure the structural safety of the buildings in the Village so as to safeguard the safety of villagers living in deplorable conditions; if they have, of the details; and

- (c) *given that the authorities are conducting archaeological works in NTW Village at present, whether they will conduct afresh grading assessments on the cultural relics and buildings in the entire walled village in the light of the historic significance of the cultural relics found there; whether the authorities have plans to reconsider the use of lands in the Village in collaboration with the developer mentioned in part (a), including considering an exchange of lands owned by the developer in the Village with those in other districts, in order to retain the original appearance of the entire walled village; if they have, of the details; if not, the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, the NTW Village redevelopment project was one of the 25 projects announced but which had yet to be commenced by the former Land Development Corporation in 1998. The project was commenced in October 2007.

When the Urban Renewal Authority (URA) took over the project, two thirds of the village houses had already been demolished by the private owners. The remaining structures were very dilapidated and due to the lack of proper sanitation facilities and the proliferation of illegal structures, the living conditions of the villagers were poor. Unauthorized occupation of Government land was also rampant.

In December 1994, when the Antiquities Advisory Board (AAB) discussed this project, it raised no objection to the redevelopment of NTW Village. AAB subsequently re-confirmed its decision in 1999 and 2000. In November 2005, the Wong Tai Sin District Council (WTSDC) requested the URA to expedite the redevelopment of NTW Village and also to appropriately preserve the three conservation elements, namely the gatehouse, the embedded stone tablet "Hing Yau Yu" (慶有餘) and the Tin Hau Temple. AAB agreed to the arrangements.

In response to the community's aspiration for conservation, the URA engaged a conservation consultant team led by Mr Laurence LOH, a UNESCO conservation expert, to develop a conservation strategy in early 2006. A "Conservation by Design" plan to balance the old and the new was recommended by the team. In addition to preserving the above three conservation elements, the Central Axis, the lane pattern as well as eight village houses along the Central Axis with intact historical architectural elements, will be conserved.

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

- (a) In October 2009, the URA submitted an application to the Secretary for Development, requesting the Secretary for Development to recommend to the Chief Executive in Council the resumption of land for implementation of the redevelopment project under the Urban Renewal Authority Ordinance. After the Chief Executive in Council had decided on the proposed land resumption, the Lands Department (LandsD) gazetted the resumption of land and property interests concerned at NTW Village in accordance with the Lands Resumption Ordinance. The affected private land and property interests reverted to the Government on 15 October 2011. The URA, acting as the agent of the Government, is now assisting the LandsD to obtain vacant possession of the land and properties concerned through legal proceedings.

Before the land reverted to the Government, the URA had already acquired most of the private property interests. Only seven property interests had yet to be acquired. At present, compensation for the owners of the seven property interests is being dealt with in line with the prevailing procedures. What the URA will still have to handle is the clearance of the 22 occupiers still staying at the village (comprising 13 domestic occupiers, seven non-domestic occupiers and two mixed use occupiers).

Among these 22 occupiers, 20 are not legal tenants who held tenancy agreements with the ex-owners of the properties within the project site. They are illegal occupiers of Government land either within or surrounding the project site. As they are not legal occupiers, it is difficult for the URA to offer them rehousing or ex gratia payments based on the prevailing criteria. That said, the URA, upholding the

"people first" principle, is assisting these occupiers with their removal by granting them ex gratia allowance on a basis similar to that for its tenants. As for the two legal tenants who held tenancy agreements with the ex-owners, the URA is offering them assistance in accordance with its prevailing criteria for granting rehousing or ex gratia payments.

To avoid delay with the project, the URA has also proceeded with legal proceedings to recover possession of the land concerned. So far, court orders have been obtained in five cases. One of the occupiers has applied for suspending the execution of the writ of possession and a date has been fixed by the Court to hear his case. The final removal schedule will be subject to the Court's ruling.

- (b) The earlier archaeological investigation conducted by the URA only covered field survey and minor excavation to prepare for the collection of strata information for recording, analysis and archaeological study purposes. No demolition work was involved, and no damage had been inflicted on the beams of the structures as alleged in the news report mentioned in the Member's question. Moreover, the archaeologists engaged by the URA are qualified professionals and have extensive experience in archaeology. They will not damage the structure and safety of the structures in the village during the archaeological investigation.

Since some of the structures (22 in number) remaining at site are still being occupied, the URA is unable to gain access inside these structures to examine their structural conditions. For the sake of safety, the URA will be prepared to access these structures and examine their structural conditions at the occupiers' request. Nevertheless, we hope that the occupiers will reach agreement with the URA as early as possible and move out.

As the gatehouse, the "Hing Yau Yu" stone tablet, the Tin Hau Temple and the existing eight village houses along the Central Axis in the village are proposed to be preserved under the conservation plan, the URA will carry out detailed investigation of these structures in due course to ascertain their structural conditions and

carry out rehabilitation work to ensure their compliance with the building safety legislation.

- (c) The purpose of the URA in engaging archaeologists to carry out archaeological investigation at site is to ascertain the archaeological value and the distribution of underground cultural relics at NTW Village. If any cultural relics of archaeological or historical significance are discovered during the investigation, the URA will consult the Antiquities and Monuments Office (AMO) and, depending on the investigation findings, draw up a suitable conservation plan under which such relics will be displayed in the future conservation park if feasible. However, on the first day of the scheduled archaeological investigation in January 2013, the investigation was suspended amidst objections raised by those present at the scene. As soon as there is any progress on this front, the URA will promptly inform AMO.

In line with the "Conservation by Design" plan proposed by the conservation expert, AMO has listed both the NTW Village gatehouse and the Tin Hau Temple as new items on the list of historic buildings pending grading finalization. Their grading will be assessed by AAB.

With demolitions and reconstructions carried out over the past decades, most of the buildings at the NTW Village are devoid of any enduring value. Given that the URA's proposal to build a conservation park and the design are considered suitable by the Government, and the proposal has also been endorsed by WTSDC, we will not consider any land exchange proposal.

Disposal of Expired and Unused Drugs

8. **DR ELIZABETH QUAT** (in Chinese): *President, it has been reported that domestic clinical waste (that is, residual or expired medicines and used injections, and so on), if disposed of together with domestic waste or poured directly into the drains at home, will pollute the environment. Quite a number of countries and regions, including the United Kingdom, South Korea and Taiwan*

have drawn up guidelines on how to dispose of domestic clinical waste. For instance, people in the United Kingdom are advised to hand over their household residual medicines to pharmacists; "collection boxes for expired medicines" are set up in various drugstores in South Korea for central incineration of expired medicines collected from households; Taiwan has set up "checkpoints for domestic usage of medicines" to assist citizens in disposing of their expired or spoiled medicines and "collection points for medicines" have been set up in most of the hospitals for the collection of specified medicines (such as antibiotics, cancer drugs, and so on). However, the legislation in Hong Kong only regulates the disposal of expired medicines by chemical waste producers, but has not regulated the disposal of domestic clinical waste. Besides, it has been reported that the sewage discharge into the sea from the sewage treatment plants in Hong Kong has been tested to have contained drug-resistant bacteria. Humans may be infected by "super bad bugs" in the food chain, while the drug-resistant bacteria found in municipal wastewater also originate from human excreta subsequent to consumption of antibiotics. In this connection, will the Government inform this Council:

- (a) of the respective quantities of medicines and injections discarded by medical and healthcare institutions as well as their disposal methods in each of the past five years;*
- (b) whether it has assessed the annual quantity of clinical waste (broken down by medicine and injection) discarded by households, their disposal methods as well as their impacts on the environment; if it has assessed, of the details; if not, the reasons for that;*
- (c) whether the authorities have plans to conduct studies on regulating disposal methods of domestic clinical waste, to draw up guidelines to prohibit indiscriminate disposal of such waste, and to set up collection points to facilitate the public to surrender medicines and injections; if they have, of the details and the implementation timetables; if not, the reasons for that;*
- (d) whether it has plans to promote the proper handling of domestic clinical waste among members of the public through educational and promotional programmes, so as to reduce pollution to the environment; if it has, of the details; if not, the reasons for that; and*

- (e) *whether it has conducted studies on removing the drug residues and drug-resistant bacteria in municipal wastewater; if it has, of the details; if not, the reasons for that; whether it will take measures to reduce the pollution caused by domestic clinical waste and the drug residues and drug-resistant bacteria discharged from human bodies; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President, clinical waste generally refers to potentially dangerous waste generated from hospitals, clinics or laboratories, which includes unwanted sharp instruments, laboratory waste, human and animal tissues, dressings, and so on. These wastes may contain infectious materials and sharps and therefore must be handled properly. In accordance with the Waste Disposal Ordinance, such producers of clinical waste must safely dispose of their clinical waste, whilst any person who collects, transports or disposes of clinical waste is required to obtain a licence under the Waste Disposal Ordinance. The above regulatory controls do not apply to waste generated in domestic households.

Unwanted medicine, whether expired or not, is not classified as clinical waste. Currently, unwanted or waste medicine and injections generated by healthcare institutions such as hospitals and clinics are classified as chemical waste. The storage, collection, transport and disposal of such waste has to meet the stringent requirements laid down in the Waste Disposal Ordinance and the Waste Disposal (Chemical Waste) (General) Regulation. These control measures do not apply to the disposal of medicine and injections arising from households.

- (a) The quantities of unwanted medicine directly disposed of by medical and healthcare institutions in the past five years are detailed in Table 1. These wastes were transported to the Chemical Waste Treatment Centre for incineration, or to the landfill for final disposal.

Table 1 Quantity of unwanted medicine from medical and healthcare institutions

<i>Quantity disposed of by medical and healthcare institutions (tonnes)</i>					
<i>Disposal facility</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Chemical Waste Treatment Centre	36.7	40.5	73.0	59.2	73.0
Landfill	1.0	3.5	3.0	3.3	1.9

(b) to (d)

Following the implementation of clinical waste controls since 1 August 2011, together with the longstanding controls on chemical waste, the disposal of locally generated clinical waste and chemical waste (including medicine and injections) are now being regulated, with these wastes disposed of mainly at the Chemical Waste Treatment Centre. We also publicize through various channels these two regulatory control schemes and promulgate the messages on safe handling of clinical waste and chemical waste.

When the scope of the Clinical Waste Control Scheme was formulated, we had worked closely with the healthcare profession to examine in detail the experiences of clinical waste control in other countries, taking into consideration the local conditions in Hong Kong. As regards the concern raised on medicine and injections from households, since such wastes do not exhibit the characteristics of chemical waste as defined under the Waste Disposal Ordinance, it is estimated that there is little effect of pollution to the environment or danger to public health. Furthermore, we consider that a more effective management approach is to introduce measures at source, in order to reduce the generation of residual or surplus pharmaceutical materials requiring disposal. At present, in handling individual cases involving large quantities of surplus medicines from patients, the Hospital Authority (HA) already render assistance in taking back the surplus medicine dispensed by public hospitals or clinics operated under the HA.

Given the relatively small quantities of residual medicine and injections generated in households, they are being handled together with general municipal solid waste and are delivered to landfills managed by Environmental Protection Department for final disposal, and hence will not affect public health nor cause pollution.

(e) According to local and overseas studies, sewage treatment plants in Hong Kong do effectively eliminate some drug residues including antibiotics and estrogens in the sewage. Past studies also indicate that the trace levels of antibiotics residues in Hong Kong waters do not normally pose direct threat to public health or endanger marine

life. In addition, the major sewage treatment plants in Hong Kong have been equipped with disinfection facilities, which would help eliminate bacteria, including multi-drug resistant strains, in the effluent.

Moreover, according to the World Health Organization (WHO) report on pharmaceuticals in drinking water, published in August 2012, published literature and national studies have shown that concentrations of pharmaceuticals in surface water and groundwater sources impacted by wastewater discharges are typically less than 0.1 microgramme per litre. Furthermore, concentrations in treated drinking-water are usually well below 0.05 microgramme per litre, which are generally more than 1000-fold below the minimal therapeutical doses and largely below the allowable daily intakes. Notwithstanding that the available information indicates the potential danger to public health caused by pharmaceutical residue in drinking water is extremely low, the Administration will continue to keep in view the latest scientific evidence and developments including the WHO guidelines on drinking water quality, and will review the drinking water monitoring requirement as necessary.

Construction of Central Kowloon Route

9. **DR PRISCILLA LEUNG** (in Chinese): *President, the Transport and Housing Bureau has pointed out earlier that the dual-3 lane tunnel design will be adopted for the proposed Central Kowloon Route (CKR). The distance between the top of the tunnel in CKR's Ma Tau Wai section in To Kwa Wan (CKR tunnel) and the ground levels around some of the buildings in the area is approximately 50 m. The authorities have indicated that the CKR tunnel will be constructed by the drill-and-blast method, and stressed that such method, being adopted for the construction of tunnels in Hong Kong for over four decades, will not affect the structural integrity of buildings along the tunnel alignment. However, in its paper submitted to a committee of the then Provisional Legislative Council in March 1998, the then Transport Bureau indicated that the dual-3 lane tunnel design was not recommended. One of the reasons was that such an option (irrespective of the "very deep" tunnel option at approximately 76 m below ground or the "medium deep" tunnel option at approximately 51 m below ground) would create problems and, in particular, the "medium deep" tunnel option would*

lead to problematic building settlement during construction in the To Kwa Wan area. In this connection, will the Government inform this Council:

- (a) of the reasons for the completely different assessment results obtained by the then Transport Bureau and the present the Transport and Housing Bureau respectively on the aforesaid design option;*
- (b) of the implementation details of the construction of tunnels by the aforesaid drill-and-blast method, and of the reasons for choosing such method to construct the CKR tunnel; given that the tunnel section will pass through densely populated urban areas, which is different from other tunnels in Hong Kong which were mainly constructed by hill cutting in the past, whether the authorities have assessed if the past experience is applicable to this project; if they have, of the assessment result; if not, the reasons for that;*
- (c) given that it has been pointed out in the environmental impact assessment report submitted by the authorities that, during the construction of CKR, a number of residential buildings, housing estates and schools (which are mainly located at Kansu Street, Yau Ma Tei in the western section of CKR; Chung Hau Street, Ho Man Tin in the central section; and San Ma Tau Street, Kowloon City in the eastern section) will be affected by noise, whether the authorities have, apart from using low-noise construction plant and noise control facilities, formulated other measures to mitigate the noise impact which will be brought about by the future construction works; if they have, of the details; if not, the reasons for that; and*
- (d) of the number of housing estates in Kowloon West under which the present alignment of the CKR tunnel will pass through, and of the names of those housing estates; given that the CKR tunnel will pass through the Maidstone Road area, To Kwa Wan, wherein vibrations with unknown cause were experienced at the same time in May this year in a number of buildings located near the construction site of the MTR Shatin to Central Link (SCL) under construction, whether the authorities will re-assess if the future construction works of the CKR tunnel will affect the structures of buildings along the tunnel alignment; if they will not, of the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the proposed CKR will provide an alternative express route enabling vehicles to bypass the congested road sections in Central Kowloon, thus reducing journey time significantly. Its importance lies in its functions of relieving congestion along the existing major east-west corridors and improving connectivity between different districts. The CKR is of vital importance in supporting various developments on the Kowloon side.

The proposed CKR is an approximately 4.7 km long dual three-lane trunk road, connecting Yau Ma Tei Interchange of West Kowloon Highway with the road network at Kai Tak Development (KTD) and Kowloon Bay in East Kowloon. It consists mainly of about 3.9 km of tunnel sections mostly constructed deep in rock stratum, without affecting the foundations of the buildings along the tunnel alignment, requiring no demolition of private developments and rehousing as well as preserving the historic building of the Yau Ma Tei Police Station. To ensure safety, the works departments will adopt appropriate measures during the course of construction to ensure compliance of all design requirements and legislative stipulations.

The reply to the four parts of Dr Priscilla LEUNG's question is as follows:

- (a) The Administration commenced the study of the CKR project and its suitable alignments as early as in the 1990s. Taking into account the then South East Kowloon Development (SEKD), the Administration proposed in 1998 to build the CKR as a dual two-lane tunnel to connect the existing Yau Ma Tei Interchange and the planned road network of SEKD. Subsequently, the SEKD project was revised, including a reduction in the scale of reclamation. The Administration therefore reviewed the alignment of the section of the CKR to the east of Ho Man Tin in August 1999. At the meeting of the Legislative Council Panel on Transport in April 2002, reports were made on the revised alignment option and the proposed design of a dual three-lane tunnel. This alignment option proposed in 2002 forms the basis of the present alignment of CKR.

The latest alignment of the CKR runs through Ma Tau Wai and Ma Tau Kok, crosses Kowloon Bay and surfaces again in KTD. It differs from the alignments under the "medium depth tunnel" option

or the "deep tunnel" option mentioned in 1998 (as shown in Annex 1) in that they pass different parts of To Kwa Wan with different geological conditions.

Under the "medium depth tunnel" option of 1998, the alignment would pass Chi Kiang Street and Bailey Street in To Kwa Wan, with the bottom of the tunnel located at about 51 m underground. Since the tunnel would run through reclaimed land, the bedrock would be at a relatively deep level from the road surface. At such a depth, the tunnel would have to be built in mixed ground. The geological conditions there would make construction very difficult and pose greater impact on adjacent buildings. Hence, this option was not adopted.

The alignment under the "deep tunnel" option, also discussed in 1998, would run under Bailey Street. To avoid impact on the buildings in the district, the floor slab of the tunnel would have to be situated at about 76 m below ground level to allow the tunnel to remain in rock stratum. Located deeper underground, the tunnel would have to travel a much longer distance to rise back up to the ground level, thus would be unable to connect with the proposed road network at the desired location. As such, this option was eventually dropped.

Instead of passing Chi Kiang Street and Bailey Street of To Kwa Wan, the latest proposed alignment of the CKR turns northward to the Kowloon City Ferry Pier Public Transport Interchange and links up with Kowloon Bay via areas within the original shoreline of Kowloon Peninsula (as shown in Annex 1). With the solid bedrock being only a few metres to 40 m away from the ground level, these areas are of better geological conditions than the unadopted alignments under the "medium depth tunnel" option and "deep tunnel" option of 1998, enabling the tunnel to be built at about 26 m to 62 m underground deep in solid rock. Given the relatively long distance maintained between the tunnel and the building foundations, it is appropriate to adopt the drill-and-blast construction method. Also, the current tunnel alignment ties in with the design of KTD

and connects with the proposed and existing road networks at appropriate locations.

In conclusion, the tunnel sections of the current alignment will be constructed mainly in rock stratum deep underground. As such, the alignment will not affect the structural integrity of the buildings along it.

- (b) When examining tunnel construction methods, the Administration will make different considerations with regard to the length and size of the tunnel sections as well as the underground geological conditions encountered.

The drill-and-blast method is generally adopted for tunnel construction in rock stratum in Hong Kong and around the world. Having been adopted in Hong Kong for over 40 years, the drill-and-blast method has been confirmed to be a safe and effective construction method. Examples of its application in road construction include the Lion Rock Tunnel, Aberdeen Tunnel, Tseung Kwan O Tunnel, Shing Mun Tunnels, Tate's Cairn Tunnel, Tai Lam Tunnel, Eagle's Nest Tunnel, Sha Tin Heights Tunnel and Nam Wan Tunnel. As for railway construction, examples of completed works are the section of East Rail Line between Kowloon Tong and Tai Wai, the section of Tung Chung Line and Airport Express between Lai King and Tsing Yi, Tseung Kwan O Line, the Tai Lam section of West Rail Line, Disneyland Line and Island Line; while examples of works in progress are the section of West Island Line (between Sai Ying Pun and Kennedy Town), South Island Line (East), Nam Fung Road Tunnel, the South Horizons section of Ap Lei Chau Tunnel and Lee Wing Street Tunnel. Some of these works, including the Island Line and South Island Line (Sai Ying Pun section), pass under existing buildings in densely populated urban areas. Thus, the experience so gained is also applicable to the CKR project.

Regarding construction, the works departments will confirm the geological conditions of the tunnel section ahead before each excavation. Conditions of the buildings in the vicinity will be

investigated, reviewed and recorded to identify the most suitable and proper construction arrangements. The contractors have to submit to the Mines Division of the Civil Engineering and Development Department the details of every blasting and apply for blasting permits from the Division. The quantity of explosives for each blasting is subject to stringent control for safeguarding the structural integrity of nearby buildings. Blasting operations have to be performed by qualified contractors and engineering personnel. Monitoring points will be installed by the works department to monitor the impact on surrounding buildings.

Other feasible construction alternatives have been considered. The tunnel section of the CKR between Shanghai Street and Ma Tau Wai has to be built deep in the solid rock stratum. As each tube of the tunnel measures about 18 m in width, even the most advanced tunnel-boring machines currently available cannot drill a tube with such width. Ordinary mechanical drilling in rock stratum yields very low efficiency, and poses prolonged impact on nearby residents and traffic.

Given the shorter construction time, the smaller impact on the community and the fact that the structural integrity of the buildings along the alignment will not be affected as the tunnel has a relatively long distance from the building foundations, the drill-and-blast method is considered the most suitable and effective method to construct the tunnel section concerned.

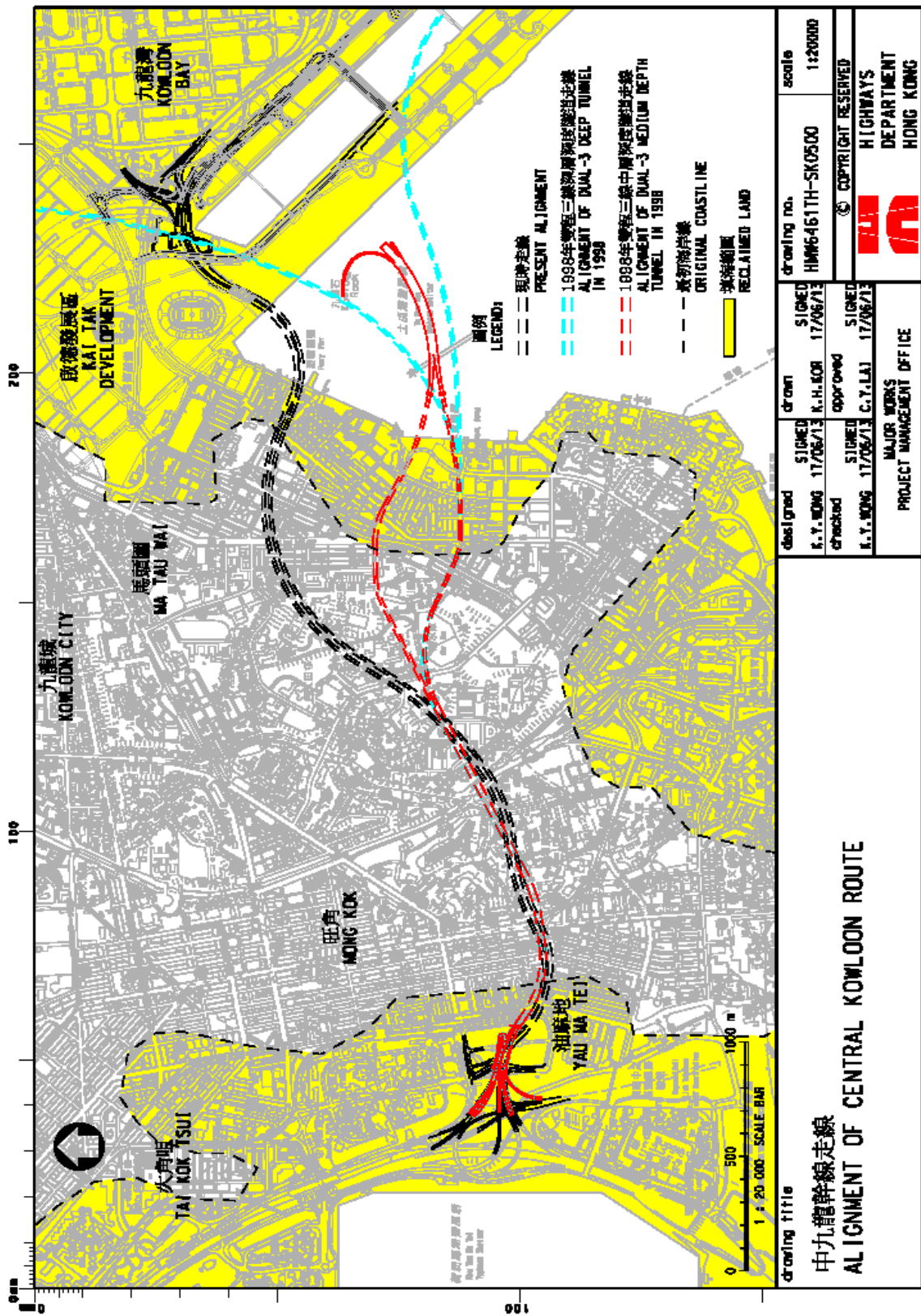
- (c) Along the entire length of 4.7 km of the CKR, the drill-and-blast tunnel sections measure about 2.8 km. The works concerned will be carried out in an almost concealed underground environment, reducing significantly the noises so generated. For the part of the CKR works to be implemented on the ground level nearer to residential buildings, we will adopt a series of mitigation measures as required by the Technical Memorandum of the Environmental Impact Assessment Ordinance to minimize the noise impact of the works to nearby residents. Apart from general alleviation measures such as low-noise machinery, noise insulation equipment, good site management, site hoardings and optimized procedures, the works

departments will also erect full noise enclosures at all mucking-out points to reduce the noise during construction. For the tunnel section between Kansu Street and Kowloon City Ferry Pier Public Transport Interchange, the cut-and-cover method will be used. The works departments will arrange to have the works carried out under temporary decking or beneath the tunnel top decking to alleviate construction noise.

- (d) The selected CKR alignment does not involve resumption and demolition of any private buildings. That said, as it passes highly developed areas, some tunnel sections have to go through the stratum of certain existing residential buildings. Locations of these residential buildings are at Annex 2.

The Administration has been investigating the cause of vibration at the buildings along Maidstone Road reported in mid-May this year. It has been known that the works for diaphragm walls and foundations of the SCL were being carried out at the time. After the incident, the MTR Corporation Limited (MTRCL) has suspended some works procedures and installed additional monitoring devices in the buildings near Ma Tau Wai Station of the SCL to strengthen surveillance of the impact of the works on nearby buildings. With the consent of the Buildings Department, the impact of each construction procedure on the buildings has been gradually tested since 28 May. No anomaly has been identified so far. On the basis of the test results, the MTRCL will submit investigation reports to the Buildings Department and Highways Department. Before allowing resumption of the foundation works, the Administration will study the reports to look into the cause of the incident, as well as to vet the construction methods submitted by MTRCL so as to ensure that the structural integrity of the buildings is not affected by the works.

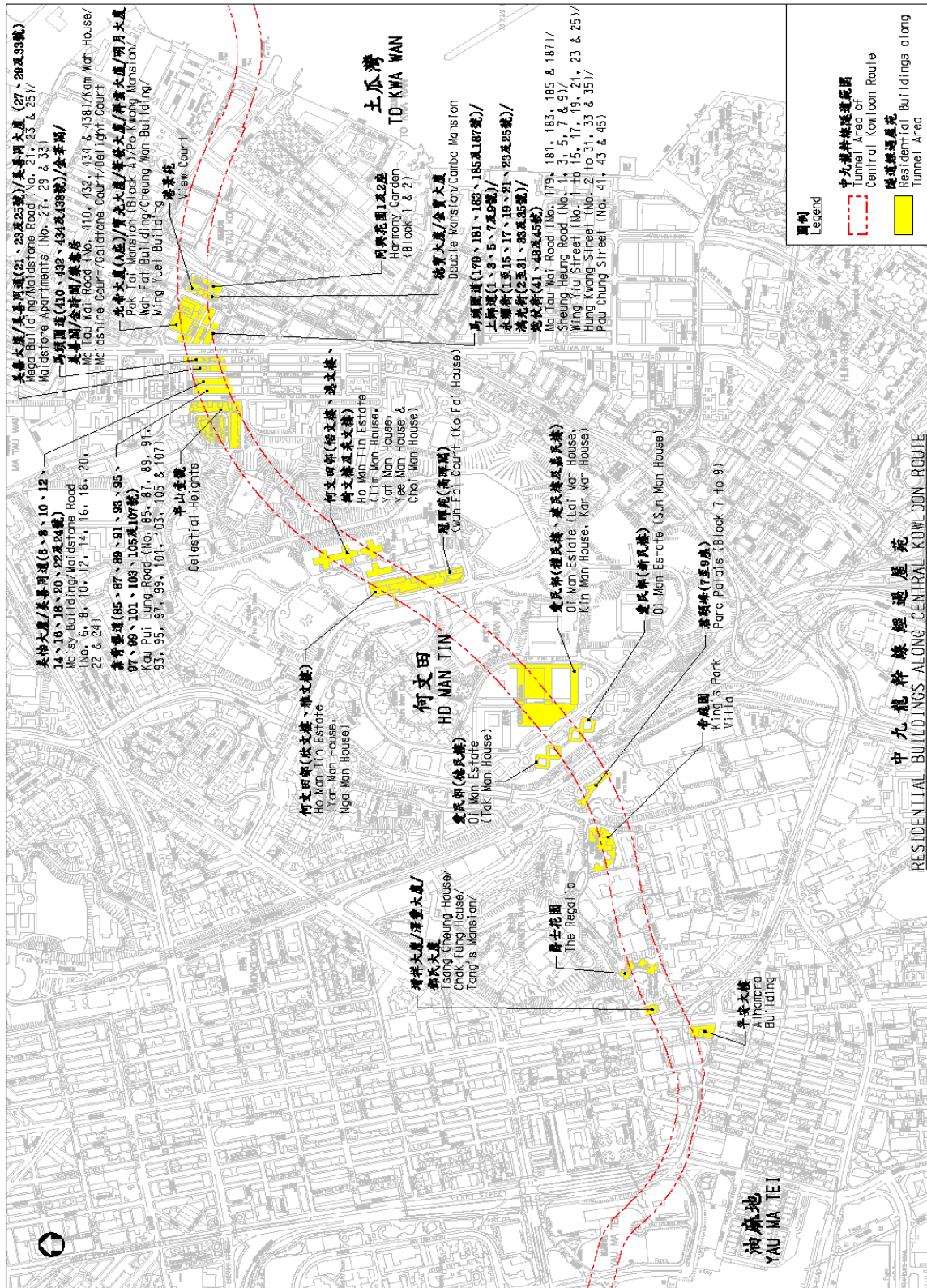
Similarly, the Administration will formulate proper design and construction methods to ensure that no impact on the structural integrity of existing buildings along the alignment will be created by the construction of the CKR project.



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Annex 2



Review of Scheme of Control Agreements and Fuel Mix

10. **MR LEUNG YIU-CHUNG** (in Chinese): *President, regarding the interim review of the Scheme of Control Agreements (SCAs) conducted by the Government with the two power companies, the Secretary for the Environment said earlier that "[s]ubject to public aspirations and the situations of the discussion, we hope that this task will be completed in the second or third quarter of this year". He also indicated that the Government would then commence a review of the fuel mix for generation of electricity. Besides, it has been learnt that the development planning and construction of nuclear power facilities on the Mainland have made new progress. In this connection, will the Government inform this Council:*

- (a) *whether, during the interim review with the two power companies, the Government has encountered any difficulties in reaching a consensus in relation to the aspirations of members of the community (including setting mandatory energy saving targets, and so on), thus affecting the progress of the interim review; if it has, of the details;*
- (b) *whether the Government will within this Legislative Session (i) complete the interim review and report the results to this Council, and (ii) commence the review of the fuel mix for generation of electricity; if it will not, of the relevant dates;*
- (c) *whether the Government has sought information from the Mainland authorities on the latest progress of the development planning and construction of nuclear power facilities on the Mainland, including details of the completion dates for various nuclear power projects in Guangdong Province, models of the generating units selected, and whether the scale of the generating units has changed when compared with the past, and so on;*
- (d) *whether it has assessed the impacts of the development planning and construction of nuclear power facilities on the Mainland on the future electricity supply for Hong Kong; and*

- (e) *when the authorities plan to conduct public consultation on the review of the fuel mix for generation of electricity, and whether the relevant public consultation documents will set out the reference materials on the Mainland's nuclear power projects (for example, the nuclear power station in Lufeng of Guangdong Province), including Hong Kong Government's assessment on their impacts on Hong Kong's safety risk and electricity tariffs, and so on, upon the completion and commissioning of such projects?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President, in developing the energy policy in Hong Kong, the Government has been guided by four objectives, namely safety, reliability, affordability and environmental protection. Having regard to these principles, the Government is conducting the mid-term review of the SCAs signed with the two power companies, and preparing for the review of our fuel mix for electricity generation. Details are as follows:

- (a) and (b)

The SCAs signed between the Government and the two power companies set out the obligations of the power companies, the returns for shareholders and the arrangements by which Government monitors the power companies' financial affairs. The current SCAs run for a term of 10 years and will expire in 2018. The SCAs stipulate clearly that the Government and the two power companies shall have the right during 2013 to request modification of any part of the current SCAs, and mutual agreement is needed before implementing any proposed modification.

The Government has engaged experts, academics, green groups and other stakeholders on the mid-term review and relevant energy matters to solicit their views. We have also attended meetings of the Panel on Economic Development of the Legislative Council to listen to the views of Members and attending deputations. As we have informed the Legislative Council, we expect to complete the mid-term review by end 2013, and brief the Legislative Council and the public on the outcome.

(c), (d) and (e)

At present, coal accounts for about 54% of Hong Kong's fuel mix for electricity generation, natural gas 23% and imported nuclear energy 23%. In order to reduce carbon emissions from power generation and to combat climate change, we proposed in 2010 to improve our fuel mix in 2020 by substantially reducing the reliance on fossil fuels, which are highly carbon-emitting, gradually retiring existing coal-fired generating units, and increasing the share of non-fossil, clean and low-carbon fuels, including importing more nuclear energy.

While we were consolidating the views received during the public consultation exercise, the Fukushima nuclear incident took place as a result of the earthquake and tsunami hitting northeastern Japan. Following the incident, various sectors in the community have different views on the application of nuclear energy, and the Government has been closely monitoring developments in the international arena and in the Mainland. We understand that the Mainland has already decided to resume the approval process of nuclear projects, and a small number of fully vetted sites for nuclear projects in the coastal area would be considered during the 12th Five-Year Plan. Furthermore, all new nuclear projects must be built according to the highest international safety requirements, and their generating units must meet the third-generation safety standards.

Each fuel source has its own merits and demerits; we will strive to strike a balance among the considerations of safety, reliability, affordability and environmental protection in reviewing the overall fuel mix for electricity generation. We will also continue to maintain close liaison with relevant Mainland authorities and make reference to relevant planning and developments in the Mainland. In the light of the profound impact of the fuel mix review, we will engage various stakeholders, including experts, academics, industry and business sectors, and non-governmental organizations to solicit their views. We plan to consult the public on this matter in the latter half of 2013.

Statistics on Residential Mortgage Loans

11. **MR ABRAHAM SHEK:** *President, will the Government inform this Council whether it knows the total number and total amount of outstanding residential mortgage loans as at 31 May 2013?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY:

President, the Hong Kong Monetary Authority (HKMA) publishes, at the end of every month, the results of the residential mortgage survey for the previous month. The relevant statistics as at the end of May 2013 will be released on around 27 June 2013. According to the latest statistics from the HKMA reflecting the position as at the end of April 2013, there were 498 821 outstanding residential mortgage loan counts, with a total outstanding loan value of HK\$887.9 billion.

Rent Assistance Scheme

12. **MR LEUNG CHE-CHEUNG** (in Chinese): *President, the Rent Assistance Scheme (RAS), which has been implemented by the Hong Kong Housing Authority (HA) since 1992, aims at granting relief in the form of rent reduction to domestic tenants in public rental housing (PRH) and licensees in interim housing (IH) who are facing temporary financial hardship. One of the eligibility requirements of RAS is that the size of the flat currently occupied by the applicant must not exceed the maximum allocation standard in respect of his household size (the average living space per person must not exceed the standard). In this connection, will the Government inform this Council:*

- (a) *of the total number of RAS applications rejected in the past three years and the reasons for rejection; among such applications, the number of those rejected because the average living space per person had exceeded the standard;*
- (b) *of the present maximum allocation standards applicable to different household sizes; when such standards were set;*
- (c) *of the justifications for the authorities prescribing the average living space per person not exceeding the standard as one of the eligibility*

requirements of RAS; whether there is any plan to remove such eligibility requirement; if not, of the reasons for that;

- (d) whether the authorities will, when allocating flats with an average living space per person exceeding the standard to PRH and IH applicants, remind them that they will thus be ineligible for applying for RAS in future; if they will not, whether the authorities will formulate working guidelines to require their staff to so remind such applicants; and*
- (e) of the total number of PRH applicants in the past three years who had been allocated flats with an average living space per person exceeding the standard?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the HA introduced the RAS in 1992 to provide temporary relief in the form of a rent reduction to tenants who are facing temporary financial hardship. Eligible PRH tenants may be granted a rent reduction of either 25% or 50%, depending on their income levels (see Annex for details). Needy tenants may approach their respective estate offices to apply for the RAS. The Housing Department (HD) will consider the merits of each RAS application in accordance with the relevant eligibility criteria.

My reply to the questions raised by Mr LEUNG Che-cheung is as follows:

- (a) Under the existing arrangement, upon receipt of an application for RAS from tenant, irrespective of whether it is made verbally or in writing, estate staff of the HD would conduct preliminary vetting on the eligibility of the applicant. If there is *prima facie* evidence that the household meets the RAS eligibility criteria, estate staff of the HD will request the applicant to furnish information by completing an application form for further vetting of the eligibility. If the applicant finds that he/she does not meet the eligibility criteria, in the vast majority of the cases, he/she would withdraw his/her application. It is therefore very rare that an application for RAS will be rejected by the HD. Hence, the HD does not keep record on the number of RAS applications rejected and the reasons for rejection.

(b) to (d)

To optimize the use of PRH resources, the HD allocates different types of design of PRH flats and different internal floor areas (IFA) based on a range of entitlement. For example, a one-bedroom flat in a "New Harmony" block (with an IFA of about 30 sq m) can be allocated to households of three to four persons; a two-bedroom flat in a "New Harmony" block (with an IFA of about 40 sq m) can be allocated to households of four to five persons, and so on. The actual IFA of the flat allocated to an applicant will be determined by the supply and demand of flats suitable for allocation to each individual's particular family size in the chosen district at the time of allocation. In addition, for applicants who can demonstrate that they have special social and/or medical reasons to support allocation of additional living space, every effort is made to provide the additional space necessary as far as resources permit.

At the time when the RAS was introduced, the HA decided to adopt the allocation ranges as one of its eligibility criteria so as to ensure the rational allocation of public housing resources and fairness to other PRH tenants and Waiting List (WL) applicants. PRH tenants occupying flats exceeding the allocation ranges are already enjoying a higher level of PRH subsidy as compared with tenants occupying flats that comply with the allocation ranges. Given the resources constraint, should a tenant wish to apply for rent assistance, the HD must consider their individual circumstances carefully. If they apply for the RAS on compassionate grounds, the HD will exercise discretion to consider their applications on individual merits. The HD may arrange transfer to a flat not exceeding the allocation ranges and with lower rental for these households. An information leaflet on the RAS and its application criteria has been uploaded to the HA's website for public information. Should tenants have any query on the RAS, they are welcome to make enquiry to the HD.

The HD will generally allocate PRH flats according to the established allocation ranges. For individual tenants who were allocated flats exceeding the allocation ranges but subsequently need to apply for the RAS, the HD will consider their applications on individual merits and may refer cases to the relevant government department(s) for appropriate assistance.

We will closely monitor the operational effectiveness of RAS and review the eligibility criteria of RAS from time to time, in order to meet the changing socio-economic conditions and tenants' requests.

- (e) Allocation of PRH is based on allocation ranges for different types of PRH flats instead of a fixed living area per person mechanically. According to the current allocation policy, WL applicants with family members who are not temporarily wheelchair-bound; requiring Continuous Ambulatory Peritoneal Dialysis treatment at home; suffering from Tetraplegia or Attention Deficit Hyperactivity Disorder; or pregnant for 16 weeks or more will be counted as having an additional member for flat allocation purpose. Excluding these cases, the numbers of WL applications being allocated flats exceeding the normal allocation ranges in 2010-2011, 2011-2012 and 2012-2013 were 31, 15 and eight respectively. These cases are those with medical and/or social reasons and are recommended by relevant departments (for example, Social Welfare Department) or organizations (for example, Hospital Authority) as in need of additional living space.

Annex

Income limit under the Rent Assistance Scheme

	<i>Income Limit</i>	<i>Rent Reduction</i>
Elderly household ⁽¹⁾	- Rent-to-income ratio (RIR) exceeds 18.5%; or - household income falls below 70% of the Waiting List Income Limits (WLILs).	50%
Non-elderly household	- RIR exceeds 25%; or - household income falls below 50% of WLILs; or - household income falls within the range of 50% and 70% of WLILs while RIR exceeds 15%.	50%
	- RIR exceeds 18.5% but falls within 25%; or - household income falls below 70% but not lower than 50% of WLILs.	25%

Note:

- (1) Elderly household refers to a household with all family members reaching the age of 60.

Installation of Telecommunications Transmitters at Public Housing Estates, Tenants Purchase Scheme Estates and HOS Courts

13. **MR SIN CHUNG-KAI** (in Chinese): *President, regarding the installation of telecommunications transmitters (transmitters) by telecommunications service operators (TSOs) at the public housing estates, Tenants Purchase Scheme estates and Home Ownership Scheme courts (the estates/courts) under the Housing Department (HD), will the Government inform this Council:*

- (a) of the current number of estates/courts and number of the buildings concerned at which transmitters have been installed, and set out the names of such buildings and the respective numbers of transmitters installed by the name of the estate/court;*
- (b) whether the authorities had informed the residents in the estates/courts concerned of their decisions to install such transmitters, in particular the residents of upper floors who might be affected by the radiation generated by such transmitters; if they had, of the responses of the residents; if not, the reasons for that;*
- (c) whether the authorities had, prior to the installation of such transmitters, consulted the Estate Management Advisory Committees/Owners' Committees of the estates/courts concerned; if they had, of the responses of such committees; if not, the reasons for that;*
- (d) of the methods by which HD calculates the rents which TSOs are to be charged for such transmitters, and the percentage of the related annual revenue in HD's total annual revenue from all estates/courts in the territory;*
- (e) whether it knows the level of the radiation generated by such transmitters, and of the statutory maximum level of radiation at present;*

- (f) *whether it has studied the impact of prolonged exposure to the radiation generated by such transmitters on human health; if so and the conclusion is that there is no impact, whether the conclusion is 100% credible, and of the relevant scientific evidence; and*
- (g) *whether the tenants residing on the upper floors of the buildings of the estates concerned may apply for transfer on grounds of concern about the impact of radiation from the transmitters on health?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the Hong Kong Housing Authority (HA) provides space in its public rental housing (PRH) estates for TSOs to install radio base stations so as to allow the nearby community and PRH residents to use the relevant telecommunications service.

Upon receipt of the applications by the HA, operators are required to submit the relevant carrier licences issued by the Communication Authority (CA). Applications will be considered in accordance with established practice including assessing whether the application complies with all the relevant legal requirements and determining its feasibility by the HD's Independent Checking Unit and estate management and works staff.

Before the operators can put the relevant radio base stations into operation, they have to submit an application with technical proposals to the Office of the Communications Authority (OFCA) for approval by the CA. The CA would consider whether the base stations can comply with the technical requirements of radiation safety when processing the applications.

With inputs from the Commerce and Economic Development Bureau, my reply to the questions raised by Mr SIN Chung-kai is as follows:

- (a) At present, there are in total more than 900 radio base stations installed at the domestic blocks of the HA's PRH estates, involving 148 estates and 520 domestic blocks. Please refer to the Annex for details. As the management of the Tenants Purchase Scheme

estates and Home Ownership Scheme courts is under the responsibility of their respective owners' corporations or owners' associations, the HA does not have the relevant information for these estates and courts.

(b) and (c)

When examining the installation proposals of radio base stations, the primary consideration of the HD is whether the applications can comply with the relevant legal requirements. As mentioned above, the relevant radio base stations have to be approved by the CA before coming into operation, and the technical requirements of radiation safety of the base stations will be considered in that context. As the radio base stations are mainly installed at the rooftop and all base stations allowed to be used must be in full compliance with the technical requirements of radiation safety set out by the CA, the HD in general will not consult PRH residents and Estate Management Advisory Committees concerned regarding such applications.

- (d) After taking into account the latest market evidence of letting of various telecommunications sites in private sector properties gathered from the service providers and the Rating and Valuation Department, the HA will set the licence fees at market level. In 2012-2013, the annual rental income from licence fees paid by service providers for telecommunication installations accounted for 0.79% of the HA's total income for PRH estates.
- (e) According to the licence conditions, licencees of telecommunications services shall obtain approval from the CA before bringing radio base stations into use. In assessing licencees' applications, the CA will consider whether the radio base stations comply with the technical requirements of radiation safety.

In consultation with the Department of Health, the CA adopts the limits recommended by the International Commission on Non-Ionizing Radiation Protection (ICNIRP) as radiation safety

standard. In the 900 MHz, 1800 MHz and above 2000 MHz bands, the limits for time-varying electric field are 41.3 V/m, 58.3 V/m and 61 V/m respectively.

The OFCA has issued a "Code of Practice for the Protection of Workers and Members of Public against Non-Ionizing Radiation Hazards from Radio Transmitting Equipment". All licencees of telecommunications services are required to observe the Code of Practice to ensure that their radio base stations shall not generate a radiation level exceeding the above ICNIRP limits in public areas. Furthermore, the licencees are required to provide the OFCA with measurement reports within one month from the commencement of operation of their radio base stations to demonstrate compliance of radiation levels with the safety standard.

- (f) As mentioned above, the CA, in consultation with the Department of Health, adopts the ICNIRP limits as the radiation safety standard for radio base stations.

The ICNIRP is an independent scientific commission. The non-ionizing radiation limits set out by the commission was endorsed by the World Health Organization (WHO). According to the assessment of the WHO, there is no convincing scientific evidence to suggest that radio base stations meeting the ICNIRP limits will cause adverse health effects on the public.

- (g) If individual tenants have any questions about the radio base stations installed, they should approach the relevant estate offices for assistance. The HD would refer individual case to the OFCA for follow-up action if necessary.

The HA has established policy to deal with tenants' transfer applications. Tenants with medical reasons may apply to their respective estate offices for transfer. The HD would consider the applications carefully having regard to their individual merits.

Annex

Number of base stations installed at the domestic blocks of
the HA's PRH estates

<i>Name of PRH Estates</i>	<i>Number of domestic blocks with base stations installed</i>	<i>Number of base stations</i>
Ap Lei Chau	4	9
Butterfly	3	7
Chai Wan	1	1
Chak On	3	8
Cheung Ching	5	14
Cheung Hang	4	10
Cheung Hong	6	13
Cheung Kwai	2	2
Cheung Shan	3	5
Cheung Wang	2	3
Ching Ho	3	7
Choi Fai	1	1
Choi Fook	2	2
Choi Hung	4	9
Choi Tak	3	3
Choi Wan (I)	4	7
Choi Wan (II)	3	5
Choi Ying	5	7
Choi Yuen	4	13
Chuk Yuen (South)	5	9
Chun Shek	2	5
Chung On	2	10
Fortune	2	2
Fu Cheong	5	7
Fu Shan	3	5
Fu Tai	7	13
Fu Tung	3	8
Fuk Loi	1	1
Hau Tak	4	13
Hin Yiu	1	1

<i>Name of PRH Estates</i>	<i>Number of domestic blocks with base stations installed</i>	<i>Number of base stations</i>
Hing Man	1	2
Hing Tung	3	5
Hing Wah (II)	2	3
Hoi Fu Court	1	1
Hoi Lai	5	10
Homantin	5	10
Hong Tung	1	1
Hung Hom	3	7
Ka Fuk	3	6
Kai Tin	1	2
Kai Yip	4	7
Kam Peng	1	1
Kin Ming	5	10
Ko Yee	2	6
Kwai Chung	7	12
Kwai Fong	4	5
Kwai Luen	1	1
Kwai Shing East	5	11
Kwong Fuk	5	8
Kwong Tin	4	8
Lai King	4	11
Lai Kok	5	7
Lai On	2	2
Lai Yiu	3	6
Lam Tin	1	2
Lee On	4	11
Lei Muk Shue	4	5
Lei Muk Shue (II)	4	5
Lei Yue Mun	2	4
Lek Yuen	3	6
Lok Fu	5	11
Lok Wah (North)	4	6
Lok Wah (South)	3	4
Lung Hang	4	6
Lung Tin	2	6

<i>Name of PRH Estates</i>	<i>Number of domestic blocks with base stations installed</i>	<i>Number of base stations</i>
Ma Hang	5	7
Ma Tau Wai	2	2
Mei Lam	3	5
Mei Tin	5	5
Mei Tung	2	2
Ming Tak	2	5
Nam Shan	4	7
Ngan Wan	1	4
Oi Man	5	9
Oi Tung	5	7
On Ting	2	5
On Yam	4	9
Pak Tin	4	6
Ping Shek	3	6
Ping Tin	5	6
Po Tat	4	8
Po Tin	4	4
Sam Shing	1	6
Sau Mau Ping	10	17
Sau Mau Ping (South)	3	3
Sha Kok	3	4
Shatin Pass	1	1
Shek Kip Mei	5	8
Shek Lei (I)	2	5
Shek Lei (II)	5	7
Shek Mun	2	3
Shek Pai Wan	4	8
Shek Wai Kok	4	7
Shek Yam	2	4
Shek Yam East	2	3
Sheung Lok	1	4
Sheung Tak	6	15
Shin Ming	1	1
Shui Pin Wai	4	7
Shun Lee	5	10

<i>Name of PRH Estates</i>	<i>Number of domestic blocks with base stations installed</i>	<i>Number of base stations</i>
Shun On	3	6
Shun Tin	5	8
Siu Sai Wan	7	10
Sun Chui	6	11
Sun Tin Wai	3	6
Tai Hang Tung	5	9
Tai Hing	4	7
Tai Wo Hau	9	11
Tai Yuen	3	5
Tak Tin	1	2
Tin Chak	2	4
Tin Ching	4	5
Tin Heng	5	8
Tin Shui (I)	3	7
Tin Shui (II)	4	7
Tin Tsz	3	6
Tin Wah	2	7
Tin Wan	3	5
Tin Yan	3	5
Tin Yat	3	6
Tin Yiu (I)	6	13
Tin Yiu (II)	3	4
Tin Yuet	3	7
Tsui Ping (South)	4	8
Tsz Ching	4	9
Tsz Lok	5	10
Tsz Man	3	5
Un Chau	4	5
Upper Ngau Tau Kok	3	6
Upper Wong Tai Sin	2	3
Wah Fu (I)	4	7
Wah Fu (II)	5	8
Wah Lai	1	5
Wah Sum	1	3
Wan Hon	1	3

<i>Name of PRH Estates</i>	<i>Number of domestic blocks with base stations installed</i>	<i>Number of base stations</i>
Wan Tsui	4	4
Wang Tau Hom	5	7
Wo Che	7	13
Wo Lok	1	1
Wong Tai Sin (II)	8	11
Wu King	6	10
Yat Tung (I)	6	11
Yat Tung (II)	5	6
Yau Lai	4	4
Yau Oi	4	10
Yau Tong	4	9
Yiu Tung	7	10
Yue Wan	1	3
Total:	148	948

Assisting Insurance Industry in Developing Business in Qianhai

14. **MR CHAN KIN-POR** (in Chinese): *President, the work for establishing Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen (Qianhai) is in progress, and it is expected that by 2020, Qianhai will become internationalized with a first-rate modern service industry system. According to the Overall Development Plan on Hong Kong/Shenzhen Cooperation on Modern Service Industries in Qianhai Area approved by the State Council, the Central Government has requested Qianhai to actively implement the early and pilot policies under the framework of the Mainland and Hong Kong Closer Economic Partnership Agreement (CEPA), and it has been learnt that the finance industry in Hong Kong is also determined to pursue development in Qianhai. It has been reported that Shenzhen Bureau of China Insurance Regulatory Commission is formulating favourable policies to support the development of Hong Kong's insurance industry in Qianhai under the early and pilot policies (including developing a pilot scheme of massive disaster insurance, promoting the development of Qianhai into a reinsurance centre, and appropriately lowering the entry threshold for Hong Kong insurance companies to conduct business in Qianhai). In this connection, will the Government inform*

this Council whether it will assist Hong Kong's insurance industry in developing business in Qianhai; if it will, of the details, including whether it has held any meeting with the relevant authorities of Shenzhen to discuss specific proposals; if it has, of the details; if not, the reasons for that?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, since the signing of the CEPA and its various supplementary agreements, the Administration has successfully facilitated the Hong Kong insurance industry in gaining greater access to the Mainland market through this platform. The relevant CEPA liberalization measures include:

- (a) with effect from 1 January 2004, groups formed by Hong Kong insurance companies through regrouping and strategic mergers are allowed to enter the Mainland insurance market subject to established market access conditions, and the maximum limit of capital participation by a Hong Kong insurance company in a Mainland insurance company is 24.9%;
- (b) with effect from 1 January 2008, Hong Kong insurance agency companies are allowed to set up wholly-owned enterprises in the Mainland to provide insurance agency services to the Mainland insurance companies; and
- (c) with effect from 1 April 2012, Hong Kong insurance brokerage companies are allowed to set up wholly-owned insurance agency companies in Guangdong Province (including Shenzhen) on a pilot basis. The place of operation should be in Guangdong Province (including Shenzhen).

The Administration will continue to maintain close liaison with relevant Mainland authorities and regulatory bodies to facilitate the development of the insurance industries in Hong Kong and the Mainland, and to pursue greater access to the Mainland market by our insurance sectors under the CEPA framework.

The Administration has been actively pursuing with the relevant Mainland authorities to lower the thresholds for the Hong Kong insurance sector to enter the Guangdong market, including Qianhai, on a pilot basis. On the issue of

Hong Kong insurance sector gaining access into Qianhai, the Administration has been in close contact and communication with the Shenzhen Municipal Government, the Shenzhen Bureau of the China Insurance Regulatory Commission and the Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen, and so on, in an effort to jointly explore opportunities for further co-operation between the insurance sectors of Shenzhen and Hong Kong, and the feasibility of implementing various preferential measures in Qianhai. We will continue to engage insurers and insurance intermediaries to solicit their views on market development (including those on promoting the Hong Kong insurance industry in the Mainland). In future, the Administration will continue to follow up with the relevant Mainland authorities with a view to assisting the Hong Kong insurance industry to further develop their business in the Mainland market.

Proportion of Women in Government Advisory and Statutory Bodies

15. **DR HELENA WONG** (in Chinese): *President, in June 2010, the Government raised the target for the proportion of women in the number of Government-appointed non-official members (proportion of female members) in advisory and statutory bodies (ASBs) from 25% to 30%, and that proportion rose to about 33% on the whole in 2012. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers and proportions of female members in ASBs in the past three years (set out one by one in a table);*
- (b) *of the number of those ASBs with the proportion of female members currently below 30%, and the percentage of such number in the total number of ASBs, and whether there were any male members of such ASBs whose terms of office had expired in the past three years; if so, whether the Government had taken such opportunities to increase the proportion of female members; if not, of the reasons for that;*
- (c) *whether the authorities have taken measures to ensure that the proportion of female members in each ASB will not be lower than 30%; if so, of the details; if not, the reasons for that;*

- (d) *given that the Home Affairs Bureau has indicated that it encourages women to provide their curricula vitae (CVs) for inclusion in the Central Personality Index (CPI), of the number of women whose CVs have been included in CPI so far; whether the Government has taken further measures to facilitate the inclusion of more women's CVs in CPI; if it has, of the details; if not, the reasons for that; and*
- (e) *whether it has reviewed the effectiveness of its efforts in promoting women's participation in ASBs since raising the target of the proportion of female members in June 2010; if so, of the details; if not, the reasons for that; given that the proportion of female members in 2012 had already reached 33%, whether the Government will consider further raising the target of such proportion, so as to better ensure that the viewpoints and concerns of both genders will be fully represented when the Government is making policy decisions?*

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

- (a) The women's participation rates in government ASBs with persons appointed by the Government as non-official members in the past three years are set out at Annex.
- (b) As at 31 December 2012, there were 410 ASBs with Government-appointed non-official members. Of these, 142 (or about 35%) have recorded women's participation rates of less than 30%. Most of these ASBs have male members whose terms of office expired in the past three years. Appointing authorities have tried to increase the women's participation rates of these bodies as far as practicable. However, there are different reasons for not reaching the 30% gender benchmark. For example, the majority of practitioners in the respective sectors or professions are male.
- (c) We have issued guidelines to bureaux and departments, reminding the appointing authorities of the importance of the 30% gender benchmark target. We have also requested them to draw the attention of all relevant organizations which are involved in

candidate nominations to the Government's efforts in enhancing women's participation in ASBs.

- (d) As at 31 December 2012, about 8 100 CVs in CPI were provided by female members of the public, representing an increase of about 6.6% as compared with the figure as at 31 December 2011. Bureaux and departments are continually reminded to promote women's participation in ASBs by taking proactive measures to reach out, identify and cultivate women who are willing and able to contribute to the work of ASBs.
- (e) The Government has raised the gender benchmark target from 25% to 30% with effect from June 2010. Since then, the overall women's participation rate has been increasing. We will constantly monitor the progress and encourage the further participation of women in ASBs, with a view to ensuring that the views of both genders are adequately considered.

Annex

Public Sector Advisory and Statutory Bodies (ASBs) with women's participation rate for Government appointed non-official members
(Position as at 31 December of respective year)

<i>Name of Body</i>	<i>Number of Government appointed women non-official member (2010)</i>	<i>% of Women Appointed (2010)</i>	<i>Number of Government appointed women non-official member (2011)</i>	<i>% of Women Appointed (2011)</i>	<i>Number of Government appointed women non-official member (2012)</i>	<i>% of Women Appointed (2012)</i>
Accreditation Advisory Board	6	37.5%	6	37.5%	5	33.3%
Action Committee Against Narcotics	7	41.2%	7	41.2%	7	41.2%
Administrative Appeals Board	18	33.3%	18	33.3%	20	38.5%
Advisory Committee for the Fire Safety (Buildings) Ordinance and the Fire Safety (Commercial Premises) Ordinance	-	-	0	0.0%	0	0.0%

<i>Name of Body</i>	<i>Number of Government appointed women non-official member (2010)</i>	<i>% of Women Appointed (2010)</i>	<i>Number of Government appointed women non-official member (2011)</i>	<i>% of Women Appointed (2011)</i>	<i>Number of Government appointed women non-official member (2012)</i>	<i>% of Women Appointed (2012)</i>
Advisory Committee of the Partnership Fund for the Disadvantaged	4	33.3%	4	33.3%	4	33.3%
Advisory Committee on Admission of Quality Migrants and Professionals	8	44.4%	8	44.4%	7	38.9%
Advisory Committee on Agriculture and Fisheries	5	27.8%	6	30.0%	6	30.0%
Advisory Committee on Arts Development	6	50.0%	6	50.0%	6	40.0%
Advisory Committee on Code of Practice for Recognized Certification Authorities	2	18.2%	3	33.3%	3	33.3%
Advisory Committee on Corruption of the ICAC	3	42.9%	3	42.9%	3	50.0%
Advisory Committee on Cruise Industry	2	20.0%	2	15.4%	4	26.7%
Advisory Committee on Enhancing Employment of People with Disabilities	4	40.0%	6	54.5%	6	54.5%
Advisory Committee on Enhancing Self-Reliance Through District Partnership Programme	6	35.3%	6	35.3%	7	31.8%
Advisory Committee on Human Resources Development in the Financial Services Sector	1	16.7%	1	14.3%	1	14.3%
Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials	1	20.0%	1	20.0%	1	20.0%
Advisory Committee on Post-service Employment of Civil Servants	1	20.0%	1	11.1%	2	22.2%
Advisory Committee on Publicity and Public Education in Innovation and Technology	-	-	6	66.7%	6	66.7%
Advisory Committee on Revitalization of Historic Buildings	3	30.0%	3	30.0%	3	30.0%

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Advisory Committee on Social Work Training and Manpower Planning	2	28.6%	4	57.1%	4	57.1%
Advisory Committee on Teacher Education and Qualifications	7	43.8%	10	62.5%	10	62.5%
Advisory Committee on the Education Development Fund	4	66.7%	4	66.7%	1	50.0%
Advisory Committee on the Regulation of the Property Management Industry	-	-	6	37.5%	6	37.5%
Advisory Committee on Travel Agents	3	30.0%	3	30.0%	3	30.0%
Advisory Committee on Water Resources and Quality of Water Supplies	6	37.5%	6	37.5%	8	42.1%
Advisory Committee under Fire Safety (Buildings) Ordinance, Cap. 572	-	-	0	0.0%	0	0.0%
Advisory Council on Food and Environmental Hygiene	4	25.0%	5	31.3%	5	31.3%
Advisory Council on the Environment	3	15.0%	6	27.3%	6	27.3%
Advisory Management Committee of the Hong Kong Teachers' Centre	1	50.0%	1	50.0%	1	50.0%
Advisory Panel on Vetting of Amusement Games/Machines	3	37.5%	3	37.5%	4	50.0%
Agricultural Products Scholarship Fund Advisory Committee	2	100.0%	2	100.0%	2	100.0%
Air Pollution Control Appeal Board Panel	4	36.4%	4	36.4%	4	36.4%
Air Transport Licensing Authority	3	37.5%	3	33.3%	5	55.6%
Airport Authority	1	8.3%	3	23.1%	3	23.1%
Animal Welfare Advisory Group	4	44.4%	3	27.3%	3	27.3%
Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Review Tribunal	-	-	-	-	4	40.0%
Antiquities Advisory Board	6	26.1%	8	34.8%	8	34.8%

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Appeal Board (Amusement Game Centres)	11	61.1%	11	61.1%	9	60.0%
Appeal Board (Bedspace Apartments)	6	40.0%	6	40.0%	5	33.3%
Appeal Board (Betting Duty Ordinance)	4	57.1%	4	57.1%	4	57.1%
Appeal Board (Clubs (Safety of Premises))	6	40.0%	6	40.0%	5	33.3%
Appeal Board (Hotel and Guesthouse Accommodation)	6	40.0%	6	40.0%	5	33.3%
Appeal Board on Closure Orders (Immediate Health Hazard)	8	38.1%	9	42.9%	9	42.9%
Appeal Board on Public Meetings and Processions	4	25.0%	4	25.0%	4	25.0%
Appeal Board Panel - Energy Efficiency (Labelling of Products) Ordinance	6	30.0%	6	30.0%	7	35.0%
Appeal Board Panel (Amusement Rides (Safety))	3	12.0%	5	20.0%	5	20.0%
Appeal Board Panel (Consumer Goods Safety)	5	45.5%	5	45.5%	5	45.5%
Appeal Board Panel (Electricity)	4	10.0%	4	10.0%	3	7.9%
Appeal Board Panel (Entertainment Special Effects)	2	20.0%	2	20.0%	2	20.0%
Appeal Board Panel (Exemption of Regulated Products)	-	-	3	33.3%	3	33.3%
Appeal Board Panel (Gas Safety)	2	9.5%	2	9.5%	3	14.3%
Appeal Board Panel (Town Planning)	24	34.3%	22	31.4%	27	38.6%
Appeal Board Panel (Toys and Children's Products Safety)	3	30.0%	3	30.0%	4	40.0%
Appeal Board Panel (under Construction Workers Registration Ordinance)	1	1.9%	1	1.8%	1	1.8%

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Appeal Board Panel under the Rabies Ordinance (Cap. 421)	6	54.5%	6	54.5%	5	45.5%
Appeal Board Panel under the Urban Renewal Authority Ordinance	4	30.8%	4	30.8%	4	30.8%
Appeal Board under the Accreditation of Academic and Vocational Qualification Ordinance	4	25.0%	7	38.9%	7	41.2%
Appeal Boards Panel (Education)	3	27.3%	3	27.3%	4	36.4%
Appeal Panel (Estate Agents Ordinance)	5	41.7%	5	41.7%	5	41.7%
Appeal Panel (Housing)	28	28.3%	29	29.0%	28	29.8%
Appeal Panel on Government's Voluntary Contributions under the Civil Service Provident Fund Scheme	1	33.3%	1	33.3%	1	33.3%
Appeal Tribunal Panel (Buildings)	63	13.1%	61	13.1%	70	13.6%
Art Museum Advisory Panel	5	33.3%	5	33.3%	5	35.7%
Authorized Persons, Registered Structural Engineers and Registered Geotechnical Engineers Committee	1	10.0%	1	10.0%	1	10.0%
Aviation Development Advisory Committee	1	9.1%	0	0.0%	0	0.0%
Award Council of the Hong Kong Award for Young People	6	28.6%	7	33.3%	7	38.9%
Banking Advisory Committee	1	33.3%	1	33.3%	1	33.3%
Basic Law Promotion Steering Committee	4	28.6%	3	25.0%	5	38.5%
Betting and Lotteries Commission	2	18.2%	2	18.2%	2	18.2%
Board of Directors of the Applied Research Council	2	66.7%	2	66.7%	2	40.0%
Board of Directors of the Hong Kong Science and Technology Parks Corporation	4	26.7%	3	18.8%	3	20.0%

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Board of Directors of the Surviving Spouses' and Children's Pensions Scheme	3	75.0%	3	75.0%	3	75.0%
Board of Directors of the Widows and Orphans Pension Scheme	0	0.0%	0	0.0%	0	0.0%
Board of Governors of the Hong Kong Arts Centre	1	25.0%	1	25.0%	0	0.0%
Board of Governors of the Prince Philip Dental Hospital	2	33.3%	2	33.3%	2	28.6%
Board of Inland Revenue	1	33.3%	1	33.3%	1	33.3%
Board of Management of the Chinese Permanent Cemeteries	3	18.8%	3	18.8%	3	18.8%
Board of Ocean Park Corporation	4	28.6%	6	42.9%	6	42.9%
Board of Review (Film Censorship)	3	33.3%	3	33.3%	4	44.4%
Board of Review (Inland Revenue Ordinance)	31	33.3%	29	32.2%	27	38.0%
Board of Scientific Advisers	1	14.3%	1	14.3%	1	14.3%
Board of the Urban Renewal Authority	2	11.1%	2	11.1%	1	5.6%
Board of Trustees of The Hong Kong Jockey Club Music and Dance Fund	3	33.3%	3	33.3%	3	33.3%
Board of Trustees of the Lord Wilson Heritage Trust	2	16.7%	3	27.3%	3	27.3%
Board of Trustees of the Sir Edward Youde Memorial Fund	2	50.0%	2	50.0%	2	50.0%
Brewin Trust Fund Committee	1	20.0%	1	20.0%	2	40.0%
Buildings Energy Efficiency Appeal Board Panel	-	-	-	-	2	8.0%
Business Facilitation Advisory Committee	4	18.2%	4	18.2%	6	31.6%
Cantonese Opera Advisory Committee	8	40.0%	8	42.1%	11	57.9%

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Cantonese Opera Development Fund Advisory Committee	2	28.6%	5	38.5%	5	38.5%
Capital Adequacy Review Tribunal	1	20.0%	1	20.0%	1	20.0%
Central Committee on Information Technology for Rehabilitation Services	1	25.0%	2	40.0%	2	40.0%
Certifying Body of Hong Kong-Canada Film and TV Co-production	1	25.0%	2	50.0%	2	50.0%
Child Fatality Review Panel	-	-	10	50.0%	9	45.0%
Chinese Language Interface Advisory Committee	2	16.7%	6	46.2%	6	46.2%
Chinese Medicine Council of Hong Kong	3	18.8%	5	31.3%	5	31.3%
Chinese Temples Committee	1	16.7%	1	16.7%	1	16.7%
Chiropractors Council	4	44.4%	5	55.6%	3	33.3%
Citizens Advisory Committee on Community Relations of the ICAC	3	18.8%	5	31.3%	5	33.3%
Civil Celebrant of Marriages Appointment Appeal Board	16	64.0%	16	66.7%	5	55.6%
Clearing and Settlement System Appeals Tribunal	2	28.6%	2	28.6%	2	28.6%
Clothing Industry Training Authority	1	50.0%	1	50.0%	1	50.0%
Commission on Poverty	-	-	-	-	6	33.3%
Commission on Youth	10	34.5%	9	31.0%	9	31.0%
Committee on Community Support for Rehabilitated Offenders	5	35.7%	5	35.7%	5	33.3%
Committee on Financial Assistance for Family Members of those who Sacrifice their Lives to Save Others	2	50.0%	2	50.0%	2	50.0%
Committee on Home-School Co-operation	11	57.9%	12	63.2%	12	63.2%

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Committee on Research and Development of Chinese Medicines	-	-	-	-	6	40.0%
Committee on Self-financing Post-secondary Education	-	-	-	-	1	20.0%
Committee on Services for Youth at Risk	2	40.0%	3	60.0%	3	60.0%
Committee on Slot Complaints	0	0.0%	0	0.0%	0	0.0%
Committee on the Promotion of Civic Education	8	29.6%	9	33.3%	9	33.3%
Committee on the Promotion of Racial Harmony	7	43.8%	6	42.9%	6	42.9%
Committee on Trust Fund for Severe Acute Respiratory Syndrome	2	40.0%	2	40.0%	2	40.0%
Communication Authority	-	-	-	-	3	30.0%
Community Investment and Inclusion Fund Committee	6	33.3%	7	38.9%	7	38.9%
Construction Industry Council	1	4.5%	1	4.5%	1	4.5%
Construction Workers Registration Authority	1	5.6%	1	6.7%	1	6.7%
Consumer Council	5	22.7%	4	18.2%	6	28.6%
Copyright Tribunal	3	33.3%	3	33.3%	2	25.0%
Correctional Services Children's Education Trust Committee	1	25.0%	1	25.0%	1	25.0%
Correctional Services Children's Education Trust Investment Advisory Board	1	20.0%	2	40.0%	2	40.0%
Corruption Prevention Advisory Committee of the ICAC	4	33.3%	4	33.3%	5	41.7%
Council for Sustainable Development	3	18.8%	6	35.3%	6	35.3%
Council for the AIDS Trust Fund	1	25.0%	1	25.0%	2	50.0%
Council of City University of Hong Kong	0	0.0%	0	0.0%	1	14.3%
Council of Lingnan University	6	33.3%	6	33.3%	5	27.8%

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Council of the Chinese University of Hong Kong	1	16.7%	2	33.3%	2	33.3%
Council of the Hong Kong Academy for Performing Arts	4	33.3%	5	38.5%	4	30.8%
Council of the Hong Kong Baptist University	4	26.7%	5	33.3%	5	35.7%
Council of the Hong Kong Institute of Certified Public Accountants	2	50.0%	2	50.0%	2	50.0%
Council of the Hong Kong Institute of Education	5	35.7%	5	35.7%	5	35.7%
Council of the Hong Kong Polytechnic University	5	27.8%	5	27.8%	5	27.8%
Council of the Hong Kong University of Science and Technology	0	0.0%	1	10.0%	2	20.0%
Council of the Lord Wilson Heritage Trust	2	28.6%	2	28.6%	2	28.6%
Council of the Open University of Hong Kong	4	25.0%	5	31.3%	6	37.5%
Council of the Queen Elizabeth Foundation for the Mentally Handicapped	5	50.0%	6	60.0%	5	50.0%
Council of the University of Hong Kong	2	28.6%	2	28.6%	3	42.8%
Council on Human Reproductive Technology	13	59.1%	13	59.1%	13	59.1%
Council on Professional Conduct in Education	0	0.0%	0	0.0%	0	0.0%
Country and Marine Parks Board	4	26.7%	6	35.3%	6	35.3%
CreateSmart Initiative Vetting Committee	8	21.6%	11	32.4%	16	32.7%
Criminal and Law Enforcement Injuries Compensation Boards	13	43.3%	17	58.6%	17	58.6%
Curriculum Development Council	9	40.9%	10	45.5%	10	45.5%
Customs and Excise Service Children's Education Trust Fund Committee	1	25.0%	1	25.0%	1	25.0%

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Customs and Excise Service Children's Education Trust Fund Investment Advisory Board	1	20.0%	1	20.0%	1	20.0%
Dental Council of Hong Kong	3	33.3%	3	30.0%	4	50.0%
Deposit Protection Appeals Tribunal	2	28.6%	3	75.0%	3	75.0%
Deposit-taking Companies Advisory Committee	2	50.0%	2	50.0%	4	66.7%
Design-Business Collaboration Scheme Assessment Panel	-	-	-	-	1	7.1%
Digital 21 Strategy Advisory Committee	7	36.8%	7	36.8%	6	31.6%
Disaster Relief Fund Advisory Committee	1	25.0%	1	25.0%	2	50.0%
Disciplinary Board Panel (Land Survey)	0	0.0%	0	0.0%	0	0.0%
Disciplinary Tribunal Panel (Electricity)	2	8.0%	2	8.0%	3	12.0%
District Council, Central and Western	0	0.0%	0	0.0%	0	0.0%
District Council, Eastern	3	33.3%	3	33.3%	2	33.3%
District Council, Islands	0	0.0%	0	0.0%	0	0.0%
District Council, Kowloon City	1	20.0%	1	20.0%	1	33.3%
District Council, Kwai Tsing	3	42.9%	3	42.9%	3	60.0%
District Council, Kwun Tong	0	0.0%	0	0.0%	0	0.0%
District Council, North	2	40.0%	2	40.0%	1	33.3%
District Council, Sai Kung	2	40.0%	2	40.0%	0	0.0%
District Council, Sha Tin	2	22.2%	2	22.2%	1	16.7%
District Council, Sham Shui Po	0	0.0%	0	0.0%	0	0.0%
District Council, Southern	0	0.0%	0	0.0%	0	0.0%
District Council, Tai Po	0	0.0%	0	0.0%	0	0.0%
District Council, Tsuen Wan	1	20.0%	1	20.0%	1	33.3%
District Council, Tuen Mun	1	14.3%	1	14.3%	0	0.0%
District Council, Wan Chai	0	0.0%	0	0.0%	0	0.0%
District Council, Wong Tai Sin	0	0.0%	0	0.0%	0	0.0%

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District Council, Yau Tsim Mong	1	25.0%	1	25.0%	1	33.3%
District Council, Yuen Long	1	14.3%	1	14.3%	0	0.0%
Dogs and Cats Classification Board	2	50.0%	4	44.4%	3	30.0%
Drainage Appeal Board Panel	3	37.5%	3	37.5%	3	37.5%
Dumping at Sea Appeal Board Panel	4	36.4%	4	36.4%	4	36.4%
Education Commission	4	33.3%	4	33.3%	4	33.3%
Education Scholarships Fund Committee	1	50.0%	1	50.0%	1	50.0%
Elderly Commission	5	27.8%	6	33.3%	6	35.3%
Electoral Affairs Commission	0	0.0%	0	0.0%	1	33.3%
Electrical Safety Advisory Committee	1	6.3%	1	6.3%	1	6.3%
Emergency Relief Fund Committee	2	66.7%	2	66.7%	2	66.7%
Employees Compensation Assistance Fund Board	4	57.1%	4	57.1%	4	57.1%
Employees' Compensation Insurance Levies Management Board	2	33.3%	2	33.3%	2	33.3%
Employees Retraining Board	4	28.6%	5	35.7%	5	35.7%
Endangered Species Advisory Committee	3	27.3%	3	27.3%	4	36.4%
Energy Advisory Committee	6	25.0%	6	25.0%	5	22.7%
Environment and Conservation Fund Committee	3	37.5%	3	33.3%	4	44.4%
Environment and Conservation Fund Investment Committee	2	33.3%	2	33.3%	2	25.0%
Environmental Campaign Committee	5	26.3%	6	33.3%	6	33.3%
Environmental Impact Assessment Appeal Board Panel	3	27.3%	3	27.3%	3	27.3%
Equal Opportunities Commission	8	47.1%	8	47.1%	8	50.0%
Estate Agents Authority	7	36.8%	7	36.8%	6	31.6%
Exchange Fund Advisory Committee	1	7.7%	1	7.1%	2	13.3%
Expanded Building Committee	-	-	-	-	0	0.0%

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Expert Committee on Food Safety	5	25.0%	5	25.0%	6	30.0%
Family Council	7	50.0%	7	50.0%	7	50.0%
Federation of Hong Kong Industries General Committee	0	0.0%	0	0.0%	0	0.0%
Fight Crime Committee	2	25.0%	2	25.0%	2	25.0%
Film Development Council	4	21.1%	7	31.8%	7	31.8%
Financial Reporting Council	2	40.0%	2	33.3%	1	20.0%
Financial Reporting Review Panel	15	36.6%	15	36.6%	15	38.5%
Fire Safety Committee	1	11.1%	1	11.1%	1	11.1%
Fish Marketing Advisory Board	6	37.5%	6	37.5%	7	43.8%
Fisheries Development Loan Fund Advisory Committee	2	22.2%	2	22.2%	3	30.0%
Gas Safety Advisory Committee	3	30.0%	3	30.0%	3	30.0%
Genetically Modified Organisms (Control of Release) Expert Group	-	-	2	15.4%	2	15.4%
Governing Committee of the Beat Drugs Fund Association	2	40.0%	2	40.0%	3	60.0%
Grantham Scholarships Fund Committee	2	66.7%	2	50.0%	2	50.0%
Greater Pearl River Delta Business Council	3	8.6%	3	8.8%	5	12.5%
Guardianship Board	29	49.2%	33	55.0%	34	56.7%
Harbourfront Commission	3	33.3%	3	33.3%	3	33.3%
Health and Medical Development Advisory Committee	5	35.7%	6	31.6%	5	27.8%
Health Care and Promotion Fund Committee	3	60.0%	3	60.0%	6	75.0%
History Museum Advisory Panel	5	33.3%	5	33.3%	5	33.3%
HKSAR Passports Appeal Board	12	50.0%	12	52.2%	11	47.8%
Home Purchase Allowance Appeals Committee Panel	8	42.1%	6	28.6%	6	28.6%
Hong Kong Advisory Council on AIDS	5	29.4%	6	33.3%	6	33.3%
Hong Kong Arts Development Council	4	30.8%	4	30.8%	4	30.8%

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Hong Kong Committee for Pacific Economic Cooperation	6	50.0%	6	50.0%	4	33.3%
Hong Kong Council for Accreditation of Academic and Vocational Qualifications	3	17.6%	6	33.3%	6	35.3%
Hong Kong Council for Testing and Certification	3	23.1%	5	31.3%	5	31.3%
Hong Kong Council on Smoking and Health	7	46.7%	6	42.9%	4	28.6%
Hong Kong Deposit Protection Board	3	42.9%	3	42.9%	3	42.9%
Hong Kong Examinations and Assessment Authority	4	36.4%	5	45.5%	4	36.4%
Hong Kong Export Credit Insurance Corporation Advisory Board	4	44.4%	3	33.3%	3	33.3%
Hong Kong Housing Authority	4	17.4%	6	23.1%	8	30.8%
Hong Kong Logistics Development Council	1	5.3%	1	5.3%	1	5.9%
Hong Kong Maritime Industry Council	1	7.1%	3	21.4%	3	25.0%
Hong Kong Paralympians Fund Management Committee	4	44.4%	5	55.6%	5	55.6%
Hong Kong Port Development Council	2	22.2%	2	16.7%	2	18.2%
Hong Kong Productivity Council	3	16.7%	4	22.2%	5	27.8%
Hong Kong Rotary Club Students' Loan Fund & Sing Tao Charitable Foundation Students' Loan Fund Joint Selection Committee	0	0.0%	0	0.0%	0	0.0%
Hong Kong Tourism Board	6	31.6%	6	31.6%	7	36.8%
Hong Kong Trade Development Council	2	28.6%	2	28.6%	2	28.6%
Hong Kong War Memorial Pensions Advisory Committee	1	16.7%	3	50.0%	3	50.0%
Hong Kong War Memorial Pensions Appeal Board	3	50.0%	3	50.0%	3	50.0%

<i>Name of Body</i>	<i>Number of Government appointed women non-official member (2010)</i>	<i>% of Women Appointed (2010)</i>	<i>Number of Government appointed women non-official member (2011)</i>	<i>% of Women Appointed (2011)</i>	<i>Number of Government appointed women non-official member (2012)</i>	<i>% of Women Appointed (2012)</i>
Honours Committee	1	12.5%	1	12.5%	2	28.6%
Hospital Authority	6	27.3%	6	31.6%	7	33.3%
Housing Managers Registration Board	1	50.0%	1	100.0%	1	50.0%
Human Organ Transplant Board	4	17.4%	3	13.6%	5	21.7%
ICAC Complaints Committee	3	42.9%	3	42.9%	3	50.0%
Immigration Tribunal	15	41.7%	14	40.0%	15	44.1%
Independent Commission on Remuneration for Members of the District Councils of the HKSAR	2	40.0%	2	40.0%	2	40.0%
Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR	1	16.7%	2	33.3%	3	50.0%
Independent Police Complaints Council	5	27.8%	9	37.5%	6	25.0%
Innovation and Technology Fund (SERAP Project Assessment Panel)	11	25.0%	10	29.4%	10	29.4%
Innovation and Technology Fund General Support Programme Vetting Committee	3	30.0%	3	30.0%	3	33.3%
Innovation and Technology Support Programme Assessment Panel under the Innovation and Technology Fund	8	13.8%	14	24.6%	14	24.6%
Insurance Advisory Committee	5	41.7%	5	41.7%	4	33.3%
Intangible Cultural Heritage Advisory Committee	3	30.0%	4	28.6%	4	28.6%
Investment Committee of the HKSAR Government Scholarship Fund	0	0.0%	0	0.0%	0	0.0%

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Joint Committee on Information Technology for the Social Welfare Sector	4	57.1%	4	57.1%	4	57.1%
Joint Committee on Student Finance	2	25.0%	3	37.5%	3	37.5%
Judicial Officers Recommendation Commission	1	14.3%	1	14.3%	1	14.3%
Kadoorie Agricultural Aid Loan Fund Committee	1	25.0%	1	25.0%	1	25.0%
Kwan Fong Charitable Foundation — Kwan Fong Trust Fund for the Needy Advisory Committee	1	100.0%	1	100.0%	1	100.0%
Labour Advisory Board	0	0.0%	0	0.0%	0	0.0%
Land and Development Advisory Committee	2	10.0%	2	10.0%	3	15.0%
Land Surveyors Registration Committee	0	0.0%	0	0.0%	0	0.0%
Law Reform Commission of Hong Kong	3	33.3%	3	33.3%	3	33.3%
Legal Aid Services Council	3	33.3%	3	33.3%	4	44.4%
Leveraged Foreign Exchange Trading Arbitration Panel	0	0.0%	1	20.0%	1	20.0%
Li Po Chun Charitable Trust Fund Committee	2	100.0%	2	100.0%	2	100.0%
Licensing Appeals Board	5	33.3%	5	33.3%	8	53.3%
Liquor Licensing Board	0	0.0%	1	9.1%	2	18.2%
Local Vessel Advisory Committee	1	8.3%	1	8.3%	1	8.3%
Long-term Prison Sentences Review Board	4	36.4%	5	45.5%	5	45.5%
Lord Wilson United World Colleges Scholarship Fund Council	3	60.0%	3	60.0%	3	60.0%
Lotteries Fund Advisory Committee	3	30.0%	3	30.0%	3	30.0%
Lump Sum Grant Steering Committee	5	29.4%	6	35.3%	6	35.3%
Management Committee of the Consumer Legal Action Fund	4	36.4%	3	27.3%	3	27.3%

<i>Name of Body</i>	<i>Number of Government appointed women non-official member (2010)</i>	<i>% of Women Appointed (2010)</i>	<i>Number of Government appointed women non-official member (2011)</i>	<i>% of Women Appointed (2011)</i>	<i>Number of Government appointed women non-official member (2012)</i>	<i>% of Women Appointed (2012)</i>
Mandatory Provident Fund Industry Schemes Committee	0	0.0%	0	0.0%	1	9.1%
Mandatory Provident Fund Schemes Advisory Committee	1	10.0%	3	30.0%	3	30.0%
Mandatory Provident Fund Schemes Appeal Board	4	57.1%	4	57.1%	4	45.5%
Mandatory Provident Fund Schemes Authority	3	33.3%	3	33.3%	3	33.3%
Manpower Development Committee	3	23.1%	4	30.8%	4	36.4%
Marine Fish Scholarship Fund Advisory Committee	1	50.0%	1	50.0%	1	50.0%
Market Misconduct Tribunal	0	0.0%	0	0.0%	1	11.1%
Marketing Advisory Board	2	25.0%	2	40.0%	2	40.0%
Medical Council of Hong Kong	4	100.0%	4	100.0%	4	100.0%
Mental Health Review Tribunal	14	38.9%	14	38.9%	14	38.9%
Midwives Council of Hong Kong	1	50.0%	3	75.0%	2	66.7%
Minimum Wage Commission	-	-	2	20.0%	2	20.0%
Municipal Services Appeals Board	19	26.8%	19	25.7%	24	30.4%
National Committee for the Certification of Wild Poliovirus Eradication in Hong Kong	2	50.0%	2	50.0%	2	50.0%
National Verification Committee for Measles Elimination in Hong Kong	-	-	-	-	1	20.0%
Noise Control Appeal Board Panel	4	36.4%	4	36.4%	4	36.4%
Non-local Higher and Professional Education Appeal Board	4	40.0%	4	44.4%	4	40.0%
Non-official Justices of the Peace Selection Committee	1	20.0%	1	20.0%	1	20.0%
Nursing Council of Hong Kong	6	46.2%	11	73.3%	9	69.2%
Occupational Deafness Compensation Board	2	33.3%	2	33.3%	3	50.0%

<i>Name of Body</i>	<i>Number of Government appointed women non-official member (2010)</i>	<i>% of Women Appointed (2010)</i>	<i>Number of Government appointed women non-official member (2011)</i>	<i>% of Women Appointed (2011)</i>	<i>Number of Government appointed women non-official member (2012)</i>	<i>% of Women Appointed (2012)</i>
Occupational Retirement Schemes Appeal Board	1	20.0%	3	42.9%	5	71.4%
Occupational Safety and Health Council	4	25.0%	4	25.0%	5	31.3%
Operations Review Committee of the ICAC	4	33.3%	4	30.8%	4	30.8%
Panel of Film Censorship Advisers	145	48.4%	141	46.9%	141	46.9%
Panel of Witness Protection Review Board	5	55.6%	5	55.6%	5	55.6%
Pensions Appeal Panel	1	33.3%	1	33.3%	1	33.3%
Pensions Assessment Board (Volunteer and Naval Volunteer Pensions Ordinance)	1	33.3%	1	33.3%	1	33.3%
Personal Data (Privacy) Advisory Committee	2	28.6%	2	28.6%	2	28.6%
Personalized Vehicle Registration Marks Vetting Committee	38	38.0%	37	37.4%	44	44.0%
Pharmacy and Poisons Appeal Tribunal	1	25.0%	2	50.0%	2	50.0%
Pilotage Advisory Committee	0	0.0%	0	0.0%	0	0.0%
Ping Wo Fund Advisory Committee	5	38.5%	6	46.2%	6	46.2%
Pneumoconiosis Compensation Fund Board	1	33.3%	1	33.3%	1	33.3%
Po Leung Kuk Advisory Board	4	50.0%	4	50.0%	3	37.5%
Police Children's Education Trust Investment Advisory Board	1	25.0%	2	50.0%	2	50.0%
Police Children's Education Trust Management Committee	1	16.7%	1	20.0%	1	25.0%
Police Education and Welfare Trust Investment Advisory Board	1	25.0%	2	50.0%	2	50.0%
Police Education and Welfare Trust Management Committee	1	16.7%	1	20.0%	1	25.0%
Port Operations Committee	1	9.1%	1	9.1%	1	9.1%

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Post-Release Supervision Board	6	46.2%	6	46.2%	6	46.2%
Prevention of Legionnaires' Disease Committee	1	20.0%	1	20.0%	0	0.0%
Primary One Admission Committee	2	66.7%	2	66.7%	2	66.7%
Prisoners' Education Trust Fund Committee	1	50.0%	1	50.0%	1	50.0%
Prisoners' Education Trust Fund Investment Advisory Committee	2	40.0%	2	40.0%	2	40.0%
Process Review Committee	2	33.3%	2	33.3%	2	33.3%
Process Review Panel for Financial Reporting Council	2	40.0%	2	40.0%	2	40.0%
Process Review Panel for the Securities and Futures Commission	3	30.0%	3	30.0%	4	40.0%
Product Eco-responsibility Appeal Board Panel	5	45.5%	5	45.5%	5	50.0%
Programme and Development Committee	4	33.3%	4	33.3%	3	25.0%
Programme Management Committee, Dedicated Fund on Branding, Upgrading and Domestic Sales - Enterprise Support Programme	-	-	-	-	4	33.3%
Protection of Wages on Insolvency Fund Board	1	14.3%	1	14.3%	2	28.6%
Public Libraries Advisory Committee	5	33.3%	5	33.3%	6	40.0%
Public Service Commission	2	25.0%	2	25.0%	3	33.3%
Quality Assurance Council	1	12.5%	1	12.5%	1	14.3%
Quality Education Fund Investment Committee	0	0.0%	0	0.0%	0	0.0%
Quality Education Fund Steering Committee	3	25.0%	6	50.0%	5	45.5%
Radiation Board	2	33.3%	2	33.3%	2	33.3%
Radio Spectrum and Technical Standards Advisory Committee (SSAC)	-	-	-	-	1	100.0%

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Radio Television Hong Kong (RTHK) Board of Advisors	4	40.0%	3	33.3%	4	40.0%
Radiological Protection Advisory Group	4	44.4%	4	44.4%	4	44.4%
Railway Objections Hearing Panel	9	40.9%	9	40.9%	7	36.8%
Registration of Persons Tribunal	41	39.4%	29	41.4%	28	41.8%
Rehabilitation Advisory Committee	6	26.1%	8	32.0%	10	40.0%
Release under Supervision Board	2	33.3%	2	33.3%	2	33.3%
Research Council	2	25.0%	5	31.3%	4	26.7%
Research Grants Council	6	21.4%	5	17.9%	5	18.5%
Review Body on Bid Challenges	3	25.0%	5	41.7%	5	41.7%
Review Committee on Trust Fund for Severe Acute Respiratory Syndrome	1	33.3%	1	33.3%	2	66.7%
Review Panel (Land (Miscellaneous Provision) Ordinance)	0	0.0%	0	0.0%	0	0.0%
Risk Communication Advisory Group	3	33.3%	3	33.3%	3	33.3%
Risk Management Committee of the Hong Kong Exchanges and Clearing Limited	0	0.0%	0	0.0%	0	0.0%
Road Safety Council	0	0.0%	0	0.0%	0	0.0%
School Allocation Committee	2	40.0%	2	40.0%	2	40.0%
Science Museum Advisory Panel	6	40.0%	6	40.0%	6	40.0%
Securities and Futures Appeals Tribunal	5	21.7%	9	34.6%	9	31.0%
Securities and Futures Commission	1	12.5%	1	12.5%	1	12.5%
Security and Guarding Services Industry Authority	1	16.7%	2	33.3%	2	33.3%
Self-financing Post-secondary Education Fund Investment Committee	-	-	-	-	0	0.0%
Self-financing Post-secondary Education Fund Steering Committee	-	-	-	-	2	25.0%
Sir David Trench Fund Committee	3	33.3%	3	33.3%	3	33.3%

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Sir David Trench Fund for Recreation Investment Advisory Committee	0	0.0%	2	40.0%	2	40.0%
Sir Jack Cater Scholarship Fund Selection Committee	4	80.0%	3	100.0%	5	71.4%
Sir Murray MacLehose Trust Fund Investment Advisory Committee	3	60.0%	3	60.0%	3	60.0%
Sir Robert Black Trust Fund Committee	2	66.7%	2	66.7%	1	33.3%
Small and Medium Enterprises Committee	4	18.2%	5	22.7%	5	22.7%
Social Enterprise Advisory Committee	5	41.7%	5	41.7%	5	41.7%
Social Security Appeal Board	3	42.9%	3	42.9%	3	42.9%
Social Welfare Advisory Committee	8	36.4%	8	36.4%	10	43.5%
Social Work Training Fund Committee	1	33.3%	1	33.3%	1	33.3%
Social Workers Registration Board	1	16.7%	1	16.7%	1	16.7%
Sports Commission	3	33.3%	4	40.0%	4	36.4%
Stamp Advisory Committee	2	28.6%	2	28.6%	2	28.6%
Standing Commission on Civil Service Salaries and Conditions of Service	3	30.0%	3	30.0%	3	30.0%
Standing Committee on Company Law Reform	4	25.0%	5	31.3%	5	31.3%
Standing Committee on Directorate Salaries and Conditions of Service	2	33.3%	2	33.3%	2	33.3%
Standing Committee on Disciplined Services Salaries and Conditions of Service	4	40.0%	4	44.4%	4	40.0%
Standing Committee on Judicial Salaries and Conditions of Service	1	14.3%	2	28.6%	1	14.3%
Standing Committee on Language Education and Research	8	61.5%	6	42.9%	6	42.9%
Standing Committee on Legal Education and Training	1	33.3%	0	0.0%	0	0.0%
Statistics Advisory Board	3	27.3%	3	27.3%	4	36.4%

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Steering Committee for Research Themes under the Research Endowment Fund	1	14.3%	1	14.3%	0	0.0%
Steering Committee of Pilot Green Transport Fund	-	-	-	-	2	15.4%
Steering Committee of the HKSAR Government Scholarship Fund	3	50.0%	2	33.3%	2	33.3%
Steering Committee on Child Development Fund	5	38.5%	5	38.5%	5	38.5%
Steering Committee on Innovation and Technology	0	0.0%	0	0.0%	1	11.1%
Steering Committee on Population Policy	-	-	-	-	3	27.3%
Steering Committee on Strategic Development of Information Technology in Education	1	10.0%	2	20.0%	2	20.0%
Steering Committee on the Community Care Fund	6	30.0%	6	30.0%	6	30.0%
Steering Committee on the Promotion of Electric Vehicles	1	9.1%	1	9.1%	1	9.1%
Steering Committee on the Provision of Legal Advice for Litigants in Person	-	-	-	-	3	60.0%
Supplementary Medical Professions Council	8	66.7%	7	58.3%	8	61.5%
Tang Shiu Kin & Ho Tim Charitable Fund Management Committee	0	0.0%	0	0.0%	0	0.0%
Technical Committee on the Minor Works Control System (TCMWCS)	-	-	0	0.0%	0	0.0%
Telecommunications (Competition Provisions) Appeal Board	3	25.0%	4	33.3%	4	33.3%
Telecommunications Regulatory Affairs Advisory Committee (TRAAC)	-	-	-	-	2	40.0%

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Telecommunications Users and Consumers Advisory Committee	-	-	-	-	7	50.0%
Textiles Advisory Board	3	27.3%	4	33.3%	4	33.3%
The Board of West Kowloon Cultural District Authority (WKCDA)	2	13.3%	2	13.3%	2	13.3%
The Lump Sum Grant Independent Complaints Handling Committee	-	-	-	-	3	37.5%
The Sir Edward Youde Memorial Fund Council	2	33.3%	3	50.0%	3	50.0%
Torture Claims Appeal Board	-	-	-	-	2	25.0%
Tourism Strategy Group	4	25.0%	4	23.5%	4	22.2%
Town Planning Board	6	20.0%	6	20.7%	5	17.2%
Trade and Industry Advisory Board	0	-	4	36.4%	5	38.5%
Traffic Accident Victims Assistance Advisory Committee	2	50.0%	2	50.0%	2	50.0%
Transport Advisory Committee	4	26.7%	4	25.0%	5	33.3%
Transport Tribunals' Panel	6	31.6%	7	36.8%	7	36.8%
Travel Industry Compensation Fund Management Board	1	14.3%	2	28.6%	2	33.3%
Tung Wah Group of Hospitals Advisory Board	0	0.0%	0	0.0%	0	0.0%
University Grants Committee	5	21.7%	4	17.4%	4	22.2%
Unsolicited Electronic Messages (Enforcement Notice) Appeal Board	4	33.3%	4	33.3%	4	33.3%
Vehicle Maintenance Technical Advisory Committee	0	-	1	100.0%	1	100.0%
Veterinary Surgeons Board	5	50.0%	5	50.0%	5	50.0%
Vetting Committee of the Professional Services Development Assistance Scheme	3	27.3%	3	27.3%	3	30.0%
Vetting Committee of the SME Development Fund and the Dedicated Fund on Branding, Upgrading and Domestic Sales (Organization Support Programme)	3	21.4%	3	21.4%	5	35.7%

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Vocational Training Council	1	5.6%	3	16.7%	4	22.2%
Waste Disposal Appeal Board Panel	4	36.4%	4	36.4%	4	36.4%
Water Pollution Control Appeal Board Panel	4	36.4%	4	36.4%	4	36.4%
Women's Commission	16	80.0%	17	81.0%	18	85.7%
Youth Square Management Advisory Committee	6	37.5%	6	40.0%	6	40.0%

Note:

A dash (-) indicates that the ASB has no Government appointed members as at 31 December of that year.

Statistics on Allied Health Professionals Employed by Hospital Authority

16. **DR JOSEPH LEE** (in Chinese): *President, regarding the employment of staff in the allied health grades, that is, medical laboratory technologists, radiographers, physiotherapists, occupational therapists, optometrists, ancillary dental workers, audiologists, podiatrists, dietitians, orthoptists, clinical psychologists, prosthetists, speech therapists and dispensers, by the Hospital Authority (HA), will the Government inform this Council if it knows:*

- (a) *the following statistics in respect of each allied health grade in each of the past three years (set out in four separate tables):*
 - (i) *number of new recruits,*
 - (ii) *number of staff who left the service,*
 - (iii) *number of cases handled by each staff member per day on average, and*
 - (iv) *time taken for handling a case on average;*
- (b) *the current manpower shortage in various allied health grades;*

- (c) *the number of additional staff HA plans to recruit for each allied health grade in each of the coming three years; and*
- (d) *the following in three years' time from now, as estimated by the HA:*
- (i) *the respective numbers of new cases and old cases to be handled by each staff member per day on average (set out in the table below),*
- (ii) *the average time to be taken for handling a new case and an old case respectively (set out in the table below), and*
- (iii) *whether the waiting time for various allied health services will be shortened; if so, of the details; if not, the reasons for that?*

<i>Allied health grade</i>	<i>New case</i>	<i>Old case</i>

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

- (a) (i) The number of newly recruited allied health professionals under the HA in each year is set out in the following table:

	<i>2010-2011</i>	<i>2011-2012</i>	<i>2012-2013</i>
Medical Laboratory Technologists/Medical Laboratory Technicians	48	74	76
Radiographers/ Radiotherapists	49	55	66
Physiotherapists	62	83	76
Occupational Therapists	61	63	77
Optometrists	10	21	3
Dental Technicians	0	0	0
Audiologists	0	1	2
Podiatrists	6	7	6
Dietitians	8	12	20
Orthoptists	2	1	2

	2010-2011	2011-2012	2012-2013
Clinical Psychologists	10	20	33
Prosthetists	5	15	13
Speech Therapists	3	11	13
Dispensers	40	57	84

- (ii) The number of HA's allied health professionals who left the service each year is set out in the following table:

	2010-2011	2011-2012	2012-2013
Medical Laboratory Technologists/Medical Laboratory Technicians	22	22	25
Radiographers/Radiotherapists	39	43	39
Physiotherapists	42	44	41
Occupational Therapists	20	24	15
Optometrists	0	3	2
Dental Technicians	0	0	0
Audiologists	0	0	0
Podiatrists	2	2	1
Dietitians	5	0	8
Orthoptists	0	2	0
Clinical Psychologists	3	11	7
Prosthetists	6	6	8
Speech Therapists	5	1	5
Dispensers	18	30	29

- (iii) and (iv)

The numbers of allied health professionals, out-patient attendances and community allied health attendances of HA are set out in the following table:

	2010-2011			2011-2012			2012-2013		
	Number of allied health professionals	Out-patient attendances	Community service attendances	Number of allied health professionals	Out-patient attendances	Community service attendances	Number of allied health professionals	Out-patient attendances [#]	Community service attendances [#]
Physiotherapists	775	1 149 152	11 087	814	1 173 929	12 530	846	1 214 721	12 186
Occupational Therapists	573	414 804	15 465	613	418 455	16 843	673	445 570	16 780
Optometrists	42	52 080	-	60	62 281	-	61	72 881	-
Audiologists	18	72 534	-	21	71 382	-	23	75 051	-

	2010-2011			2011-2012			2012-2013		
	<i>Number of allied health professionals</i>	<i>Out-patient attendances</i>	<i>Community service attendances</i>	<i>Number of allied health professionals</i>	<i>Out-patient attendances</i>	<i>Community service attendances</i>	<i>Number of allied health professionals</i>	<i>Out-patient attendances[#]</i>	<i>Community service attendances[#]</i>
Podiatrists	27	40 282	-	31	47 125	-	35	55 779	-
Dietitians	92	69 194	306	106	67 511	323	118	71 903	334
Orthoptists	14	46 660	-	13	40 613	-	14	39 558	-
Clinical Psychologists	100	51 627	-	110	55 482	-	134	58 915	-
Prosthetists	105	77 320	28	116	80 160	24	123	87 840	33
Speech Therapists	59	36 496	2 083	69	39 179	1 823	77	43 360	2 003

Notes:

Provisional figures

In addition to out-patient and community services, the above allied health professionals also provide services for in-patients. The above figures do not include the attendances of allied health services provided to in-patients of HA.

The number of the above allied health professionals and their proportion to in-patients in 2010-2011, 2011-2012 and 2012-2013 are set out in the following table:

	2010-2011		2011-2012		2012-2013	
	<i>Number of allied health professionals</i>	<i>Proportion to 1 000 discharged and deceased in-patients</i>	<i>Number of allied health professionals</i>	<i>Proportion to 1 000 discharged and deceased in-patients</i>	<i>Number of allied health professionals</i>	<i>Proportion to 1 000 discharged and deceased in-patients</i>
Physiotherapists	775	0.79	814	0.81	846	0.82
Occupational Therapists	573	0.58	613	0.61	673	0.66
Optometrists	42	0.04	60	0.06	61	0.06
Audiologists	18	0.02	21	0.02	23	0.02
Podiatrists	27	0.03	31	0.03	35	0.03
Dietitians	92	0.09	106	0.11	118	0.11
Orthoptists	14	0.01	13	0.01	14	0.01
Clinical Psychologists	100	0.10	110	0.11	134	0.13
Prosthetists	105	0.11	116	0.12	123	0.12
Speech Therapists	59	0.06	69	0.07	77	0.07

Notes:

- (1) The above manpower figures are calculated on full-time equivalent basis including permanent, contract and temporary staff in the HA.
- (2) Given that the conditions of patients vary and the complexity of cases may be different to each allied health grade, the workload of allied health professionals cannot be assessed and compared by simply referring to the proportion of allied health professionals to the number of discharged and deceased in-patients.

Besides, the number of radiological examinations carried out and the quantity of drugs dispensed by the HA each year is set out in the following table:

	2010-2011		2011-2012		2012-2013	
	<i>Number of allied health professionals</i>	<i>Number of radiological examinations[^]</i>	<i>Number of allied health professionals</i>	<i>Number of radiological examinations[^]</i>	<i>Number of allied health professionals</i>	<i>Number of radiological examinations^{#^}</i>
Radiographers	735	4 036 193	746	4 109 264	769	4 303 427

Notes:

Temporary figure

[^] Include general and special radiological examinations carried out for in-patients and out-patients

	2010-2011		2011-2012		2012-2013	
	<i>Number of allied health professionals</i>	<i>Quantity of drugs dispensed[^]</i>	<i>Number of allied health professionals</i>	<i>Quantity of drugs dispensed[^]</i>	<i>Number of allied health professionals</i>	<i>Quantity of drugs dispensed[^]</i>
Dispensers	971	39 540 000	997	40 430 000	1 055	42 270 000

Note:

[^] Include in-patient and out-patient services

The job nature of the medical laboratory technologist and radiotherapist grades is diversified and there is no standardized method to collect data on the examinations or treatments these staff perform. Thus, figures in relation to the service capacity are not available.

The conditions of patients and the services they require vary. The time needed by the allied health professionals to handle each case depends on various factors such as the type, complexity and mode of treatment of the case. In short, the manpower ratio of different allied health grades, their service capacity and the time taken for each case cannot be compared directly.

- (b) As at 31 March 2013, there were a total of 215 vacancies in the HA's allied health grades. Their main distribution is set out in the following table:

	<i>Number of vacancies</i>
Radiographers/Radiotherapists	55
Physiotherapists	20

	<i>Number of vacancies</i>
Occupational Therapists	20
Dispensers	70
Pharmacists	50
Total	215

The HA anticipates that most of the vacancies will be filled through recruitment of local and overseas graduates.

- (c) The HA plans to recruit an additional 610 allied health professionals in 2013-2014. The HA conducts regular manpower planning for allied health professionals, with the most recent one conducted in 2010. According to the forecasts made at that time, 6 463 allied health professionals will be required in 2016. The breakdown by grade is set out in the following table:

	<i>2013[#]</i>	<i>2016[^]</i>
Medical Laboratory Technologists/ Medical Laboratory Technicians	1 270	1 281
Radiographer/Radiotherapists	947	1 132
Physiotherapists	846	868
Occupational Therapists	673	723
Optometrists*	61	50
Audiologists*	23	20
Podiatrists*	35	35
Dietitians*	118	107
Orthoptists*	14	13
Clinical Psychologists*	134	95
Prosthetist-Orthotists *	123	111
Speech Therapists*	77	67
Dispensers	1 055	1 156
Others	926	805

Notes:

Actual number of allied health professionals in 2013.

^ Estimated demand for allied health professionals in 2016.

* Since the HA recruited a significant number of allied health professionals for these grades in the past few years, the actual number of staff in these grades in 2013 is greater than or equivalent to the estimated demand in 2016.

As the related manpower planning is conducted once every five years, the HA cannot provide the number of allied health professionals needed to be recruited in 2014-2015 and 2015-2016. The HA conducts manpower deployment and service planning in the light of service needs, manpower situation and technological development, and so on, annually in order to cope with the demand for healthcare services.

- (d) The HA is reviewing the manpower requirement and service provision (including the waiting time for various kinds of service) of each allied health grade so as to estimate the number of additional allied health professionals needed to be recruited in the coming years. Upon completion of the study, the HA will review the findings and introduce various measures to cope with the development of the allied health grades as well as the service demand.

Buildings Energy Efficiency Funding Scheme

17. **MR TONY TSE** (in Chinese): *President, the Buildings Energy Efficiency Funding Scheme (the Scheme) was implemented between 8 April 2009 and 7 April 2012 with a funding allocation of \$450 million. The Scheme subsidized building owners to carry out energy-cum-carbon audits (ECAs) and energy efficiency projects. The authorities received nearly 1 600 applications, of which 870 were approved with total approved grants amounting to some \$350 million, benefiting over 5 700 buildings. In this connection, will the Government inform this Council:*

- (a) *whether it has comprehensively reviewed the effectiveness of the Scheme, the scope and amounts of the funding support, the vetting and approval mechanism and related benefits brought to society; if it has, of the energy saving performance of the buildings with grants under the Scheme, as well as other positive results of the Scheme, and whether the authorities have made recommendations and come up with improvement measures for the Scheme; if it has not*

conducted such a review, of the reasons for that and whether it will do so;

- (b) of the respective general reasons for approving and rejecting the applications concerned; the maximum and minimum amounts of grants for approved cases;*
- (c) how the number of buildings benefiting from the Scheme and the amount of grants approved differ from the initial targets set by the authorities; how the authorities will handle the remaining funding of around \$100 million; and*
- (d) whether it will consider afresh implementing the Scheme again; if it will, of the details and implementation timetable; if not, the reasons for that; whether it has considered implementing other funding schemes to tie in with its policies on energy efficiency and waste reduction at source, further encourage building owners to enhance the performance of their buildings in terms of energy saving and environmental protection, and create more business opportunities for relevant sectors such as property management and engineering?*

SECRETARY FOR THE ENVIRONMENT (in Chinese): President,

- (a) With \$450 million allocated by the Environment and Conservation Fund, the Buildings Energy Efficiency Funding Schemes (BEEFS) were launched on 8 April 2009 to subsidize building owners to conduct ECAs and to carry out energy efficiency improvement works. The BEEFS were intended to last for three years or until the allocation of \$450 million was fully utilized. Among the 2 004 applications received, 1 115 applications have been approved. The BEEFS were closed on 7 April 2012.

Achievements in the past few years reveals that the BEEFS have helped enhance the community's awareness of the importance of buildings energy efficiency, and have mobilized property owners to

take concrete actions to reduce carbon emissions and improve energy efficiency. Over 6 400 buildings, or more than one seventh of the total building stock in Hong Kong, have received subsidies under the Schemes. The types of installations involved in the projects have evolved from the replacement of lighting installations, which is relatively easy to implement, to large-scale projects involving replacement of central air-conditioning and lifts.

The BEEFS have also encouraged cross-sectoral co-operation between the engineering and property management sectors to grasp the opportunities brought by low-carbon economy. Since the launch of the BEEFS, over 20 training courses on energy and carbon audits have been offered for about 1 200 people by various training institutes and organizations.

For ECAs, they have been carried out in more and more buildings, and have helped identify room for energy saving and carbon reduction. There were also cases where energy improvement proposals as recommended upon completion of ECAs had been implemented with subsidies from BEEFS. The success of the BEEFS has helped lay a solid foundation for the full implementation of the mandatory Buildings Energy Code.

Upon completion of the energy efficiency projects, subsidy recipients are required to submit reports setting out the information on energy consumption of the installations, and professional evaluation of the results of energy conservation. The information is sufficient to reflect the effectiveness of the projects. It is estimated that the total energy saving achieved by the approved project would amount to 180 million kWh per annum (about 126 000 tonnes carbon dioxide emission).

- (b) There were 1 115 applications approved under the BEEFS which constituted about 56% of the total applications. Among the approved applications, the highest amount of subsidies per building reached the cap of \$0.5 million per building, and the lowest amount

per building is about \$3,000. There were 889 applications that have not been approved for reasons including failure to submit sufficient information for further processing; failure to meet the eligibility requirements (for example, applicants not falling into the category of qualified applicants or organizations); non-compliance with the application procedures (for example, award or completion of contracts before the applications were approved); withdrawal by applicants; and the fact that the allocated funds have been fully committed.

- (c) The \$450 million allocation has been fully allocated or committed for the benefits of over 6 400 buildings.
- (d) The BEEFS was closed on 7 April 2012 as scheduled. We consider that the BEEFS have achieved their intended purposes, namely, promoting the building owners' awareness of the benefits of building energy efficiency and encouraging them to take concrete action to seek improvements. The BEEFS have also been successful in motivating relevant sectors to grasp the business opportunities brought about by improving building energy efficiency. With services provided by the engineering sector and facilitation by the property management sector, building owners are well supported to pursue energy efficiency initiatives for their buildings.

We will continue to promote the enhancement of building energy efficiency, including the full operation of the Buildings Energy Efficiency Ordinance for building energy efficiency improvement. The Administration will regularly review the minimum energy efficiency standards prescribed in the Building Energy Code. Moreover, the Environment and Conservation Fund will continue to enhance the environmental performance of buildings through supporting various schemes such as the Source Separation of Waste Programme and Food Waste Recycling Projects in Housing Estates, and so on.

Deletion of Posts of Cook by Fire Services Department

18. **MR KWOK WAI-KEUNG** (in Chinese): *President, recently, some civil servants serving as Cooks have approached me for assistance, claiming that in recent years, the Fire Services Department (FSD) has continuously deleted the civil service posts of Cook in the Department and engaged outsourced service contractors to provide catering service instead. In this connection, will the Government inform this Council:*

- (a) *of the number of Cooks in the FSD, their total payroll, the number of posts deleted and the reasons for the deletion, in each of the past five years, as well as a breakdown of such figures by the divisions under the Fire Commands;*
- (b) *of the details of the FSD outsourcing catering service in the past five years, including the number of employees engaged by contractors to provide such service and the annual expenditures on the outsourced service, as well as the reasons for outsourcing the service; and*
- (c) *given that various government departments have recruited additional civil servants in recent years to cope with the increasing workload, and the catering service provided for the FSD is not a kind of seasonal demand, of the justifications of the FSD for implementing the policy of replacing the posts of Cook by outsourcing the service?*

SECRETARY FOR SECURITY (in Chinese): President, the FSD is committed to providing quality fire-fighting, rescue and emergency ambulance services, and so on, to the public. Basing on the principle of prudent management of public resources, the Department needs to maintain a lean and efficient civil service workforce in performing the above core duties, and to provide support services appropriate to the operational needs and service nature. After thorough consideration of its operational needs and service nature, the FSD considers that it is not necessary to employ civil servants to provide the catering services. Therefore, the FSD has been outsourcing its catering services for front-line fire and ambulance personnel by phases since 2001. Apart from outsourcing the catering services for new fire stations and ambulance depots, the Department would also outsource the concerned catering services following the retirement or

departure of serving Cooks in other units. The FSD will not delete the Cook posts when they are still occupied.

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

- (a) Information relating to the number of civil servant Cooks serving in the FSD, their salary expenditure and the number of posts deleted, and so on, in the past five years is at Annex.
- (b) Basing on the reasons stated above, the FSD has been gradually outsourcing the catering services. The FSD will specify the number of days and hours of catering services required in the outsourcing contracts having regard to the meal arrangement requirements and the number of staff taking meals in the relevant units. As regards the number of outsourced workers, it is determined and deployed by the service providers themselves according to the service required. The FSD does not have information on the number of workers employed by the service providers. The number of front-line units using outsourced catering services and the relevant expenditure of the FSD in the past five years are as follows:

<i>Year</i>	<i>2008-2009</i>	<i>2009-2010</i>	<i>2010-2011</i>	<i>2011-2012</i>	<i>2012-2013</i>
Number of front-line fire stations and ambulance depots using outsourced catering services	71	73	78	81	86
Expenditure on outsourced catering services (\$)	10.83 million	12.06 million	13.36 million	16.42 million	16.83 million

- (c) In general, Heads of Departments would determine the appropriate mode of service delivery having regard to their operational needs and service nature. After thorough consideration of its operational needs and service nature, the FSD considers that it is not necessary to employ civil servants to provide the catering services. The outsourced catering services are considered satisfactory. The FSD will continue to review the outsourcing arrangements of catering services from time to time to ensure that such arrangements comply with government policies and meet the needs of the Department.

Annex

Information relating to the FSD's civil servant Cooks in the past five years

<i>Year</i>	<i>2008-2009</i>	<i>2009-2010</i>	<i>2010-2011</i>	<i>2011-2012</i>	<i>2012-2013</i>
Number of Cooks (as at 31 March of that year)	88	81	76	68	63
Salary expenditure (\$) ⁽¹⁾	13.9 million	12.8 million	12 million	11.4 million	11.2 million
Number of Cook posts deleted ⁽²⁾	0	3 [Fire Services Training School: 1 Ambulance Depots on Hong Kong Island: 2]	12 [Ambulance Depots in Kowloon:6 Ambulance Depots in the New Territories: 6]	8 [Fire Stations on Hong Kong Island: 5 Fire Stations on Outlying Islands: 2 Ambulance Depots in the New Territories: 1]	3 [Fire Stations in Kowloon: 3]

Notes:

- (1) Calculated basing on the notional annual mid-point salary value for Cook of that year.
- (2) Vacant Cook posts arising from wastage may not be deleted in the same financial year. Therefore, the changes in total number of Cooks and the number of posts deleted in the past five years as shown in the table above are not the same.

Supply and Allocation of Public Rental Housing Units and Supply of HOS Units

19. **MR ALBERT HO** (in Chinese): *President, regarding the supply and allocation of public rental housing (PRH) units, as well as the supply of Home Ownership Scheme (HOS) units, will the Government inform this Council:*

- (a) *of the relevant information of each of the PRH and HOS projects completed/to be completed from 2013-2014 to 2016-2017, broken down by District Council (DC) district (set out in Tables 1 and 2);*

(Table 1)

<i>District</i>	<i>PRH project</i>	<i>Location</i>	<i>Site area (sq m)</i>	<i>Date of completion</i>	<i>Number of units to be provided</i>
<i>Sham Shui Po</i>	<i>(for example, Blocks 1 and 2 of Ex-Cheung Sha Wan Police Quarters)</i>	<i>(for example, the junction of Cheung Sha Wan Road and Tonkin Street)</i>			

(Table 2)

<i>District</i>	<i>HOS project</i>	<i>Location</i>	<i>Site area (sq m)</i>	<i>Date of completion</i>	<i>Number of units to be provided</i>
<i>Sham Shui Po</i>					

- (b) *given that the Government indicated in its reply in April this year to this Council's question on the Estimates of Expenditure 2013-2014 that "[t]he HA [Hong Kong Housing Authority] has successfully secured enough land to ensure that a total of about 17 000 HOS flats will be completed over the four years from 2016-2017", of the relevant information on the sites concerned (set out in Table 3);*

(Table 3)

<i>District</i>	<i>Location</i>	<i>Site area (sq m)</i>	<i>Anticipated date for commencement of works</i>	<i>Number of HOS units to be provided</i>

- (c) *whether, at present, there is any information regarding those sites which have already been committed for building PRH in 2018-2019 and 2019-2020; if so, of the locations and site areas of all such sites as well as the estimated number of units that can be provided;*
- (d) *of the total number of PRH units, the number of vacant units and the percentage of such number of vacant units in the total number of units, and among the vacant units, the respective numbers of*

refurbished and newly constructed units as well as their respective proportions on the 31st of December of each year in 2010, 2011 and 2012 (set out in Table 4);

(Table 4)

<i>Date</i>	<i>Total number of PRH units</i>	<i>Vacant units</i>		
		<i>Number (percentage in the total number of units)</i>	<i>Number of refurbished units (proportion)</i>	<i>Number of newly constructed units (proportion)</i>
<i>31 December 2010</i>				
<i>31 December 2011</i>				
<i>31 December 2012</i>				

- (e) *of the total number of PRH units, the number of vacant units and the vacancy rate in each DC district on the 31st of December of each year in 2011 and 2012; and whether there were individual districts in which the PRH vacancy rates were relatively high; if so, of the reasons for that;*
- (f) *whether the authorities will implement measures in the coming year to expedite the allocation of vacant PRH units to applicants; if they will, of the details;*
- (g) *of the number of applicants who had been offered PRH units for the first time, the number of PRH units involved and the number of units accepted by these applicants in each of the past five financial years (and among such units, of the number of newly constructed and refurbished units and their respective proportions);*
- (h) *among the PRH units accepted by the applicants in each of the past five financial years, of the number and percentage of PRH units allocated to applicants who had been offered a unit for the first time, broken down by district (that is, urban areas, extended urban areas, the New Territories and islands); and*
- (i) *of the average time gap between the submission of applications by general PRH applicants and the acceptance of offers by such applicants in each of the past three financial years?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the Hong Kong Housing Authority (HA) would ensure the effective use of public housing resources. As soon as newly completed units or refurbished units become available, they are promptly allocated to applicants on the Waiting List (WL) or other rehousing categories. WL applicants are given three offers from which to choose; whether the applicants accept the first, second or third offer is a matter of personal choice. If the applicants refuse to accept the offers, we will arrange allocation to other applicants by random computer batching. Thus, the vacant period for each unit depends on whether and if so, when the offer is accepted by the applicants. Generally speaking, there are always a number of units vacant at any one time. These include less popular units that have not been accepted after repeated offers, recycled units undergoing refurbishment and units specially reserved to cater for the rehousing of people affected by transfers or clearances, and so on.

The reply to the various parts of the question raised by Mr Albert HO is as follows:

- (a) Please refer to Annex 1 and Annex 2 for the information about the estimated PRH production and the HOS production to be completed between 2013-2014 and 2016-2017 respectively.

- (b) and (c)

The HA has successfully secured sufficient land to ensure that a total of about 17 000 HOS flats will be completed over the four years from 2016-2017. The first batch of HOS units to be completed in 2016-2017 are located in Sha Tin, Tsuen Wan, Kwai Tsing and Yuen Long, providing a total of about 2 100 flats as shown in Annex 2. In addition, the Government has already announced its decision to increase the PRH production target to at least 100 000 units over the five years starting from 2018. For HOS and PRH projects to be completed beyond 2016-2017, they are mostly at an early planning and design stage. Therefore, we cannot provide details of the sites concerned at this stage. The HA will consult the relevant DCs according to the respective timetables for individual projects in light of their progress on planning and design work.

- (d) As at 31 December of 2010, 2011 and 2012, the total numbers of lettable PRH flats and the number and percentage of lettable vacant flats are shown in the table below:

<i>Date</i>	<i>Total Number of Lettable PRH Flats</i>	<i>Total Number of Lettable Vacant Flats</i>		
		<i>Number of Vacant Flats (% of Total Number of PRH Flats)</i>	<i>Number of Refurbished Flats (%)</i>	<i>Number of New Flats (%)</i>
31 December 2010	702 472	6 145 (0.9%)	5 007 (81.5%)	1 138 (18.5%)
31 December 2011	716 830	8 238 (1.1%)	6 300 (76.5%)	1 938 (23.5%)
31 December 2012	723 877	4 550 (0.6%)	3 681 (80.9%)	869 (19.1%)

- (e) The allocation of PRH units takes place based on four WL districts, namely, Urban, Extended Urban, New Territories and Islands. As at 31 December 2011 and 31 December 2012, the total number of PRH flats; the number of lettable vacant flats and vacancy rates of PRH units for different WL Districts are shown in the table below:

<i>WL Districts</i>	<i>As at 31 December 2011</i>			<i>As at 31 December 2012</i>		
	<i>Total number of Lettable PRH flats</i>	<i>Lettable Vacant PRH flats</i>	<i>Vacancy Rate</i>	<i>Total number of Lettable PRH flats</i>	<i>Lettable Vacant PRH flats</i>	<i>Vacancy Rate</i>
Urban	328 491	4 333	1.32%	337 269	2 564	0.76%
Extended Urban	209 309	2 387	1.14%	208 728	1 076	0.52%
New Territories	163 335	1 117	0.68%	162 192	713	0.44%
Islands	15 695	401	2.55%	15 688	197	1.26%
Total	716 830	8 238	1.15%	723 877	4 550	0.63%

As PRH flats are recovered and let out everyday, the vacant flat figures listed in the table above only reflect the situation on that day.

- (f) Housing Department (HD) has taken a multi-pronged approach to optimize the use of valuable public housing resources and expedite the letting of those units. These measures include:
- (i) provision of 50% rent reduction for eight months in respect of units left vacant for 12 months or more but less than 24 months;

- (ii) provision of 50% rent reduction for 12 months in respect of units left vacant for 24 months or above; and
- (iii) let out less popular flats through the Express Flat Allocation Scheme which is at present launched annually. This also serves to provide a fast track access to PRH for those WL applicants who have joined the scheme.

(g) and (h)

In the past five years, the HD has made an average of over 40 000 offers per year to WL applicants, which included 1st offers, 2nd offers and 3rd offers. However, only a portion of the offers were accepted by applicants, and the HD has only kept statistics related to these accepted offers. Among the offers accepted by applicants each year, the number and percentage of applicants accepting 1st offers, 2nd offers and 3rd offers are as follows:

<i>Year</i>	<i>Number of applicants having accepted the first offer (percentage relative to the total number of accepted offers for the year)</i>	<i>Number of applicants having accepted the second offer (percentage relative to the total number of accepted offers for the year)</i>	<i>Number of applicants having accepted the third offer (percentage relative to the total number of accepted offers for the year)</i>
2008-2009	4 583 (19%)	9 329 (38%)	10 514 (43%)
2009-2010	4 052 (20%)	8 539 (41%)	8 023 (39%)
2010-2011	3 839 (24%)	6 580 (42%)	5 300 (34%)
2011-2012	6 637 (34%)	6 640 (34%)	6 325 (32%)
2012-2013	6 361 (42%)	5 386 (35%)	3 534 (23%)

The HD does not keep the breakdowns by districts.

- (i) According to the existing mechanism, the Average Waiting Time (AWT) of PRH is computed counting from the time the applicant is registered on the WL to the time he/she received the 1st offer. In the past three fiscal years, that is, as at end March of 2011, 2012 and 2013, the AWT of general WL applicants were two years, 2.6 years and 2.7 years respectively. The duration between submission of application and registration on the WL differs among applicants, and

we do not compile statistics on the average time between the submission of applications and the final acceptance of PRH flats.

Annex 1

PRH Production (2013-2014 to 2016-2017)

<i>Year of Completion/District</i>	<i>PRH Project</i>	<i>Address</i>	<i>Planned Flat Number</i>	<i>Gross Site Area (Hectare)</i>
2013-2014				
Kowloon City	Kai Tak Development Site 1B Phase 1	Kai Tak Development Site 1B	2 700	5.7
	Kai Tak Development Site 1B Phase 2	Kai Tak Development Site 1B	2 900	
	Kai Tak Development Site 1B Phase 3	Kai Tak Development Site 1B	2 500	
Sham Shui Po	Sai Chuen Road	Sai Chuen Road	1 500	1.0
Kwai Tsing	Tai Pak Tin Street	Intersection between Tai Pak Tin Street and Shek Pai Street	800	0.8
	Kwai Shing Circuit	Kwai Shing Circuit	1 500	1.9
Sai Kung (Tseung Kwan O)	Tseung Kwan O Area 65B	Tseung Kwan O Area 65B	2 100	2.3
Sub Total:			14 100	
2014-2015				
Sham Shui Po	So Uk Phase 1	So Uk Estate	2 900	8.0 [@]
Wong Tai Sin	Tung Tau Cottage Area East	Pui Man Street	1 000	1.2
Sha Tin	Shatin Area 52 Phase 1	Shui Chuen O	3 000	2.7
North	Sheung Shui Area 36 West	Intersection between Pok Kin Road and Ching Hiu Road	1 400	1.2
Yuen Long	Hung Shui Kiu Area 13 Phases 1-3	Intersection between Hung Shui Kiu Tin Sam Road and Hung Yuen Road	4 400	6.4 [@]
Sub Total:			12 700	

<i>Year of Completion/District</i>	<i>PRH Project</i>	<i>Address</i>	<i>Planned Flat Number</i>	<i>Gross Site Area (Hectare)</i>
2015-2016				
Eastern	Chai Wan Factory Estate	Kut Shing Street	200	0.4
Kwun Tong	Lower Ngau Tau Kok Phase 2	Lower Ngau Tau Kok Estate	600	0.6
	Anderson Road Site D	Anderson Road	3 500	2.6
	Anderson Road Site E Phases 1-2	Anderson Road	5 100	4.0 [@]
	Lei Yue Mun Phase 3	Intersection between Yan Wing Street and Ko Chiu Road	400	0.8
Sha Tin	Shatin Area 52 Phases 2-4	Shui Chuen O	8 100	13.6
Tai Po	Po Heung Street	Po Heung Street	500	0.5
Yuen Long	Hung Shui Kiu Area 13 Phase 3	Intersection between Hung Shui Kiu Tin Sam Road and Hung Yuen Road	500	6.4 [@]
	Ex-Au Tau Departmental Quarters	Yau Sin Street	1 200	3.7
	Ex-Yuen Long Estate	Yuen Long Estate	400	0.4
Sub Total:			20 500	
2016-2017				
Sham Shui Po	So Uk Phase 1	So Uk Estate	400	8.0 [@]
Kwun Tong	Anderson Road Site A	Anderson Road	1 500	1.4
	Anderson Road Site B Phases 1-2	Anderson Road	5 700	3.9
	Anderson Road Site C1	Anderson Road	1 300	1.4
	Anderson Road Site E Phase 2	Anderson Road	800	4.0 [@]
Wong Tai Sin	San Po Kong F.F.	Intersection between Prince Edward Road East and King Hong Street	900	0.7
Islands	Tung Chung Area 56	Tung Chung Area 56	3 500	3.3

<i>Year of Completion/District</i>	<i>PRH Project</i>	<i>Address</i>	<i>Planned Flat Number</i>	<i>Gross Site Area (Hectare)</i>
Tuen Mun	Tuen Mun Area 54 Site 2 Phase 1	Tuen Mun Area 54 Site 2	2 600	1.8
	Tuen Mun Area 54 Site 2 Phase 2	Tuen Mun Area 54 Site 2	2 100	2.4
Sub Total:			18 700	
Grand Total:			79 100	

Notes:

Figures are subject to change.

Figures may not add up to the total due to rounding.

@ The site area is based on the whole site of all phases whilst the flat production is splitted across financial years.

Annex 2

HOS Production (2013-2014 to 2016-2017)

<i>Year of Completion/District</i>	<i>HOS Project</i>	<i>Address</i>	<i>Planned Flat Number</i>	<i>Gross Site Area (Hectare)</i>
2016-2017				
Kwai Tsing	Ching Hong Road	Ching Hong Road	500	0.5
Tsuen Wan	Sha Tsui Road	Intersection between Sha Tsui Road and Texcaco Road	900	1.0
Sha Tin	Mei Mun Lane, Sha Tin Area 4C	Mei Mun Lane	200	0.2
	Pik Tin Street, Sha Tin Area 4D	Pik Tin Street	300	0.3
Yuen Long	Wang Yip Street West	Wang Yip Street West	200	0.5
Total:			2 100	

Note:

Figures are subject to change.

Regulation of Unauthorized Building Works in the New Territories and Urban Areas

20. **MR RONNY TONG** (in Chinese): *President, on 28 June 2011, the Government announced the arrangements for handling unauthorized building*

works (UBWs) in New Territories Exempted Houses (NT village houses), including introduction of a Reporting Scheme for UBWs in NT village houses (the Reporting Scheme). According to the Reporting Scheme, owners of NT village houses with UBWs completed before 28 June 2011 which constitute less serious contravention of the law and pose lower potential risks to building safety might report the UBWs to the Buildings Department (BD) by 31 December 2012 and thereafter appoint qualified personnel to conduct inspections and verify the safety of the UBWs every five years, so that they would not be required to remove such UBWs immediately. The BD will accord priority to taking law-enforcement actions against those UBWs which have not been reported. Moreover, the BD set up a Village Houses Section comprising 41 staff members on 1 April last year to survey individual villages and gather evidences in various villages. The Section's first round targets for law-enforcement actions are existing UBWs in village houses which constitute serious contravention of the law and pose higher potential risks to building safety. In this connection, will the Government inform this Council:

- (a) of a breakdown by category of UBWs of the number of reported cases received by the BD under the Reporting Scheme, and the number of reported cases in which the UBWs involved are allowed to be retained;*
- (b) whether the authorities have compiled statistics or made estimations on the present situation of UBWs in NT village houses, including small houses and ancestral homes; if they have, of the number of village houses with UBWs which are the first round targets in various districts, with a breakdown by categories of UBWs;*
- (c) how the authorities handle UBWs which are first round targets; how many removal orders have been issued by the BD against such UBWs since 28 June 2011;*
- (d) of the work progress of the BD's Village Houses Section since its establishment, including the districts in which village houses have been surveyed, the number of removal orders issued, and the districts and categories of UBWs involved in such removal orders; and*

- (e) *as the authorities have indicated that UBWs in both the New Territories and urban areas will be handled under the principle of equal treatment, and the BD, after issuing an advisory letter to the owner of House 4 at Peel Rise at the end of December last year in respect of an actionable UBW, has allowed the owner and his authorized person (AP) to submit six remedial proposals, and the UBW has not yet been removed so far, whether the BD has given up the law-enforcement policy under which the owners concerned are required to first demolish the UBWs before they may submit applications and plans to the BD for alteration works; if it has, of the reasons for and the details of the change in policy, and when the new policy was implemented; whether the BD will also allow owners of NT village houses with UBWs which have not been reported and are the first round targets to submit remedial proposals instead of having to demolish the UBWs first; if not, whether the BD has two sets of law-enforcement policies in place; if so, of the reasons and application criteria for that; if not, the reasons for handling the cases differently?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, the Government attaches great importance to building safety issue. In handling UBWs, the BD has always put building and public safety in the first place, and acts in accordance with the law to take appropriate actions pursuant to the Buildings Ordinance (BO) (Cap. 123) and the prevailing enforcement policy. In dealing with UBWs in New Territories (NT) Exempted Houses (commonly known as "village houses"), we follow the same principle and adopt a pragmatic approach to tackle the problem through categorization of UBWs and prioritization of enforcement.

To step up enforcement action against UBWs in village houses, the BD has been implementing an enhanced enforcement policy since 1 April 2012. Under the enhanced enforcement policy, while the BD will continue to take immediate enforcement action against UBWs constituting obvious hazard or imminent danger to life or property, and UBWs under construction or newly completed, it will also categorize UBWs constituting serious contravention of the law and posing higher potential risks to building safety as first round targets for priority enforcement action.

In parallel, the BD launched the Reporting Scheme for other existing UBWs in village houses which constitute less serious contravention of the law and pose lower potential risks. Owners of village houses might report and submit information of their eligible UBWs to the BD, and arrange for qualified personnel to inspect and certify the safety of the UBWs concerned. Subject to safety inspection and certification once every five years thereafter, the BD will not require immediate removal of the reported UBWs during the period of enforcement against the first round targets, unless the UBWs become imminently dangerous. Reporting period of the Reporting Scheme has already expired on 31 December 2012. The BD will analyse the information collected under the Reporting Scheme, and categorize and conduct objective risk assessment of these UBWs for formulation of appropriate follow-up plans.

My reply to the five-part question is as follows:

- (a) As at the close of the reporting period on 31 December 2012, the BD received under the Reporting Scheme about 18 000 report forms. The UBWs involved mainly comprise enclosed balconies, enclosed and unenclosed roof-top structures as well as ground floor extensions, and so on. As the BD is still processing the report forms, we are unable to provide at this stage a breakdown by category of the reported UBWs as well as the number of report cases accepted by the BD.
- (b) Since the village houses are scattered over an extensive area in the NT, the Government has not conducted comprehensive survey or compiled statistics on UBWs in NT village houses (irrespective of whether they are small houses erected under the Small House Policy). Hence, we are unable to provide the relevant information on first round targets in various NT districts.
- (c) and (d)

Since 1 April 2012, the BD has set up a dedicated Village Houses Section to handle the work in relation to UBWs in NT village houses. The large scale operations against first round target UBWs in village houses commenced in mid-2012. In view of the substantial scale of the enforcement action against first round targets, the large scale operations will be conducted in phases and in a

systematic manner. As at end of May 2013, the BD has selected 17 target villages from the nine administrative districts in the NT for village by village surveys which involved about 4 700 village houses. With regard to the first round targets identified in the surveys, the BD has issued some 130 statutory orders requiring the owners to carry out the necessary works to rectify the irregularities. The statutory orders involve village houses distributed in the nine NT administrative districts, and the UBWs mainly comprise village houses of four storeys or above as well as enclosed roof-top structures which cover more than 50% of the roofed-over area of the village house. Among the statutory orders issued, four of them have been complied with. In line with the established procedures, the BD is arranging for prosecution against the owners in some 40 cases for non-compliance with the statutory orders, and continues to follow up on the other statutory orders. Moreover, the BD has recently selected another 35 target villages from the nine NT administrative districts for conducting large scale operations, in which some 4 800 village houses will be inspected to identify first round targets for enforcement action.

- (e) Under the established procedures of the BD, if there are confirmed actionable UBWs after inspection, and the UBWs constitute no imminent danger and the case does not involve emergency, the BD will issue an advisory letter to the owner, advising him to rectify the irregularities as soon as possible. If the owner fails to commence the rectification works within the specified period, the BD will issue a statutory order requiring the owner to carry out the necessary works to rectify the situation. Where the UBWs involved are complex in nature or large in scale, the BD will require the owner to appoint an AP to submit a remedial proposal to the BD for rectification of the irregularities. The owner can only commence the remedial works after the BD has accepted the remedial proposal.

In respect of the UBW case of House 4 of Peel Rise No. 4, the BD has been taking follow-up action in accordance with the established procedures, prevailing enforcement policy and provisions of the BO. Regarding the unauthorized floor space on the lower ground floor of House 4, as mentioned above and in line with the established procedures of the BD, the owner is required to appoint an AP to

submit a rectification proposal to the BD so as to seal up the unauthorized void space concerned and prevent its use. The owner can only commence the remedial works after the BD has accepted the remedial proposal. On 30 May 2013, the BD accepted the revised proposal submitted by the AP appointed by the owner. The BD will continue to follow up on the conduct of the remedial works with the AP appointed by the owner in accordance with the BO.

As for the handling of UBWs in NT village houses, in accordance with the requirements of the Reporting Scheme, first round target UBWs in village houses are not eligible for reporting. In this connection, the BD will take priority enforcement actions against such UBWs as planned and issue statutory orders to the owners concerned. Generally speaking, owners on receipt of such statutory orders shall remove the UBWs concerned or carry out rectification works to put an end to the irregularities within a specified period. Depending on the nature of the UBWs, the owner may be required to appoint an AP to submit a remedial proposal to the BD for rectification of the irregularities, and the remedial works concerned shall only commence after the BD has accepted the remedial proposal. This is in line with the principle in handling UBWs in urban areas.

Disbursement of Severance Payments, Long Service Payments and Gratuities to Non-civil Service Contract Staff

21. **MR TANG KA-PIU** (in Chinese): *President, in connection with the disbursement of severance payments (SPs), long-service payments (LSPs) and end-of-contract gratuities to non-civil service contract (NCSC) staff by various bureaux/departments (B/Ds), will the Government inform this Council:*

- (a) *of the respective total amounts of employer's contributions made by various B/Ds to Mandatory Provident Fund (MPF) schemes in respect of their NCSC staff in the past five years;*
- (b) *as an employer may offset LSP or SP payable under the Employment Ordinance (EO) (Cap. 57) with the accrued benefits derived from the employer's contributions made to an MPF scheme for the employee,*

- of (i) the total amount of LSPs disbursed to NCSC staff and the total amount of LSPs payable before the offsetting arrangements; (ii) the total amount of SPs disbursed to NCSC staff and the total amount of SPs payable before the offsetting arrangements, in respect of each B/D in the past five years;*
- (c) *as the recruitment advertisements for some NCSC positions have stated that the end-of-contract gratuities to such employees plus the amounts of contributions made by the Government to the MPF schemes of such employees would equal to 15% or 10% of the total amount of their basic salaries, of the total amount of gratuities disbursed to NCSC staff by each B/D in the past five years, as well as such total amount after including the contributions to MPF schemes; and*
- (d) *whether the Government will consider taking the lead in cancelling the arrangements of reducing the payable end-of-contract gratuities by its contributions to MPF schemes as mentioned in part (c), so that other employers will follow suit; if it will not, whether it will consider stating separately the formulas for calculating the end-of-contract gratuities and MPF contributions in the employment terms set out in the recruitment advertisements to let applicants better understand the employment terms of the positions concerned?*

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

- (a) The respective total amounts of employer's contributions made by B/Ds to MPF schemes in respect of their full-time⁽¹⁾ NCSC staff in the past five years are set out at Annex 1.
- (b) The NCSC Staff Scheme, introduced in 1999, aims at providing B/Ds with a flexible means of employment to respond more promptly to changing operational and service needs. Under the NCSC Staff Scheme, B/Ds have the full discretion to determine the appropriate employment package of their NCSC staff subject to the

(1) "Full-time" means the employment is on a "continuous contract" as defined by the EO, namely an employee who works continuously for the same employer for four weeks or more, with at least 18 hours in each week.

guiding principle that the terms and conditions for the NCSC staff should be no less favourable than those provided for under the EO (Cap. 57). In this regard, B/Ds should follow the relevant provisions of the EO to pay for LSP and SP to their NCSC staff.

Under the NCSC Staff Scheme, Heads of Bureaux/Departments (HoDs) are fully accountable for the employment and management of their NCSC staff, and to meet from their own resources the entire cost for the employment of these staff. Since the detailed calculation and disbursement of LSP and SP of individual NCSC staff are arranged and processed by their respective B/Ds, the Civil Service Bureau does not have information on the breakdown of the amount of LSP and SP disbursed to NCSC staff and the amount of LSP and SP payable before offsetting the accrued benefits derived from the employer's contributions made to MPF schemes, in respect of each B/D in the past five years.

- (c) The total amount of gratuities disbursed to full-time NCSC staff by each B/D in the past five years is provided at Annex 2. However, the Civil Service Bureau does not have information on the total amount of gratuities disbursed to NCSC staff and respective contributions to MPF schemes by B/Ds for individual years, and hence cannot provide the relevant breakdown.
- (d) Under the NCSC Staff Scheme, HoDs have the full discretion to determine the appropriate employment package of their NCSC staff, having regard to such factors as the recruitment situation and employment market, and to decide whether to offer end-of-contract gratuity and the percentage rate of gratuity. In accordance with the prevailing guidelines, the gratuity, plus the Government's MPF contributions in respect of the NCSC staff, is as follows:
 - (i) If the NCSC staff is required to perform skilled job (that is, requiring skills in managerial, professional, technical, or other specialized fields), the percentage rate of gratuity, plus the Government's MPF contributions in respect of the NCSC staff, should not be more than 15% of the total basic salary drawn during the contract period;

- (ii) If the NCSC staff is required to perform non-skilled job, the percentage rate should not be more than 10%.

Since these terms of employment are specified clearly in the recruitment advertisement and stipulated in the employment contract, we do not see any need to alter the current recruitment advertisement arrangement. In addition, both end-of-contract gratuity and government's contributions to MPF schemes are funded by the Government. There is no question of reducing the payable end-of-contract gratuity by the contributions to MPF schemes.

Annex 1

Total amount of employer's contributions made by B/Ds to MPF schemes in respect of their full-time⁽¹⁾ NCSC staff in the past five years

<i>Bureau/Department</i>	<i>2008-2009 (HK\$'000)</i>	<i>2009-2010 (HK\$'000)</i>	<i>2010-2011 (HK\$'000)</i>	<i>2011-2012 (HK\$'000)</i>	<i>2012-2013 (HK\$'000)</i>
Agriculture, Fisheries and Conservation Department	1,979	2,246	2,143	2,366	2,629
Architectural Services Department	459	460	657	442	530
Audit Commission	9	0	0	0	0
Auxiliary Medical Service	10	4	4	1	0
Buildings Department	7,062	6,926	5,238	4,021	4,355
Census and Statistics Department	1,351	1,989	3,028	3,115	2,048
Chief Executive's Office	41	43	60	73	60
Chief Secretary and Financial Secretary's Office (including the Efficiency Unit)	2,238	2,655	2,806	3,304	3,562
Civil Aviation Department	144	136	233	256	301
Civil Engineering and Development Department	1,453	1,176	1,124	987	919
Civil Service Bureau	21	16	12	12	14
Commerce and Economic Development Bureau	243	354	366	363	444
Companies Registry	474	417	463	593	592
Constitutional and Mainland Affairs Bureau	109	133	161	114	125
Correctional Services Department	126	130	108	86	59
Customs and Excise Department	374	187	178	119	123
Department of Health	7,700	8,562	5,464	5,924	6,412

<i>Bureau/Department</i>	<i>2008-2009 (HK\$'000)</i>	<i>2009-2010 (HK\$'000)</i>	<i>2010-2011 (HK\$'000)</i>	<i>2011-2012 (HK\$'000)</i>	<i>2012-2013 (HK\$'000)</i>
Department of Justice	376	334	408	575	602
Development Bureau	237	282	384	428	570
Drainage Services Department	1,521	909	812	787	873
Education Bureau	7,434	7,546	7,999	8,664	9,527
Electrical and Mechanical Services Department	14,023	14,994	16,167	16,349	16,986
Environment Bureau	76	81	79	59	65
Environmental Protection Department	1,361	1,408	1,382	1,441	1,518
Financial Services and the Treasury Bureau	228	227	458	602	857
Fire Services Department	459	450	596	1,046	1,090
Food and Environmental Hygiene Department	5,316	4,217	3,564	2,821	2,842
Food and Health Bureau	174	190	270	148	205
Government Flying Service	128	139	131	163	178
Government Laboratory	318	225	249	208	270
Government Logistics Department	255	267	182	180	148
Government Property Agency	83	82	79	92	101
Highways Department	1,087	735	530	374	405
Home Affairs Bureau	241	247	291	892	506
Home Affairs Department	2,401	3,208	3,703	3,103	3,472
Hong Kong Observatory	227	228	252	267	300
Hong Kong Police Force	1,516	1,476	1,325	1,155	1,261
Hongkong Post	11,523	10,993	10,986	11,372	11,973
Immigration Department	1,251	1,205	1,010	801	614
Independent Police Complaints Council	60	0	0	0	0
Information Services Department	241	227	230	194	233
Inland Revenue Department	1,006	974	970	949	1,064
Innovation and Technology Commission	353	429	559	645	664
Intellectual Property Department	222	221	180	124	189
Invest Hong Kong	629	656	678	679	842
Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	98	17	0	0	0
Judiciary	1,252	1,041	1,125	1,134	943
Labour and Welfare Bureau	238	284	285	297	380
Labour Department	1,645	1,576	1,484	1,688	1,937
Land Registry	978	978	955	975	1,026
Lands Department	1,834	2,140	2,273	2,052	2,283

<i>Bureau/Department</i>	<i>2008-2009 (HK\$'000)</i>	<i>2009-2010 (HK\$'000)</i>	<i>2010-2011 (HK\$'000)</i>	<i>2011-2012 (HK\$'000)</i>	<i>2012-2013 (HK\$'000)</i>
Legal Aid Department	40	36	35	38	40
Leisure and Cultural Services Department	13,607	13,669	13,167	12,461	12,884
Marine Department	299	161	128	173	184
Office of the Communications Authority ⁽²⁾	1,173	1,163	1,158	1,246	1,383
Office of the Government Chief Information Officer	170	198	226	204	250
Official Receiver's Office	298	375	462	461	480
Planning Department	271	291	356	370	331
Radio Television Hong Kong	3,170	3,459	3,604	3,728	3,809
Rating and Valuation Department	496	603	673	637	735
Registration and Electoral Office	2,213	421	1,194	3,236	3,922
Security Bureau	159	186	190	169	195
Social Welfare Department	3,081	2,429	2,103	1,968	1,811
Student Financial Assistance Agency	3,348	3,734	3,993	3,911	3,761
Trade and Industry Department	351	873	929	890	971
Transport and Housing Bureau	34	41	45	42	40
Transport Department	1,320	1,470	1,319	1,284	1,078
Treasury	769	812	579	644	581
University Grants Committee Secretariat	163	179	176	220	256
Water Supplies Department	1,567	946	780	1,102	1,117
Total	115,113	114,466	112,758	114,824	119,925

Notes:

- (1) "Full-time" means the employment is on a "continuous contract" as defined by the EO, namely an employee who works continuously for the same employer for four weeks or more, with at least 18 hours in each week.
- (2) With effect from 1 April 2012, the Office of the Communications Authority has been set up by merging the Office of the Telecommunications Authority (OFTA) and the relevant divisions of the Television and Entertainment Licensing Authority (TELA). The figures in 2008-2009 to 2011-2012 reflect the aggregate amount of MPF contributions made by OFTA and TELA.

Annex 2

Total amount of gratuities disbursed to full-time⁽¹⁾ NCSC staff by
B/Ds in the past five years

<i>Bureau/Department</i>	<i>2008-2009 (HK\$'000)</i>	<i>2009-2010 (HK\$'000)</i>	<i>2010-2011 (HK\$'000)</i>	<i>2011-2012 (HK\$'000)</i>	<i>2012-2013 (HK\$'000)</i>
Agriculture, Fisheries and Conservation Department	173	215	278	132	185
Architectural Services Department	2,956	1,373	2,732	1,895	1,624

<i>Bureau/Department</i>	<i>2008-2009 (HK\$'000)</i>	<i>2009-2010 (HK\$'000)</i>	<i>2010-2011 (HK\$'000)</i>	<i>2011-2012 (HK\$'000)</i>	<i>2012-2013 (HK\$'000)</i>
Audit Commission	44	0	0	0	0
Auxiliary Medical Service	0	22	0	7	0
Buildings Department	14,394	15,559	18,416	8,722	7,616
Census and Statistics Department	1,465	1,599	2,865	3,028	2,408
Chief Executive's Office	98	44	70	86	190
Chief Secretary and Financial Secretary's Office (including the Efficiency Unit)	3,270	5,125	6,161	6,289	8,384
Civil Aviation Department	1,349	572	996	521	2,048
Civil Engineering and Development Department	3,847	2,909	2,814	2,562	2,143
Civil Service Bureau	38	22	0	0	0
Commerce and Economic Development Bureau	523	546	1,003	636	1,201
Companies Registry	830	949	894	909	809
Constitutional and Mainland Affairs Bureau	241	272	286	322	307
Correctional Services Department	441	329	262	264	51
Customs and Excise Department	132	46	51	153	47
Department of Health	9,084	5,660	5,476	3,947	2,993
Department of Justice	635	743	619	1,141	1,474
Development Bureau	607	472	1,751	1,524	2,386
Drainage Services Department	4,441	2,732	2,021	2,391	1,849
Education Bureau	10,222	8,806	9,464	7,747	10,460
Electrical and Mechanical Services Department	24,954	26,419	26,047	35,905	33,290
Environment Bureau	44	116	130	21	56
Environmental Protection Department	1,927	2,100	3,478	2,665	3,215
Financial Services and the Treasury Bureau	462	475	777	1,730	2,767
Fire Services Department	745	247	965	507	1,121
Food and Environmental Hygiene Department	4,520	2,008	1,945	4,386	2,746
Food and Health Bureau	204	788	345	130	570
Government Flying Service	279	841	317	701	694
Government Laboratory	8	34	51	15	0
Government Logistics Department	209	210	139	67	113
Government Property Agency	118	165	83	181	129
Highways Department	5,229	3,485	2,094	1,946	966
Home Affairs Bureau	575	299	520	702	553

<i>Bureau/Department</i>	<i>2008-2009 (HK\$'000)</i>	<i>2009-2010 (HK\$'000)</i>	<i>2010-2011 (HK\$'000)</i>	<i>2011-2012 (HK\$'000)</i>	<i>2012-2013 (HK\$'000)</i>
Home Affairs Department	2,262	3,431	4,142	5,395	3,735
Hong Kong Observatory	620	698	726	654	466
Hong Kong Police Force	3,635	4,302	3,918	3,779	3,445
Hongkong Post	6,317	6,079	9,950	8,749	7,576
Immigration Department	453	1,263	999	949	832
Independent Police Complaints Council	43	0	0	0	0
Information Services Department	1,249	1,258	1,240	1,138	1,302
Innovation and Technology Commission	1,419	1,145	1,788	1,867	4,184
Intellectual Property Department	394	322	317	180	185
Invest Hong Kong	2,841	3,866	5,324	3,090	5,174
Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	510	106	0	0	0
Judiciary	1,353	861	959	1,073	1,078
Labour and Welfare Bureau	329	380	984	950	851
Land Registry	1,161	1,539	2,326	1,796	1,795
Lands Department	4,631	4,439	6,378	5,540	6,160
Legal Aid Department	145	32	31	24	31
Leisure and Cultural Services Department	22,507	18,095	20,605	18,601	19,994
Marine Department	1,322	611	186	331	455
Office of the Communications Authority ⁽²⁾	1,428	2,679	2,020	2,842	2,290
Office of the Government Chief Information Officer	318	190	1,073	700	440
Official Receiver's Office	451	808	1,067	1,087	1,377
Planning Department	655	504	559	765	480
Radio Television Hong Kong	6,817	8,244	8,696	8,692	8,882
Rating and Valuation Department	931	1,464	1,419	1,198	1,412
Registration and Electoral Office	1,897	657	1,224	2,871	3,447
Security Bureau	328	261	351	306	350
Social Welfare Department	1,605	568	689	1,162	1,423
Student Financial Assistance Agency	2,861	3,342	3,857	3,921	4,266
Trade and Industry Department	310	1,173	1,372	2,250	1,964
Transport and Housing Bureau	18	54	31	63	32
Transport Department	2,803	2,276	2,187	2,065	1,762
Treasury	2,892	3,168	2,356	1,689	1,729
University Grants Committee Secretariat	275	872	436	506	604

<i>Bureau/Department</i>	<i>2008-2009 (HK\$'000)</i>	<i>2009-2010 (HK\$'000)</i>	<i>2010-2011 (HK\$'000)</i>	<i>2011-2012 (HK\$'000)</i>	<i>2012-2013 (HK\$'000)</i>
Water Supplies Department	3,787	1,972	1,406	1,620	2,002
Total	172,631	161,841	181,666	177,085	182,118

Notes:

- (1) "Full-time" means the employment is on a "continuous contract" as defined by the EO, namely an employee who works continuously for the same employer for four weeks or more, with at least 18 hours in each week.
- (2) With effect from 1 April 2012, the Office of the Communications Authority has been set up by merging the OFTA and the relevant divisions of the TELA. The figures in 2008-2009 to 2011-2012 reflect the aggregate amount of gratuities disbursed by OFTA and TELA.

Restrictions on Provision of Communal Facilities in Public Housing Estates

22. **MR WU CHI-WAI** (in Chinese): *President, it has been learnt that at present, it is difficult to provide additional communal facilities or alter the existing communal facilities in certain public housing estates (PHEs) because the gross floor areas (GFAs) of those estates have exceeded the relevant planning ceilings, or due to the restrictions imposed by their land lease conditions. In this connection, will the Government inform this Council:*

- (a) *in respect of all the PHEs (including the Tenants Purchase Scheme (TPS) estates) in Hong Kong, of the permitted plot ratios (PRs) of the sites where these PHEs are situated, as well as the actual PRs, GFAs and the floor areas of the communal facilities in these estates respectively as at 31 March 2013 (set out in the table below);*

<i>Name of PHE</i>	<i>Permitted PR</i>	<i>Actual PR</i>	<i>GFA</i>	<i>Floor area of communal facilities</i>

- (b) *of the procedures (including whether a premium is required to be paid) as well as the vetting and approval criteria for, altering the communal facilities in PHEs according to the types of housing estates, that is, (i) public rental housing (PRH) estates managed by the Housing Department (HD), (ii) TPS estates, and (iii) PHEs with assets belonging to The Link Real Estate Investment Trust;*

- (c) *of the details (including the names of the PHEs, the facilities involved and their areas, and the reasons for rejecting the applications) of each of the cases in which applications for providing additional communal facilities in PHEs had been rejected by the authorities concerned in the past five years; and*
- (d) *whether the site coverage of the public areas in a PHE is currently capped at a certain percentage of the area of the site; if it is, of the details, and whether covered walkways and sitting-out areas are included in the calculation of site coverage?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, land for the Hong Kong Housing Authority (HA)'s PRH developments are allocated by the Government through different modes, including Vesting Orders (VOs), Government leases, and so on. The terms and conditions that apply vary depending on the type of allocation.

For a PRH estate handed to the HA under a VO, if the HD needs to carry out alteration or addition works of the communal facilities, they have to be carried out in accordance with the Buildings Ordinance (BO) and the planning requirements, including the PR restriction applicable to the relevant estate.

For estates with lands granted by Government leases (including TPS estates and PRH estates with divested properties), the HD will need to carry out alteration or addition works of the communal facilities in accordance with the BO, the relevant planning requirements, as well as relevant clauses of the Government leases. In particular, the HD will have to respect lease requirements such as the different use of facilities in the lot and their respective area restrictions, and so on. If there is a need for any changes of the relevant lease conditions, the lessees of the lot need to apply to the Lands Department (LandsD) and other relevant departments and pay any premium required.

My reply to the questions raised by Mr WU Chi-wai is as follows:

- (a) The permitted PRs of the sites where PRH estates and TPS estates are situated are stipulated in the prevailing Outline Zoning Plans. There is no such stipulation in the VOs or Government leases on individual estates. The relevant information is listed in the Annex.

Upon completion of individual estates, alteration or addition works may be carried out upon demand by the residents and thus this may change the total GFA and actual PR of the relevant estates. The GFA of individual estates (including the communal facilities therein) can only be derived upon careful assessment by reference to the prevailing regulations and the relevant conditions of the Government leases (if applicable).

(b) and (c)

In general, for PRH estates with no divested property, the Government has empowered the HA by virtue of the VO to undertake alteration works of the communal facilities therein. Should the HD need to carry out alteration works of the communal facilities, they have to be carried out in accordance with the BO and the planning requirements applicable to the relevant estates. For estates with divested facilities, land is granted under Government leases. Relevant works are subject to the requirements of the BO, planning requirements, as well as the relevant clauses in the Government leases. If the works require any relaxation or modification of lease conditions, such as an increase in GFA, application to the LandsD will be required. The LandsD will decide if any land premium will be charged for the modification of lease conditions.

Lands for TPS estates are also granted under Government leases. If there is any need to carry out alteration works of communal facilities in Estate Common Area (ECA), the Owners' Corporations have to submit appropriate application to the LandsD and the relevant departments. If the works require any relaxation or modification of lease conditions, the LandsD will decide if any payment of land premium is required as a result of the application.

Before carrying out any alternation works for facilities in PRH estates, the HD will assess the feasibility of the works from the technical and planning perspectives, and apply to the relevant departments as appropriate. There have been no cases involving such applications being rejected in the past five years.

- (d) In accordance with the BO, all the covered buildings/facilities at the ECA shall be included in the total GFA of the estates and shall not exceed the allowable PR, and the restrictions of the Government lease (if applicable) of the estates.

Annex

PRH estates

<i>Name</i>	<i>Permitted PR</i>
Ap Lei Chau Estate	Not stated in Outline Zoning Plan
Butterfly Estate	(1)
Chak On Estate	(2)
Cheung Ching Estate	(1)
Cheung Hang Estate	(1)
Cheung Hong Estate	(1)
Cheung Kwai Estate	Not stated in Outline Zoning Plan
Cheung Shan Estate	(1)
Cheung Wang Estate	(1)
Ching Ho Estate	Not stated in Outline Zoning Plan
Choi Fai Estate	(2)
Choi Fook Estate	(2)
Choi Hung Estate	(2)
Choi Ming Court	Not stated in Outline Zoning Plan
Choi Tak Estate	(2)
Chai Wan Estate	Not stated in Outline Zoning Plan
Choi Wan (1) Estate	(2)
Choi Wan (2) Estate	(2)
Choi Ying Estate	(2)
Choi Yuen Estate	Not stated in Outline Zoning Plan
Chuk Yuen (South) Estate	(2)
Chun Shek Estate	Not stated in Outline Zoning Plan
Chung On Estate	(1)
Easeful Court	(1)
Fortune Estate	(2)
Fu Cheong Estate	Not stated in Outline Zoning Plan
Fu Shan Estate	(2)
Fu Tai Estate	(1)
Fu Tung Estate	Domestic PR of 5

<i>Name</i>	<i>Permitted PR</i>
Fuk Loi Estate	(1)
Grandeur Terrace	Not stated in Outline Zoning Plan
Hau Tak (1) Estate	Not stated in Outline Zoning Plan
High Prosperity Terrace	(1)
Hing Man Estate	Not stated in Outline Zoning Plan
Hing Tung Estate	Maximum PR of 6, or the PR of the existing building, whichever is the greater
Hing Wah (1) Estate	Not stated in Outline Zoning Plan
Hing Wah (2) Estate	Not stated in Outline Zoning Plan
Hin Yiu Estate	Not stated in Outline Zoning Plan
Ho Man Tin Estate	(2)
Hoi Fu Court (rental part)	Not stated in Outline Zoning Plan
Hong Tung Estate	Not stated in Outline Zoning Plan
Hoi Lai Estate	Not stated in Outline Zoning Plan
Hung Hom Estate	(2)
Ka Fuk Estate	Not stated in Outline Zoning Plan
Kai Tin Estate	(2)
Kai Yip Estate	(2)
Kam Peng Estate	Domestic PR of 1.8, non-domestic PR of 0.1
Kin Ming Estate	Not stated in Outline Zoning Plan
Ko Cheung court	(2)
Ko Yee Estate	(2)
Kwai Chung Estate	(3)
Kwai Fong Estate	(1)
Kwai Luen Estate	(1)
Kwai Shing (East) Estate	(1)
Kwai Shing (West) Estate	(1)
Kwong Fuk Estate	(1)
Kwong Tin Estate	(2)
Lai King Estate	(1)
Lai Kok Estate	(2)
Lai On Estate	(2)
Lam Tin Estate	(2)
Lai Yiu Estate	(1)
Lee On Estate	(1)
Lei Muk Shue Estate	(1)
Lei Muk Shue (1) Estate	(1)

<i>Name</i>	<i>Permitted PR</i>
Lei Muk Shue (2) Estate	(1)
Lek Yuen Estate	Not stated in Outline Zoning Plan
Lei Yue Mun Estate	(2)
Lok Fu Estate	(4)
Lok Wah (North) Estate	(2)
Lok Wah (South) Estate	(2)
Lower Ngau Tau Kok Estate	(2)
Lower Wong Tai Sin (2) Estate	(2)
Lung Hang Estate	Not stated in Outline Zoning Plan
Lung Tin Estate	Not covered by Outline Zoning Plan
Ma Hang Estate	Not stated in Outline Zoning Plan
Ma Tau Wai Estate	(2)
Mei Lam Estate	Not stated in Outline Zoning Plan
Mei Tin Estate	Not stated in Outline Zoning Plan
Mei Tung Estate	(2)
Ming Tak Estate	Not stated in Outline Zoning Plan
Model Housing Estate	Not stated in Outline Zoning Plan
Nam Shan Estate	(2)
Nga Ning Court	Not stated in Outline Zoning Plan
Ngan Wan Estate	Not covered by Outline Zoning Plan
Oi Man Estate	(2)
On Tin Estate	(2)
Oi Tung Estate	Maximum PR of 6, or the PR of the existing building, whichever is the greater
On Ting Estate	(1)
On Yam Estate	(1)
Pak Tin Estate	(2)
Ping Shek Estate	(2)
Ping Tin Estate	(2)
Po Tat Estate	(2)
Po Tin Estate	(1)
Sai Wan Estate	Not stated in Outline Zoning Plan
Sam Shing Estate	(1)
Shek Mun Estate	Not stated in Outline Zoning Plan
Shin Ming Estate	Domestic PR of 5.5, non-domestic PR of 0.5
Sau Mau Ping Estate	(2)

<i>Name</i>	<i>Permitted PR</i>
Sau Mau Ping (South) Estate	(2)
Sha Kok Estate	Not stated in Outline Zoning Plan
Shatin Pass Estate	(2)
Shek Kip Mei Estate	(2)
Shek Lei (1) Estate	(1)
Shek Lei (2) Estate	(1)
Shek Pai Wan Estate	Not stated in Outline Zoning Plan
Shek Wai Kok Estate	(1)
Shek Yam (East) Estate	(1)
Shek Yam Estate	(1)
Sheung Lok Estate	(2)
Sheung Tak Estate	Not stated in Outline Zoning Plan
Shui Pin Wai Estate	(1)
Shun Lee Estate	(2)
Shun On Estate	(2)
Shun Tin Estate	(2)
Siu Sai Wan Estate	Not stated in Outline Zoning Plan
Sun Chui Estate	Not stated in Outline Zoning Plan
Sun Tin Wai Estate	Not stated in Outline Zoning Plan
Tai Hang Tung Estate	(2)
Tin Yan Estate	Not stated in Outline Zoning Plan
Tai Hing Estate	(1)
Tai Wo Hau Estate	(1)
Tai Yuen Estate	(1)
Tin Chak Estate	Not stated in Outline Zoning Plan
Tin Ching Estate	Not stated in Residential (Group A), maximum PR of 5 for Residential (Group B) ¹
Tin Heng Estate	Not stated in Outline Zoning Plan
Tin Shui (1) Estate	Not stated in Outline Zoning Plan
Tin Shui (2) Estate	Not stated in Outline Zoning Plan
Tin Tsz Estate	Not stated in Outline Zoning Plan
Tin Wah Estate	Not stated in Outline Zoning Plan
Tin Wan Estate	Not stated in Outline Zoning Plan
Tin Yat Estate	Not stated in Outline Zoning Plan
Tin Yiu (1) Estate	Not stated in Outline Zoning Plan
Tin Yiu (2) Estate	Not stated in Outline Zoning Plan
Tin Yuet Estate	Not stated in Outline Zoning Plan

<i>Name</i>	<i>Permitted PR</i>
Tsui Lok Estate	Not stated in Outline Zoning Plan
Tsui Ping South Estate	(2)
Tsz Ching Estate	(2)
Tsz Hong Estate	(2)
Tsz Lok Estate	(2)
Tsz Man Estate	(2)
Tung Wui Estate	(2)
Un Chau Estate	(2)
Upper Ngau Tau Kok Estate	(2)
Upper Wong Tai Sin Estate	(2)
Wah Fu (1) Estate	Not stated in Outline Zoning Plan
Wah Fu (2) Estate	Not stated in Outline Zoning Plan
Wah Lai Estate	(1)
Wah Sum Estate	Not stated in Outline Zoning Plan
Wan Hon Estate	(2)
Wan Tsui Estate	Not stated in Outline Zoning Plan
Wang Tau Hom Estate	(2)
Wo Che Estate	Not stated in Outline Zoning Plan
Wo Lok Estate	(2)
Wu King Estate	(1)
Yan On Estate	Domestic PR of 5
Yat Tung (1) Estate	Not in Outline Zoning Plan
Yat Tung (2) Estate	Not in Outline Zoning Plan
Yau Lai Estate	Not stated in Outline Zoning Plan
Yau Oi Estate	(1)
Yau Tong Estate	(2)
Yiu Tung Estate	Maximum PR of 6, or the PR of the existing building, whichever is the greater
Yue Wan Estate	Not stated in Outline Zoning Plan
Yung Shing Court (rental part)	Not stated in Outline Zoning Plan

Source: Extracted from relevant Outline Zoning Plans

Notes:

- (1) No new development for a domestic building or non-domestic building shall exceed a maximum domestic PR of 5.0 or a maximum non-domestic PR of 9.5.

- (2) No building shall result in the PR in excess of 7.5 for a domestic building or 9.0 for a building that is partly domestic and partly non-domestic, or the PR of the existing building, whichever is the greater. Under no circumstances shall the PR for the domestic part of any building exceed 7.5.
- (3) - On land designated "Residential (Group A)", no new development for a domestic building or non-domestic building shall exceed a maximum domestic PR of 5.0 or a maximum non-domestic PR of 9.5.
- On land designated "Residential (Group E)", no building shall result in excess of a maximum total PR of 5.0, or the PR of the existing building, whichever is the greater.
- (4) - Commercial Zoning: No building shall result in excess of a maximum GFA of 17 725 sq m.
- Government, Institution or Community Zoning: GFA not specified.
- Residential (Group A) Zoning: No building shall result in the PR in excess of 7.5 for a domestic building or 9.0 for a building that is partly domestic and partly non-domestic, or the PR of the existing building, whichever is the greater. Under no circumstances shall the PR for the domestic part of any building exceed 7.5.

TPS estates

<i>Name</i>	<i>Permitted PR</i>
Cheung Fat Estate	(1)
Cheung On Estate	(1)
Cheung Wah Estate	Not stated in Outline Zoning Plan
Choi Ha Estate	(2)
Chuk Yuen (North) Estate	(2)
Fu Heng Estate	(1)
Fu Shin Estate	(1)
Fung Tak Estate	(2)
Fung Wah Estate	Not stated in Outline Zoning Plan
Heng On Estate	(1)
Hin Keng Estate	Not stated in Outline Zoning Plan
Hing Tin Estate	(2)
Kin Sang Estate	(1)
King Lam Estate	Not stated in Outline Zoning Plan
Kwai Hing Estate	(1)

<i>Name</i>	<i>Permitted PR</i>
Kwong Yuen Estate	Not stated in Outline Zoning Plan
Lei Cheng Uk Estate	(2)
Lei Tung Estate	Not stated in Outline Zoning Plan
Leung King Estate	(1)
Long Ping Estate	(1)
Lower Wong Tai Sin (1) Estate	(2)
Nam Cheong Estate	Not stated in Outline Zoning Plan
Po Lam Estate	Not stated in Outline Zoning Plan
Pok Hong Estate	Not stated in Outline Zoning Plan
Shan King Estate	(1)
Tai Ping Estate	Not stated in Outline Zoning Plan
Tai Wo Estate	(1)
Tak Tin Estate	(2)
Tin King Estate	(1)
Tin Ping Estate	Not stated in Outline Zoning Plan
Tsing Yi Estate	(1)
Tsui Lam Estate	Not stated in Outline Zoning Plan
Tsui Ping (North) Estate	(2)
Tsui Wan Estate	Not stated in Outline Zoning Plan
Tung Tau (2) Estate	(2)
Wah Kwai Estate	Not stated in Outline Zoning Plan
Wah Ming Estate	Not stated in Outline Zoning Plan
Wan Tau Tong Estate	(1)
Yiu On Estate	(1)

Source: Extracted from relevant Outline Zoning Plans

Notes:

- (1) No new development for a domestic building or non-domestic building shall exceed a maximum domestic PR of 5.0 or a maximum non-domestic PR of 9.5.
- (2) No building shall result in the PR in excess of 7.5 for a domestic building or 9.0 for a building that is partly domestic and partly non-domestic, or the PR of the existing building, whichever is the greater. Under no circumstances shall the PR for the domestic part of any building exceed 7.5.

BILLS**First Reading of Bills**

PRESIDENT (in Cantonese): Bill: First Reading.

SUPPLEMENTARY APPROPRIATION (2012-2013) BILL

CLERK (in Cantonese): Supplementary Appropriation (2012-2013) Bill.

Bill 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): Bill: Second Reading.

SUPPLEMENTARY APPROPRIATION (2012-2013) BILL

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I move the Supplementary Appropriation (2012-2013) Bill be read the Second time.

Section 9 of Public Finance Ordinance provides, "If at the close of account for any financial year it is found that expenditure charged to any head is in excess of the sum appropriated for that head by an Appropriation Ordinance, the excess shall be included in a Supplementary Appropriation Bill which shall be introduced into the Legislative Council as soon as practicable after the close of the financial year to which the excess expenditure relates."

The account for the 2012-2013 financial year has come to a close. The expenditure charged to 37 of all the 83 heads is in excess of the sum appropriated for the respective heads under the Appropriation Ordinance 2012. The relevant increase in expenditure was mainly caused by implementation of the 2012 civil service pay adjustment; injection into the Samaritan Fund, funding for research, Self-financing Post-secondary Education Fund, HKSAR Government Scholarship

Fund and the Supplementary Legal Aid Fund; implementation of various one-off relief measures, such as paying two months' rents for public housing tenants as well as providing an extra allowance to Comprehensive Social Security Assistance (CSSA) recipients, equal to one month of the standard rate CSSA payments. The amount of supplementary provision for all the expenditure in excess has been approved by the Finance Committee or under powers delegated by it.

I hereby introduce the Supplementary Appropriation (2012-2013) Bill to seek final legislative authority for the supplementary provision in respect of the 37 heads totalling about \$26.7 billion.

Thank you, President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: The Supplementary Appropriation (2012-2013) Bill 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): We now resume the Second Reading debate on the Education (Amendment) Bill 2013.

EDUCATION (AMENDMENT) BILL 2013

Resumption of debate on Second Reading which was moved on 27 March 2013

PRESIDENT (in Cantonese): Ms Cyd HO, Chairman of the Bills Committee on the above Bill, will address the Council on the Committee's Report.

MS CYD HO (in Cantonese): President, in my capacity as Chairman of the Bills Committee on the Education (Amendment) Bill 2013 (the Bills Committee), I

submit this report. I will report on the salient points of the deliberation of the Bills Committee. The Education (Amendment) Bill 2013 (the Bill) seeks to amend the Education Ordinance and its subsidiary legislation to the effect that members of the Grant Schools Provident Fund (GSPF) and the Subsidized Schools Provident Fund (SSPF) will enjoy the same protection of provident fund benefits as their counterparts in government schools and the majority of the workforce in Hong Kong.

(THE PRESIDENT'S DEPUTY, MR ANDREW LEUNG, took the Chair)

The Bills Committee has held two meetings and received views from deputations. The Bills Committee and the deputations support the Bill, and consider that the proposals on legislative amendments should be implemented as soon as possible.

Members have noted that following the judgment of the Court of First Instance in the case *Re. NG Shiu-fan*, the Administration had taken steps to amend the Mandatory Provident Fund Schemes Ordinance (MPFSO) to stipulate clearly that the accrued benefits of a Mandatory Provident Fund (MPF) scheme member would not be vested in a trustee-in-bankruptcy in case of bankruptcy, and the relevant amendments had come into operation as early as 13 May 2011. Since the authorities have only submitted the Bill in 2013, the Bills Committee and the deputations consider that the authorities should have introduced the proposed amendments to the Education Ordinance and its subsidiary legislation expeditiously so that teachers in grant and subsidized schools could enjoy similar protection much earlier.

Since according to existing policy, the Bill enacted will not have any retrospective effect, the Bills Committee has expressed deep concern about the predicament of those GSPF/SSPF members whose provident fund benefits were vested in the trustee-in-bankruptcy. Some Members have urged the authorities to actively consider providing assistance to these persons on an administrative or ex-gratia basis. The authorities have indicated that it will devise special arrangements for these persons, but if these persons encounter difficulties in their daily living, they may seek appropriate assistance from the relevant government departments.

In response to the request of Members, the Administration has explained the existing practice for handling the benefits of contributors in bankruptcy cases involving the teacher-contributors of the GSPF or the SSPF. Moreover, the authorities have explained to the Bills Committee the relevant arrangement applicable to Direct Subsidy Scheme schools. Members have also sought clarification from the authorities on issues relating the drafting of the legislation. The relevant details are set out in the written report.

The Bills Committee will not propose any Committee stage amendment, and it supports the resumption of the Second Reading of the Bill.

Deputy President, I will then give my personal views on the Bill.

As clearly stated in the Chairman's report earlier, all Members consider that the amendment Bill from the Government has come too late. As early as 2008, a teacher of a subsidized school was issued a bankruptcy order. The ruling of the Court of First Instance was made according to section 85(3) of the Education Ordinance, which states that "no contribution or donation to or dividend or interest on a dividend from a provident fund shall be assignable or transferable or liable to be attached, sequestered or levied upon, for or in respect of any debt or claim whatsoever."

Actually, it is stipulated in the Education Ordinance that in the event of bankruptcy of a provident fund member, no contribution, dividend or donation (which is employers' contribution) of the member under the scheme should be assignable or liable to be attached or levied upon in respect of any debt. However, this provision obviously contradicts with section 58(1) of the Bankruptcy Ordinance.

It is stipulated in 58(1) of the Bankruptcy Ordinance that, "On the making of a bankruptcy order, the property of the bankrupt shall vest in the Official Receiver." The Judge of the Court of First Instance ruled that provisions in Education Ordinance stipulating that contribution and dividend were not transferable or assignable should not override section 58(1) of the Bankruptcy Ordinance, the provision I read aloud just now. This implied that in the event of bankruptcy of a provident fund member, his or her contribution and dividend under the scheme would be regarded as the property of the bankrupt, which should vest in the Official Receiver.

Moreover, when the ruling was handed down, the judge also recommended that the authorities should give serious consideration to amending the relevant legislation to extend the protection to retirement benefits generally in the event of bankruptcy. The bankrupt teacher later made an appeal in 2009, the Court of Appeal held that the bankrupt was only entitled to the contribution and benefits after his discharge from bankruptcy.

Deputy President, if a teacher of a grant school or a subsidized school is adjudicated bankrupt or subject to a bankruptcy order applied by others just one or two years prior to retirement, he will lose all his savings and benefits in his provident fund scheme due to the Government's delay in amending the legislation.

During the scrutiny of the Bill, we found it regretful that the Government had indeed been too late in proposing the amendments. We have also noted that during the period between the proposal of the legislative amendment by the authorities and the ruling made in 2008, a number of persons had been adjudicated bankrupt. These persons were only entitled to protection confining to the scope specified in the ruling made by the Court in 2009, meaning that they could only retain their provident fund benefits upon their discharge from bankruptcy, whereas benefits accumulated prior to the bankruptcy must be used for repaying debts.

In fact, why had the Government delayed in amending the legislation? In the meantime, the Government had put forth amendments of similar nature to the MPFSO, stipulating that accrued benefits would not vest in a trustee-in-bankruptcy in case of the bankruptcy of a MPF scheme member. The expanded protection under the MPFSO came into effect on 13 May 2011, but for teachers of grant or subsidized schools, they have to wait until the passage of this Bill to get better protection. There is a lapse of time of more than two years. For this reason, I consider this fairly regrettable. Why has the Education Bureau been so late in proposing the amendments to the Education Ordinance? It was mentioned earlier that the client in the case *Re. NG Shiu-fan* had lodged an appeal, yet the Court of Appeal made the judgment in 2009. It is true that the client had applied for legal aid for lodging further appeal, but I think this will not prevent the Education Bureau from amending the Education Ordinance to protect more people.

We also notice that apart from the requirements for GSPF and SSPF under the Education Ordinance, there is also the Occupational Retirement Scheme Ordinance which regulates individual occupational retirement schemes of independent operation. In the event of bankruptcy, the protection of members of these schemes should be handled according to the forfeiture clause under the Ordinance.

In this connection, during the scrutiny of the Bill, the Bills Committee has urged the authorities to make similar amendment to legislation relating to retirement protection in Hong Kong as soon as possible, so that members of all retirement contribution scheme will enjoy similar protection as the majority of the workforce in Hong Kong in terms of pension contribution and dividend benefits of their retirement scheme in the unfortunate event of bankruptcy.

In addition to the Education Bureau, I hope that other Policy Bureaux will review as soon as possible whether there are other retirement schemes which has not extended its scope of protection. Thank you, Deputy President.

MR IP KIN-YUEN (in Cantonese): Deputy President, the Education (Amendment) Bill 2013 (the Bill) contains important amendments to the retirement protection for teachers.

In the past decade or so, particularly in times of adversity in economy, the Hong Kong Professional Teachers' Union (HKPTU) which I represented had received assistance requests from teacher members from subsidized schools and grant schools, stating that the so-called benefits under their provident fund schemes would be vested in the trustee-in-bankruptcy (the trustee) in the event of bankruptcy. For it is stipulated in section 58(1) of the Bankruptcy Ordinance (Cap. 6) that "on the making of a bankruptcy order, the property of the bankrupt shall vest in the Official Receiver." The property of the bankrupt includes both existing and future property, which includes their provident fund benefits, namely their own contribution, donation from Government or schools and the announced dividend to the relevant contribution or donation.

It is stipulated under section 85(3) of the existing Education Ordinance that "..... no contribution or donation to or dividend or interest on a dividend from a provident fund shall be assignable or transferable or liable to be attached, sequestered or levied upon, for or in respect of any debt or claim whatsoever".

Regrettably, on 23 July 2008, the Court of First Instance ruled in a bankruptcy case involving a teacher of a subsidized school, that is the case Re. NG Shiu-fan mentioned by Ms Cyd HO earlier, that section 85(3) of the Education Ordinance, the clause I just quoted, did not prevent the benefits under SSPF from being vested in the trustee. Having said that, the Judge recommended to the authorities at the time that serious consideration should be given to amending the relevant legislation to extend the protection to retirement benefits generally in the event of bankruptcy.

However, the situation of other teachers is completely different. The retirement benefits of teachers in government schools under the Pensions Ordinance (Cap. 89) or Pension Benefits Ordinance (Cap. 99) are under protection in the event of bankruptcy, which will not be vested in the Official Receiver or the trustee. Moreover, the retirement benefits of the majority of the workforce under the Mandatory Provident Fund Schemes Ordinance (Cap. 485) (MPFSO) are under similar protection in the event of bankruptcy.

The HKPTU considers that the Bankruptcy Ordinance and the Education Ordinance and its subsidiary legislation, the Grant Schools Provident Fund Rules and the Subsidized Schools Provident Fund Rules, are obviously in contradiction in terms of the protection to the property of contributors of Grant Schools Provident Fund (GSPF) and the Subsidized Schools Provident Fund (SSPF). It also considers that the Pensions Ordinance, the Pension Benefits Ordinance, the MPFSO and the Education Ordinance are inconsistent, which is very unfair to contributors of GSPF and SSPF in the event of bankruptcy.

In the same event of bankruptcy, the retirement benefits of teachers of government schools and teachers making contribution under Mandatory Provident Fund (MPF) schemes are protected, whereas the provident fund benefits of teachers of grant or subsidized schools must be vested in the Official Receiver or the trustee. Teachers in the latter case may suffer monetary loss of up to several millions of dollars. For this reason, the HKPTU has provided direct assistance to its member, Mr NG Shiu-fan, by providing legal advice and striving for the amendment of the legislation.

The former Member of the Legislative Council, Mr CHEUNG Man-kwong, representing the HKPTU, had put forth a written question at the meeting of the Legislative Council on 25 November 2009. It was noted that in the five years between 2004 and August 2009, there were as many as 45 cases

involving teachers whose provident fund benefits had to be vested in the Official Receiver or the trustees due to bankruptcy, involving an amount of \$42 million. Evidently, the problem is very serious.

Deputy President, I agree with the proposed amendment to the legislation, for the relevant amendments will remove the discrepancy in retirement protection found in existing legislation. The provisions of the proposed amendments are made with reference to the provisions in the Pensions Ordinance, the Pension Benefits Ordinance and the MPFSO. The amendments propose the addition of the following clauses after section 85(3) of the Education Ordinance:

- "(4) If a provident fund member is an undischarged bankrupt, the right or entitlement of the member to any benefits in the fund (whether accrued, accruing or to be accrued) is excluded from the property of the member for the purposes of the Bankruptcy Ordinance (Cap. 6).
- (5) Subsection (4) does not apply in relation to a provident fund member's bankruptcy that is adjudicated before that subsection comes into operation."

I also agree with another amendment to the provision that an existing contributor is required to claim their provident fund benefits within three years after his or her account is closed. According to the amendment, the time the contributor is in bankruptcy should be disregarded in working out the period of three years, so that the retirement benefits of the bankrupt teacher will not be affected by the time limit for claiming benefits from the account.

In my view, the amendment will plug the loophole in the existing legislation. On the one hand, it will enhance the protection to teachers of grant and subsidized schools of their property, and on the other hand, it will ensure that the intent of provident fund of reserving the fund for use after retirement is fulfilled, where contributors will not loss part or all of their provident fund benefits due to bankruptcy.

Deputy President, despite my support for the Bill, I have to express my discontent with the authorities for submitting the relevant amendments five years after the ruling made by the Court and the Judge's recommendation that the authorities should seriously consider amending the legislation. Owing to the

delay, all teachers of grant or subsidized schools declaring bankrupt during these five years would not be entitled to the protection of the amended legislation. While the authorities attributed the delay in submitting the Bill to the possibility that Mr NG Shiu-fan might lodge an appeal to the Court of Final Appeal, I think there is no direct relationship between amending the relevant legislation and whether Mr NG would lodge an appeal. In fact, towards the end of August 2012, the Official Receiver's Office (ORO) informed the Education Bureau that the Director of Legal Aid had granted legal aid to Mr NG. In other words, up to this moment, Mr NG may still lodge an appeal, which means there is still uncertainty in the case to date and yet we are discussing the Bill now.

Moreover, during the scrutiny of the Bill, I have put forth a proposal. I understand that the legislation would not take retrospective effect, but the fact is that in each of the past few years, there were several bankruptcy cases involving teachers of grant or subsidized schools. Had the Government submitted the Bill earlier, the provident fund benefits of those teachers would have been given fairer protection. Hence, at the meeting of the Bills Committee, I had urged the Government to actively consider providing assistance to these persons on an administrative or ex-gratia basis, but the authorities had not responded positively to this proposal.

Here, I have to reiterate my discontent with the Government for its delay in introducing the Bill and failing to respond positively to my proposal on offering assistance to the teachers affected.

I so submit.

DR KENNETH CHAN (in Cantonese): Deputy President, I rise to speak in support of the Education (Amendment) Bill 2013 (the Bill). As pointed out by Ms Cyd HO and Mr IP Kin-yuen in their speeches earlier, we have been waiting for the Bill for five full years. The Bill comes really late. The Secretary should apologize to the teachers affected on behalf of the Government and propose a series of supporting measures to tide them over the difficult times.

Deputy President, according to section 85(3) of the existing Education Ordinance, "..... no contribution or donation to or dividend or interest on a dividend from a provident fund shall be assignable or transferable or liable to be attached, sequestered or levied upon, for or in respect of any debt or claim

whatsoever". It means that provident fund savings made by teachers with strenuous effort will not be turned into naught in the event of bankruptcy. However, teachers of grant and subsidized schools cannot benefit from the protection.

During the course of discussion, we had asked the authorities about the situation in the five years before the introduction of the Bill by the authorities, and we learnt that there were over 10 cases. However, to date, the Government has not yet provided any specific reply explaining how it will help the clients of the bankrupt cases occurred during the window period, that is, the period pending the amendment of the legislation.

In the event of bankruptcy, the provident fund of teachers of grant and subsidized schools will be vested in the trustee-in-bankruptcy, while that of government school teachers will be protected. According to the Pensions Ordinance or Pension Benefits Ordinance, in the unfortunate event of bankruptcy, retirement benefits of government school teachers will not be vested in the Official Receiver's or the trustee-in-bankruptcy. Moreover, since the majority of the workforce in Hong Kong is now covered by the protection under the Mandatory Provident Fund Schemes Ordinance, they will not loss their retirement protection because of bankruptcy.

In a case in 2008, a retired teacher had innocently lost the pension of \$2.4 million odd. The Court recommended at the time that the Government should amend the legislation as soon as possible to extend the protection to retirement benefits.

Deputy President, I support the Bill. Yet, I earnestly urge the Secretary to apologize, on behalf of the Government, to all teachers affected in subsidized and grant schools for the five-year delay in amending the legislation. I also demand the Secretary to provide appropriate support as soon as possible to assist the clients of the dozen of cases seeking assistance, as well as other teachers who may have been affected.

Deputy President, I so submit.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Education to reply. The debate will come to a close after the Secretary has replied.

SECRETARY FOR EDUCATION (in Cantonese): Deputy President, the Education Bureau proposes amending the legislation to the effect that the provident fund benefits of teacher-contributors of Grant Schools Provident Fund (GSPF) and the Subsidized Schools Provident Fund (SSPF) will not be vested in the trustee-in-bankruptcy (the trustee). The objective of the amendment is to protect the provident fund benefits accumulated by teacher-contributors. I would like to take this opportunity to thank Ms Cyd HO and members of the Bills Committee on the Education (Amendment) Bill 2013 for their proposals on the Education (Amendment) Bill 2013 (the Bill) and their support.

In 2008, in a bankruptcy case concerning a teacher-contributor of the SSPF, the Court of First Instance held that the Education Ordinance could not effectively protect the provident fund benefits of the teacher from being vested in the trustee. The Judge also recommended that the authorities should give serious consideration to amending the legislation to extend the protection by adopting a practice protecting the retirement benefits of the bankrupt in general.

The Education Bureau has kept watch of the development of the case. In April 2010, the Court granted leave to the teacher to appeal against the judgment of the Court of Appeal. If the case is brought to the Court of Final Appeal for further appeal, the judgment may affect the amendment of the legislation. But since the leave to appeal has expired for some time, we decide to take it forward to speed up the legislative work and commence the drafting work.

We have reviewed the Education Ordinance and its subsidiary legislation, that is, the relevant provisions in the two provident fund rules, and other

legislation mainly related to retirement benefits, such as the Pensions Ordinance and the Mandatory Provident Fund Schemes Ordinance (MPFSO). Under the two ordinances, the retirement benefits of bankrupt members are protected from vesting in the trustee.

The GSPF and SSPF are mandatory saving schemes of similar nature to Mandatory Provident Fund (MPF) schemes, which are also in one-off payment. Hence, by reference to the protection under the MPFSO, we propose amendments to the Education Ordinance and its subsidiary legislation to the effect that its protection is consistent with that under the MPFSO. In other words, when a teacher-contributor is adjudicated bankrupt, the lump sum benefits kept in his provident fund will not be regarded as the property of the contributor under the Bankrupt Ordinance and thus be vested in the trustee.

The Bill seeks to amend the Education Ordinance to the effect that where a teacher-contributor of GSPF and SSPF is adjudicated bankrupt on the date or a date after the legislation has come into operation, all the benefits or rights of the contribution in the GSPF and SSPF will be prevented from vesting in the trustee.

The Bill also puts forth proposed amendments to the relevant subsidiary legislation, that is, the Grant Schools Provident Fund Rules and the Subsidized Schools Provident Fund Rules. After the amendment, the bankrupt contributor may choose to claim his or her benefits from the closed account after his or her discharge from bankruptcy.

I note the concern made by some Members earlier about whether similar legislative amendments should be made to other provisions relating to provident fund or pension scheme. We have already conveyed their views to other Policy Bureaux, including the Financial Services and the Treasury Bureau, for consideration.

Deputy President, I implore Members to support the Bill, so that we can provide protection to the contributors of the two provident funds in the event of bankruptcy.

Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the Education (Amendment) Bill 2013 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Education (Amendment) Bill 2013.

Council went into Committee.

Committee Stage

DEPUTY CHAIRMAN (in Cantonese): Committee stage. Council is now in committee.

EDUCATION (AMENDMENT) BILL 2013

DEPUTY CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Education (Amendment) Bill 2013.

CLERK (in Cantonese): Clauses 1 to 5.

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

(No Member indicated a wish to speak)

DEPUTY CHAIRMAN (in Cantonese): I now put the question to you and that is: That clauses 1 to 5 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

DEPUTY CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

DEPUTY CHAIRMAN (in Cantonese): Council now resumes.

Council then resumed.

Third Reading of Bills

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

EDUCATION (AMENDMENT) BILL 2013

SECRETARY FOR EDUCATION (in Cantonese): Deputy President, the Education (Amendment) Bill 2013

has passed through the Committee stage without amendment. I move that this Bill be read the Third time and do pass.

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Education (Amendment) Bill 2013 be read the Third time and do pass.

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Education (Amendment) Bill 2013.

MEMBERS' MOTIONS

DEPUTY PRESIDENT (in Cantonese): Members' motion. There are a total of seven Members' motions for this meeting.

The first to the fourth items are proposed resolutions moved under the Interpretation and General Clauses Ordinance in relation to the extension of the period for amending subsidiary legislation.

First motion: To extend the period for amending the Tate's Cairn Tunnel Ordinance (Amendment of Schedule) Notice 2013, which was laid on the table of this Council on 22 May 2013.

I now call upon Mr James TIEN to speak and move the motion.

PROPOSED RESOLUTION UNDER SECTION 34(4) OF THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR JAMES TIEN (in Cantonese): Deputy President, at the House Committee meeting on 24 May 2013, Members decided that a subcommittee be formed to study the Tate's Cairn Tunnel Ordinance (Amendment of Schedule) Notice 2013.

In my capacity as Chairman of the Subcommittee on Tate's Cairn Tunnel Ordinance (Amendment of Schedule) Notice 2013, I move the motion that the period for scrutinizing the Tate's Cairn Tunnel Ordinance (Amendment of Schedule) Notice 2013 be extended to 10 July 2013.

Deputy President, I implore Members to support the motion.

Mr James TIEN moved the following motion:

"RESOLVED that in relation to the Tate's Cairn Tunnel Ordinance (Amendment of Schedule) Notice 2013, published in the Gazette as Legal Notice No. 70 of 2013, and laid on the table of the Legislative Council on 22 May 2013, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 10 July 2013."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

DEPUTY PRESIDENT (in Cantonese): Second motion: To extend the period for amending two items of subsidiary legislation in relation to the Trade Descriptions Ordinance, which were laid on the table of this Council on 29 May 2013.

I now call upon Mr SIN Chung-kai to speak and move the motion.

PROPOSED RESOLUTION UNDER SECTION 34(4) OF THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR SIN CHUNG-KAI (in Cantonese): Deputy President, in my capacity as Chairman of the Subcommittee on Trade Descriptions (Powers Not Exercisable by Communications Authority) Notice and Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (Commencement) Notice, I move that the motion, as printed under my name on the Agenda, be passed.

The first meeting of the Subcommittee was already held on 11 June 2013. At the request of the Subcommittee, the Administration will submit further information later to facilitate continued discussion. To give the Subcommittee

more time for the scrutiny, I implore Members to support this motion to extend the period for the scrutiny of the aforesaid subsidiary legislation to 17 July 2013.

Mr SIN Chung-kai moved the following motion:

"RESOLVED that in relation to the —

- (a) Trade Descriptions (Powers Not Exercisable by Communications Authority) Notice, published in the Gazette as Legal Notice No. 71 of 2013; and
- (b) Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (Commencement) Notice, published in the Gazette as Legal Notice No. 72 of 2013,

and laid on the table of the Legislative Council on 29 May 2013, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 17 July 2013."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

DEPUTY PRESIDENT (in Cantonese): Third motion: To extend the period for amending two items of subsidiary legislation in relation to the Buildings Ordinance, which were laid on the table of this Council on 29 May 2013.

I now call upon Ir Dr LO Wai-kwok to speak and move the motion.

PROPOSED RESOLUTION UNDER SECTION 34(4) OF THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

IR DR LO WAI-KWOK (in Cantonese): Deputy President, I move that the motion under my name, as printed on the Agenda, be passed.

At the meeting of the House Committee on 31 May 2013, Members agreed to set up a subcommittee to study the Building (Minor Works) (Amendment) Regulation 2013 and the Buildings Legislation (Amendment) Ordinance 2012 (Commencement) Notice.

In order to allow the Subcommittee sufficient time for scrutiny, on behalf of the Subcommittee, I move that the period for scrutinizing the said amendment regulation and commencement notice be extended to 17 July 2013.

Deputy President, I urge Members to support the motion.

Ir Dr LO Wai-kwok moved the following motion:

"RESOLVED that in relation to the —

- (a) Building (Minor Works) (Amendment) Regulation 2013, published in the Gazette as Legal Notice No. 73 of 2013; and
- (b) Buildings Legislation (Amendment) Ordinance 2012 (Commencement) Notice, published in the Gazette as Legal Notice No. 74 of 2013,

the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 17 July 2013."

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Ir Dr LO Wai-kwok be passed.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Ir Dr LO Wai-kwok be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

DEPUTY PRESIDENT (in Cantonese): Fourth motion: To extend the period for amending six items of subsidiary legislation in relation to the Companies Ordinance, which were laid on the table of this Council on 29 May 2013.

I now call upon Mr WONG Ting-kwong to speak and move the motion.

PROPOSED RESOLUTION UNDER SECTION 34(4) OF THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR WONG TING-KWONG (in Cantonese): Deputy President, I move that the motion under my name, as printed on the Agenda, be passed.

At the House Committee meeting on 8 February 2013, Members decided to form a Subcommittee to study the subsidiary legislation to be made under the new Companies Ordinance.

To allow more time for the Subcommittee to scrutinize the third batch of subsidiary legislation, in my capacity as the Chairman of the Subcommittee, I move to extend the scrutiny period of the Companies (Revision of Financial Statements and Reports) (Amendment) Regulation 2013, Companies (Disclosure of Information about Benefits of Directors) (Amendment) Regulation 2013, Companies (Model Articles) Notice, Company Records (Inspection and Provision of Copies) Regulation, Companies (Non-Hong Kong Companies) Regulation and Companies (Fees) Regulation to 17 July 2013.

Deputy President, I urge Members to support the motion.

Mr WONG Ting-kwong moved the following motion:

"RESOLVED that in relation to the —

- (a) Companies (Revision of Financial Statements and Reports) (Amendment) Regulation 2013, published in the Gazette as Legal Notice No. 75 of 2013;
- (b) Companies (Disclosure of Information about Benefits of Directors) (Amendment) Regulation 2013, published in the Gazette as Legal Notice No. 76 of 2013;
- (c) Companies (Model Articles) Notice, published in the Gazette as Legal Notice No. 77 of 2013;
- (d) Company Records (Inspection and Provision of Copies) Regulation, published in the Gazette as Legal Notice No. 78 of 2013;
- (e) Companies (Non-Hong Kong Companies) Regulation, published in the Gazette as Legal Notice No. 79 of 2013; and
- (f) Companies (Fees) Regulation, published in the Gazette as Legal Notice No. 80 of 2013;

and laid on the table of the Legislative Council on 29 May 2013, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 17 July 2013."

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

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

Fifth Member's motion: Maintaining and enhancing Hong Kong's position as an international financial centre.

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

I now call upon Mr NG Leung-sing to speak and move the motion.

MAINTAINING AND ENHANCING HONG KONG'S POSITION AS AN INTERNATIONAL FINANCIAL CENTRE

MR NG LEUNG-SING (in Cantonese): Deputy President, I move that the motion as printed on the Agenda be passed.

Deputy President, at the beginning of this term of the Legislative Council in October last year, I asked a question on the position of the banking industry in the economy of Hong Kong. The Financial Services and the Treasury Bureau gave a very encouraging reply that day. He said that Hong Kong was the world's ninth and Asia's third largest international banking centre, and the sixth largest centre for foreign exchange trading. As at the end of September 2012, 70 of the world's 100 top banks had operations in Hong Kong, and the percentage in the Gross Domestic Product (GDP) taken up by the whole financial industry was 16%, representing a substantial growth when compared to the 12% to 13% a decade ago, making the financial industry the second largest pillar of the Hong Kong economy. The industry has employed a vast number of people, constituting a top-notch working population with high production value. The Bureau also said, "We believe in the global competitiveness of the industry. For this reason, we must at least facilitate the industry to sustain and further enhance its development." It is against this backdrop that I propose this motion with the objective of reviewing the past, examining the present development and planning the future for the financial industry.

A commercial think-tank in London, Z/Yen Group, conducts assessment on almost 80 financial centres in the world in its Global Financial Centres Index published every six months. According to the results of the assessment published in March 2013, Hong Kong was ranked the third with 761 points after London (807 points) and New York (787 points), while outperforming Singapore (759 points), Zurich (723 points) and Tokyo (718 points). This achievement is not easy to come by. It is attributed to facilitation by well-established policies and efforts made by financiers of past generations. Certainly, in the process of development there have been various ups and downs but by summing up experiences and learning lessons, we have continued to scale new horizons.

When Hong Kong was first open for trade, the financial industry has adopted an "open door" policy, providing a level playing field for both foreign and local banks to run their business. This had created the condition for developing Hong Kong into a regional financial centre. For example, a branch

of the Standard Chartered Bank was already set up in Hong Kong as early as 1859; in 1865, the Hongkong and Shanghai Banking Corporation was founded in Hong Kong; in 1913, the Citibank opened a branch in Hong Kong; in 1917, the Bank of China set up a branch in Hong Kong; in 1919, the Bank of East Asia was established.

Looking back from the opening up of Hong Kong to mid-1970s in the last century, the role of the financial industry was to supplement the labour-intensive industries and the products were more unitary back then. From mid-1970s to mid-1980s in the 20th century, the Hong Kong Government implemented a series of financial liberalization policies. At that time, we saw large-scale infrastructure developments in Hong Kong and with the business opportunities that happened to be brought about by the reform and opening up of the Mainland, the local manufacturing industry took the opportunity to relocate their plants to the Mainland. The demand for financing increased on various fronts, and the financial industry, which used to play a supplementary role, gradually evolved to become an economic pillar. In mid-1980s, Hong Kong was the world's fourth financial centre in terms of the number of overseas registered banks and the 11th largest financial centre in terms of the external assets of the banking system. In recent years, the Hong Kong economy has extended its co-operation with the Mainland, and the service sector has taken on a leading role while financial products have become more wide-ranging. The financial industry has made contributions to Hong Kong not only on the economic front. It has established ties between Hong Kong and major cities worldwide, making Hong Kong a cosmopolitan worthy of its name. As an economic commentator has said, there is never in history a cosmopolitan that solely relies on the agricultural, manufacturing and cultural industries, and in order to become a globally influential cosmopolitan, it is imperative to have the conditions required of a top-notch international financial centre. Therefore, it is most important to the economy and other aspects of Hong Kong to maintain and enhance Hong Kong's position as an international financial centre. While the financial industry account for about 16% of the GDP and the number of employees take up only 5.6% of the total workforce, the per capita GDP of the industry is far higher than the overall average in Hong Kong, making significant contributions to the GDP and tax revenue of Hong Kong.

Prof JAO Yuching, an academic who has long engaged in studies on the development of the financial industry in Hong Kong, considers that the emergence of Hong Kong as an international financial centre is one of the two

major achievements made by the Hong Kong economy after the end of World War II (the other achievement is Hong Kong turning from an entreport into an affluent industry-based economy). Prof JAO has set out a series of factors to which Hong Kong's success is attributed. They include political and social stability, economic freedom, the rule of law and a sound legal system, an effective and responsible government, "national treatment" records, a tax regime to the benefit of the people, low monitoring cost, modernized infrastructure facilities, freedom of information, and so on. It is worthwhile to examine on this basis our strengths and shortcomings in order to give insights to and stimulate the thinking of members of the financial industry.

I consider that the following points are worthy of our attention.

First, political and social stability. In the course of developing into an international financial centre, the political and social environment in Hong Kong was basically stable and all parties to transactions had full confidence in Hong Kong. Hong Kong used to be a safe harbour for capital when some countries were in turmoil. But in recent years, there have been continuous political contentions and protests in Hong Kong and Hong Kong is dubbed a "city of protests" by foreigners. If we do not have a stable environment, it would pose a huge threat to the financial industry. The clearance actions swiftly taken by the United States in New York against the "Occupy Wall Street" movement some time ago is a practical example of protection of a financial centre.

Second, in respect of the efficiency of policy implementation, in the course of scrutinizing the trust law relating to the financial industry, I noticed that the last time the relevant legislation was amended was almost 80 years ago. This reflects that Hong Kong has lagged behind some common law jurisdictions. From these examples we can infer that the policies and legislation relating to the financial industry must not lag behind others and must progress with the times.

Third, in respect of the cost of monitoring, the monitoring of the financial industry in recent years tends to align with that in other developed regions internationally. This is actually a good thing, but there are concerns about Hong Kong's tendency to gradually deviate from a "principle-based" approach and move towards a prescriptive, "rule-based" approach. Different people may have different views on which approach is better, but the passage of the draconian Sarbanes-Oxley Act in 2002 in the United States could not prevent the sub-prime crisis in 2008 which swept across the whole world and had obviously caused New

York to lag behind London. In this connection, we propose that the monitoring authority should review the regulation of the financial industry from time to time to ensure an appropriate balance between strictness and leniency.

As we step into the 21st century, we have seen that the local financial industry has captured much attention by becoming the largest offshore Renminbi (RMB) business centre with the highest turnover after the Mainland in recent years. The 12th National Five Year Plan has mentioned in particular our country's support for Hong Kong's development as an offshore RMB business centre and an international asset management centre, adding that Hong Kong should act as a "testing ground" for steady market reforms of our country's interest rate and exchange rate regimes, and its gradual realization of the RMB capital account convertibility. In this connection, Hong Kong can fully leverage on the national policy and develop offshore RMB business by capitalizing on our unique advantages, thereby enhancing our position as an international financial centre. To this end, members of the financial industry have put forward proposals on the functions and role of Hong Kong as an offshore RMB business centre, which include:

- (1) seeking the support of the Mainland for conducting RMB transactions with other Asian and European economies through Hong Kong, in order to enhance Hong Kong's position as a RMB settlement centre.
- (2) striving to develop Hong Kong as a control centre for RMB conversion, insurance, pricing and risk by establishing and expanding the RMB capital market, stock market, bond market, fund market, insurance market and derivatives market in Hong Kong.
- (3) making efforts to enable Hong Kong to become the world's lender of last resort and liquidity provider for offshore RMB business.
- (4) studying the fine-tuning of the regulatory requirements in order to strive to develop Hong Kong as a leading offshore RMB centre by adopting specific measures as follows:
 - (i) striving for the relaxation of the RMB daily conversion limit of RMB 20,000 yuan for Hong Kong residents.

- (ii) allowing Mainland enterprises to secure loans in RMB in Hong Kong and remit the money to the Mainland for other purposes; and this measure can be implemented in Guangdong on a pilot basis.
- (iii) expanding the scale of the issue of RMB bonds by Mainland enterprises in Hong Kong while focusing on the development of a secondary RMB bond market in Hong Kong.
- (iv) Promoting the development of diversified RMB investment products and derivatives in Hong Kong.

Certainly, to achieve these objectives, the concerted efforts of the Administration and the industry as well as the support of the relevant departments in the Central Authorities are required.

Deputy President, technology is a major means of competition of the financial industry. In respect of financial infrastructure, over the years, continued effort and resources have been devoted to reinforcing Hong Kong's status as a regional hub for payment of funds and securities. We have now in place a robust and efficient multi-currency, multi-dimensional platform, with extensive domestic and overseas system linkages. In response to international developments and the demands of the industry, I propose that new components should be continuously added to broaden the scope and increase the depth of the financial infrastructure in Hong Kong, and while it is necessary to enhance international co-operation, efforts must also be made to ensure security of online operations.

Deputy President, in order to maintain the position of Hong Kong as a financial centre, it is necessary for Hong Kong to open up financial business co-operation with relevant regions. Hong Kong has all along maintained close business ties with financial centres in the world, and following the internationalization of RMB and the emergence of other financial centres in the Mainland, this is an area of work that we need to explore further. Recently, many cities have striven to become offshore RMB business centres. London, Sydney, Singapore and even Taipei have been making great efforts to this end. For example, Singapore became another offshore RMB settlement centre in May this year, and Taipei has also taken a very active position. I think Hong Kong should forge appropriate co-operation with these cities and give play to Hong

Kong's advantages in geographical location, human capital and institutions, with a view to developing a robust financial industry and achieving mutual benefits and a win-win situation in future.

With these remarks, Deputy President, I beg to move.

Mr NG Leung-sing moved the following motion: (Translation)

"That this Council urges the Government to make further efforts to maintain and enhance the Hong Kong SAR's position as an international financial centre, including:

- (1) to introduce more proactive financial policies and measures;
- (2) to appropriately refine the existing regulatory system and financial infrastructure; and
- (3) to open up financial business co-operation with relevant regions."

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

DEPUTY PRESIDENT (in Cantonese): Mr Christopher CHEUNG and Mr James TO wish to move amendments to this motion, while Mr Albert HO wishes to move an amendment to Mr James TO's amendment. This Council will now proceed to a joint debate on the motion and the amendments.

DEPUTY PRESIDENT (in Cantonese): I will call upon the above Members to speak in the above order, but they may not move amendments at this stage.

MR CHRISTOPHER CHEUNG (in Cantonese): Deputy President, I thank Mr NG Leung-sing for proposing this motion on "Maintaining and enhancing Hong Kong's position as an international financial centre" today. This motion happens to be in line with the motion on "Supporting the development of the securities

industry" that I proposed shortly after the start of the Legislative Session last year, and the two motions echo each other.

The financial industry is a high value-added industry. Apart from increasing the per capita Gross Domestic Product of Hong Kong people, it can also facilitate the development of relevant professional services, such as accountancy, financial and legal services. It has played a vitally important role in consolidating Hong Kong's position as an international metropolis. As the financial markets in the Mainland are gradually opening up and pressing ahead to converge with the international community, the position of Hong Kong as an international financial centre has become increasingly important, and the banking and securities industries are facing a lot of opportunities and challenges.

In view of this, I agree that the Government should introduce proactive financial policies and measures. Financial policies should take into account the following points:

- (a) After the lunch break was further shortened in March last year, the well-intentioned wish of the Chief Executive of the Hong Kong Exchanges and Clearing Limited (HKEx), Charles LI, who first thought that this could be a way to stimulate transactions, has actually fallen through. On the contrary, as the lunch break is shortened to only one hour, the work of brokers in liaising with their clients has been greatly affected and business has naturally declined. In this connection, the industry considers that a review should be conducted afresh and that the previous arrangement should be reinstated to allow a lunch break of one and a half hours;
- (b) The HKEx currently charges local securities firms expensive fees for renting stock quote terminals but Mainland securities firms can enjoy a concession of having their fees halved though they do not bring business to the HKEx. This is unreasonable indeed. A review is warranted and the expensive charges payable by local securities firms for renting the terminals should be reduced expeditiously;
- (c) Regarding the Securities and Futures Commission (SFC) levy, the SFC currently has a surplus of \$7 billion, which is far higher than the statutory requirement and should hence be adjusted downwards. Besides, as the market is in the doldrums, this has dealt a heavy blow

to the income of many brokers. In view of this, they should be allowed to continuously enjoy a waiver of the licence fees for the next few years, in order to alleviate the burden of securities firms and practitioners of the industry; and

- (d) Promotion of the bond market: From the most recent issue of iBond by the Government, which is very well-received by investors, we can see that Hong Kong does have the conditions for developing a bond market. In this connection, the Government can encourage more companies to adopt a more balanced approach when issuing bonds. Instead of appointing banks to be underwriters, the arrangements for iBond should be adopted in that a proportion of the bonds should be allocated for underwriting by securities firms and also for listing in the HKEx, and only in this way will an active bond market be developed.

To appropriately refine the existing regulatory system and financial infrastructure, I have a few points to make as follows:

- (a) Under the current arrangement, the records of securities firms and practitioners of the industry being reprimanded by the SFC are permanently retained online, irrespective of the gravity of the mistake made. This has given foreign investors a wrong impression that the local securities firms and practitioners do not play by the rules. In this connection, securities firms which made minor or technical mistakes, such as committing mistakes not involving their integrity to clients, should be removed from the SFC's black list online if they do not repeat their mistakes in three years;
- (b) Securities firms should not be required to pay extra insurance premium for clients when they secure financing for an initial public offering (IPO). It is because when the clients take out loans to subscribe for new stock, they have paid 10% of the amount whereas the remaining 90% is met by loans taken out from banks. There is no reason to require securities firms, being intermediaries, to pay an extra 5% for risk exposures. In the meantime, it is necessary to review the rules imposed by the SFC on securities firms in taking out mortgage loans because the existing rules are rather stringent. This has made it difficult for the industry to run business in this respect

and indirectly resulted in quiet trading in the market, which does not do any good to the overall financial development;

- (c) Speaking of financial infrastructure, although I agree to the need for ongoing transformation and innovation to keep abreast of the changes of the time, it is still necessary to meet the practical needs and avoid over-ambitious, unrealistic plans. For example, the Orion trading system introduced by the HKEx aims to facilitate high-frequency and high-speed trading and although it can cater for a huge transaction volume, programme trading, and so on, it is still like a white elephant when trading is quiet in the market at present. Even if the trading volume can rebound to the peak of over \$100 billion, it is still a very advanced system. However, the cost of developing this system, which is as high as some \$2 billion, is borne by small and medium securities firms. This has put a much heavier pressure on small and medium brokerages in their operation, which is absolutely unfair to them; and
- (d) The development of a multitude of derivatives products in the market will greatly increase the financial risks in Hong Kong. Given concerns about the United States' exit from the loose monetary policy, we have already seen great fluctuations in the stock market and this even triggered a small-scale stock market crash in the Asian markets last week. If another financial turmoil or tsunami would strike us again, the proliferation of derivatives products would make us all the more vulnerable. This is absolutely a major risk in our system which warrants more attention from us.

Regarding the third point mentioned by Mr NG in his original motion, which proposes "to open up financial business co-operation with relevant regions", the industry do have a lot of expectations. Regrettably, co-operation is not opened up on an equal basis. It is very easy for Mainland securities firms to start a business in Hong Kong but Hong Kong brokerages face great difficulties when developing in the Mainland. In this connection, I think Qianhai in Shenzhen should be used as a testing ground to allow Hong Kong securities firms to officially set up business in the Mainland. Instead of just allowing them to act as investment consultants in partnerships, they should be allowed to directly run business in the trading of securities in Hong Kong. Moreover, the SFC should

cease to unreasonably deter local brokerages from acting as account opening witnesses for clients in the Mainland for various reasons.

Certainly, the views that I have just put forward only aim to achieve one objective, which is to strive for a package of fair financial policies. We call on the Government to accord equal treatment to all, and its policies must be conducive to achieving a balanced development for large, medium and small enterprises alike. Otherwise, when small and medium enterprises vanished in the market, small investors would only be subject to exploitation with no escape, which is not a good thing at all.

Lastly, on the question of whether the SFC is biased in favour of the Hong Kong Mercantile Exchange Limited, I reiterate that the industry is very concerned about this issue, just that we do not wish to see the matter being overly politicized, and we agree that the SFC should be given more time to further explain or prove to the public that they have not acted unfairly. I will decide the next step of work after the SFC has replied to my further questions.

I so submit. Thank you, Deputy President.

MR JAMES TO (in Cantonese): Deputy President, when I first read Mr NG Leung-sing's motion, I wondered if there were Members who would propose amendment such as opposing the Occupy Central movement, but no Members did so. When Mr NG Leung-sing spoke, he just made one reference in this regard, so I will also respond by making one comment. In fact, promoting genuine democracy in Hong Kong is the best way to give Hong Kong a stable political environment and enable the financial industry to develop more smoothly and effectively.

Deputy President, Mr NG Leung-sing did not talk about many specific measures in his speech. Maybe he considered that he had done his work by proposing this motion. In comparison, Mr Christopher CHEUNG put forward very specific views in his amendment as well as in his speech delivered just now. If I have to respond to his views one by one, it will take a lot of time. I can only say that from both the macroscopic and microscopic perspectives, he has put forward many specific views, even minor issues such as lunch break, high rental for stock quote terminals, and chances for brokers to clear a bad record were mentioned. In my view, the Government should consider giving specific

response to his views. Of course, it would not be possible for the Secretary to give a response within a few minutes or a couple of hours. Nevertheless, I still hope that if the views advanced by Members are quite specific, it is really necessary for the Government to consider them carefully.

Deputy President, let me go back to my amendment now. First, concerning part (1) of the motion, that is, to introduce more proactive financial policies and measures, I render my support. In my view, it seems that it is not too appropriate for the Chief Executive to rely solely on the Financial Services Development Council (FSDC). Why? In the Chief Executive's election manifesto, he proposed that the FSDC would be the most important body in promoting financial development and he even raised issues such as sovereign wealth funds and investments. However, worst of all, the FSDC had a bad start, thus giving the public an impression that its role is vaguely defined. Is the FSDC a community group or is it an official agency? Is it purely an advisory body or does it perform any other functions?

If the FSDC is purely an advisory body, we find it hard to understand why it must be established as a limited company. I once proposed that to avoid disputes and concerns, the Government should make a timely announcement of giving up registering the FSDC as a limited company. However, so far, the Government has still not made such announcement, so I hope the Secretary can talk about this point when he responds later. Another point is that the FSDC is apparently not highly transparent in its operation. In fact, even if members of the FSDC are exceptionally bright, they still need to have interactions with others. Of course, since the FSDC had only convened the first meeting, some ideas have not yet been fully developed, and we cannot expect the FSDC to make any announcements that enable the public or the financial sector, represented by Mr NG Leung-sing and Mr Christopher CHEUNG, to get involved. However, if after some time, we still fail to see any extensive public consultation or transparency in information disclosure, so as to get more people and the sector involved, I would be very disappointed.

Deputy President, in fact, the three proposals raised in my amendment are nothing new as this is already the third or the fourth time that Mr Albert HO and I have raised such proposals, hoping that the Government would give serious consideration. In our view, as the central bank of an international financial centre, that is, the existing Hong Kong Monetary Authority (HKMA), if it does not operate within a legal framework regulated by dedicated legislation but only

governed by some administrative requirements and non-statutory practices, this is really unacceptable because such an approach lacks legitimacy, solemnity and even legal certainty.

Deputy President, in advocating the enactment of the Hong Kong Monetary Authority Ordinance, there are several very important factors for consideration. First, how should the tenure of office and appointment of the Monetary Authority or head of the central bank be handled? Should statutory procedures be prescribed? Deputy President, at present, the Exchange Fund Advisory Committee actually plays a very important advisory role, but a great majority of its members are senior management staff of banks or members of the business sector. For those members who are senior management staff of banks, the banks they work for are licensed banks which are subject to the monitoring of the Monetary Authority. In these circumstances, how can we not be concerned about the possibility of conflicts of interests? How can we not be concerned that the Monetary Authority would sing the same tune as this group of people? We would even query if the Advisory Committee can really perform its relatively independent and professional advisory functions. We have this kind of doubt because its transparency is so low that there is no way for us to know about the details of its operation.

Deputy President, my other proposal is the setting up of a financial ombudsman. Deputy President, although Honourable colleagues had spent several years and taken great pains to prepare a very detailed report relating to the Lehman Brothers minibonds incident and had made a number of recommendations, it was a pity that we could not debate on the report in detail in the Legislative Council due to procedural issues. Still, I will not give up following up the issues raised in the report, including the consensus reached by Honourable colleagues on the need to establish a mechanism of financial ombudsman, so that the relevant authorities would be empowered to order the non-compliant licensed banks or financial institutions to make compensation to their clients. Deputy President, this is a consensus reached by various political parties and groupings in the Legislative Council in the report relating to the Lehman Brothers minibonds incident. However, the Government did not take on board our consensus. Instead, it proposed to set up a dispute resolution centre that is neither fish nor fowl.

The dispute resolution centre does not allow clients to be accompanied by their lawyers, but please note that mediation involve discussions, and mediation is

not buying vegetables when one can simply make an offer of \$1 million, \$500,000, \$400,000 or \$600,000. In the process of mediation, each party has to present his views and each side wants to persuade the other party or make the other party increase the amount of compensation. Clients are often the vulnerable party as they cannot be accompanied by lawyers, whereas financial institutions employ many legal consultants. In a case involving a small amount of money or hundreds of thousands of dollars, should individual clients seek legal advice? Should they hire lawyers to support them outside the meeting venue during a mediation process? Are both parties on an equal footing? Is it very difficult for small depositors to get reasonable mediation to protect their interests?

Deputy President, the last amendment proposed by me is that when regulators such as the Securities and Futures Commission (SFC) or the HKMA deal with serious finance-related cases, such as the incidents relating to Lehman Brothers minibonds incident and CITIC Pacific Limited, and even the recent one relating to the Hong Kong Mercantile Exchange Limited, the transparency and accountability must be enhanced. Deputy President, this problem has existed for a long time. Five years have passed since the occurrence of the incident relating to CITIC Pacific Limited and the time limit of six years for bringing civil action is about to expire. However, even now, we still have no idea if the SFC has carried out any investigation, which stage of investigation has been reached and what actions have been taken. We have no idea at all. We can only ask questions regularly in the Legislative Council, for example, once a year or half a year, to see if the Secretary can give us some information. This is totally unsatisfactory.

I believe that if the regulators do not enhance their transparency and accountability in these major incidents in particular, recently, some Mainland investors complained about the black box operation of some Chinese private enterprises listed in Hong Kong, incurring great losses to many people. However, after the victims had lodged complaints with organizations such as the SFC, they had no idea whether their complaints were accepted and handled. Some Mainland investors even said to me that such a situation was even worse than that on the Mainland. When I heard this remark, I felt distressed and sad. I hope the Government can carry out reforms.

MR ALBERT HO (in Cantonese): Deputy President, there are three proposals in the motion moved by Mr NG Leung-sing today. These proposals are certainly

very positive but at the same time, they are vague and general without making specific proposals.

We certainly do not oppose Mr NG's motion but we also believe that it is necessary to put forward more specific proposals by means of amendments to promote the reform of the financial system, even though the proposals put forward by us have aroused some controversy — in fact, they have also aroused controversies in the past. This kind of issues have been debated in this Council many times but I believe the aim of motion debates is to put forward some important viewpoints for Members to exchange views, so that the problem can be made prominent and arouse the continuous deliberation of the legislature.

The scope covered by the three proposals in Mr NG's motion is certainly very extensive but I still have to raise one more point. As we all know, at present, banks support the listing of many companies because these companies carry out their fund raising and financing activities through banks. Many enterprises launched their Initial Public Offerings in Hong Kong, and an increasing number of the enterprises are from places outside Hong Kong. More than half of them are Mainland enterprises. Apart from state enterprises, there are also many private enterprises. What we are concerned about is that whether we have a highly effective system to monitor and conduct compliance checks of these cross-border listed companies. If effective regulation cannot be imposed and banks in Hong Kong still support these financing activities, many problems may arise. All along, the cross-border co-operation is carried out through the so-called "arrangements" but the transparency is highly inadequate. Up to now, we do not even have the so-called Memorandum of Understanding.

I hope that later on, the Secretary would explain to us the reasons why we can feel at ease with these cross-border companies, in particular, if the headquarter of banks in question are located outside Hong Kong. We are concerned whether the professionals hired by the headquarter office of these cross-border companies have met the stringent requirements in Hong Kong. With regard to these areas, many professionals have voiced many problems on various occasions. This is the first point.

Second, I wish to talk about one point — Mr James TO also mentioned about it just now — that is, at present, there are many complaints against financial institutions or other listed companies for their irregularities. Of course, concerning the Lehman Brothers minibonds incident, I believe the Hong Kong

Monetary Authority (HKMA) and the Securities and Futures Commission (SFC) would address the problem seriously; but the biggest problem is that these two regulators have not given an appropriate and adequate account to the public through a system of procedures. By "appropriate", I mean giving the appropriate particulars at an appropriate time to the appropriate people.

We believe the biggest problem lies in the fact that after lodging the complaints, many complainants do not even know if a case has been established, or if investigation will be carried out. They can only learn about the progress if actions are taken by the regulatory body. If the regulatory body takes action, we will know. Such actions may be in the form of prosecution or disciplinary action. However, sometimes, the complainants do not even know when disciplinary actions have been taken. Owing to the lack of transparency, both the complainants and the industry consider that they are unfairly treated.

Recently, Mr Christopher CHEUNG also lodged a complaint, querying why the regulators were so lenient in handling the incident involving the Hong Kong Mercantile Exchange Limited (HKMEx). The whole incident might have lasted for a year, at least the HKMEx had cash flow problem for an extended period, leading to a financial crisis, and we also know that the officers of the SFC were actually aware of this situation. Why were these regulators so lenient to the HKMEx, whereas with regard to some other small operators in the industry — to quote Mr Christopher CHEUNG's words — they were arrested and charged for the slightest mistakes?

In fact, the HKMA also gives the public the impression that it shows favoritism and that there are instances of unfairness. As we all know, although at present, there are two authorities for one industry, the regulatory standards of these two authorities are the same, the question lies in whether or not there is sufficient transparency. This gives the public the feeling that the treatment is unfair and sometimes, they would query if fair treatment is given. No matter what the legal effects of the confidentiality clauses are, we still believe that it is necessary to consider making disclosures and giving an account appropriately in the future.

As we all know, the Government once agreed to set up a financial ombudsman with the power of investigation into some disputes and even to carry out investigation into the two regulators, that is, the SFC and the HKMA. We have already proposed a number of times that apart from the power of

investigation, it should also have the power to take disciplinary actions and to require the making of compensation to some clients. Unfortunately, the Government turned down these requests and even changed the financial ombudsman system into the present "mediation system". This is totally inadequate. Therefore, in the future, we believe that it is necessary to review the entire system properly, including the legislation relating to the HKMA. This should be (*The buzzer sounded*) the right direction forward.

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Deputy President, the financial industry has all along been a major economic pillar in Hong Kong. Over the past decade, the financial industry in Hong Kong has experienced robust growth and has been an increasingly important engine to propel economic development and create numerous job opportunities for the local workforce. Statistics showed that the financial industry accounted for 16.1% of Hong Kong's GDP in 2011. Also, the industry employed more than 220 000 persons in 2012, accounting for about 6.2% of the workforce.

With Hong Kong's unique advantages, including sophisticated financial infrastructure, world-class financial service professionals, a level playing field, a sound system of the rule of law, an independent regulatory regime and a freely-convertible and stable currency, Hong Kong has successfully developed into an international financial centre and is ranked as the front-runner in a number of major indices for international financial centres. Take the Financial Development Report released in 2012 by the World Economic Forum as an example, Hong Kong's ranking in the overall index was at the top globally and amongst the top 10 in the world in all indices. Meanwhile, as the global economic centre of gravity is shifting to Asia and the Mainland economy is expanding rapidly, great opportunities for the development of the financial industry in Hong Kong have arisen. In this context, developing Hong Kong into the world's Renminbi (RMB) business hub and a premier international asset management centre will further consolidate and strengthen Hong Kong's position as an international financial centre.

The SAR Government has been promoting the development of offshore RMB business since 2004. At present, Hong Kong has developed into the world's largest and most efficient offshore RMB business centre. In the first four months of 2013, RMB trade settlement conducted through banks in Hong Kong exceeded RMB 1,100 billion yuan, representing a significant year-on-year increase of 48%.

Driven by RMB trade settlement, RMB deposits in Hong Kong have increased significantly and RMB financing activities have become more active. Hong Kong has the world's largest offshore pool of RMB funds. As at the end of April 2013, total RMB deposits and outstanding RMB certificates of deposits in Hong Kong amounted to RMB 837 billion yuan. As a world's offshore RMB financing centre, RMB bonds, loans and equity products in Hong Kong have developed well. On bonds, as at the end of May 2013, there were 276 RMB bond issuances with total outstanding amount reaching RMB 277.6 billion yuan. On loans business, as at the end of April 2013, the outstanding RMB loans amounted to RMB 88 billion yuan.

Along with the development of the offshore RMB business, the RMB financial intermediation activities in Hong Kong are becoming increasingly active. The price discovery and the balance between the supply and demand of RMB are becoming mature. In this regard, the Treasury Markets Association of Hong Kong will soon launch the CNH Hong Kong Interbank Offered Rate fixing (CNH HIBOR fixing). By providing a reliable benchmark for the pricing of loan facilities, it will support the further growth of the offshore RMB loan market. The CNH HIBOR fixing will also spearhead the development of the offshore RMB interest rate swap market and assist market participants in hedging the interest rate risk of their RMB business.

As a global hub for offshore RMB business, Hong Kong is playing an increasingly important role in supporting international corporations and financial institutions in conducting offshore RMB business. As at the end of April 2013, 209 banks were participating in Hong Kong's RMB clearing platform, of which 185 were subsidiaries and branches of overseas banks and the overseas presence of Mainland banks. The average daily turnover of Hong Kong's RMB Real Time Gross Settlement system reached RMB 390 billion yuan in May 2013, with about 90% of the transactions conducted in the offshore market.

To strengthen Hong Kong's position as a premier international asset management centre, we have adopted a multi-pronged approach to further promote the development of the fund and asset management industry in Hong Kong. We are committed to providing appropriate legal and regulatory frameworks as well as a clear and competitive tax environment, so as to attract more funds of various types to base in Hong Kong. For instance, in early 2013, we introduced the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012 and the Trust Law (Amendment) Bill 2013 into the Legislative Council. These two Bills aim to improve the Islamic finance platform and reform the trust law, with a view to attracting more settlers to establish trusts in Hong Kong and further fostering an environment favourable to the asset management industry.

At the same time, we propose to extend the profits tax exemption for offshore funds to include transactions in private companies which are incorporated or registered outside Hong Kong and do not hold any Hong Kong properties or carry out any business in Hong Kong. This will allow private equity funds to enjoy the same tax exemption as offshore funds. In view of the increasing prevalence of establishing open-ended investment companies in the fund management industry, we are drawing up legislative proposals in conjunction with the Securities and Futures Commission (SFC) to permit the establishment of this form of companies and prescribe a regulatory framework for them, so as to offer one more choice to the industry and attract more funds in choosing Hong Kong as the base from which they radiate to Asia.

(THE PRESIDENT resumed the Chair)

In a fast changing international landscape, Hong Kong has to face fierce competition in the region and globally. In order to maintain Hong Kong's competitiveness in the world, the SAR Government has been committed to consolidating and strengthening its position as an international financial centre. For this reason, I thank Mr NG Leung-sing for moving this motion to enable all of us to voice our views on how to enhance Hong Kong's position as an international financial centre. In fact, the Financial Services Development Council established early this year is a cross-sector advisory body designed to make recommendations to the Government, so as to assist Hong Kong in seizing new opportunities in financial development and developing Hong Kong's

strengths as a financial market, thus enhancing Hong Kong's position as an international financial centre.

The policy goals proposed by Mr Christopher CHEUNG in his amendment are favourable to the balanced development of financial companies of various sizes, so we express our support for them. As a matter of fact, when formulating policies related to the securities sector, the Government has always adhered to the principle of promoting the efficiency, competitiveness, transparency, fairness and orderliness of the securities industry in order to benefit all market participants. Together with the SFC, we have taken a number of measures to support the industry's sustainable development. For example, when formulating new regulatory requirements, the Government and regulators are mindful to streamline the compliance procedures and review relevant existing requirements to identify room for further simplification, in order to facilitate industry compliance. We also understand the challenges facing small and medium securities firms in their operation. If the sector wants to maintain its competitiveness in a financial market that is increasingly sophisticated and dependent on advanced technology, upgrading skills is crucial. To this end, the SFC initiated discussions with the Hong Kong Securities and Investment Institute on ways to assist the brokers, asset managers and other practitioners in the securities markets in enhancing their service quality and enlarging their service scope. In this regard, the SFC has indicated that it stands ready to provide financial support for an increased variety of targeted training. We have suggested to the SFC that such support should have a particular focus on the continued professional training for the small and medium sized securities companies. This initiative will better equip industry practitioners to cope with new demands arising from market development.

Apart from promoting market development, we have also formulated a considerable number of measures to refine the existing regulatory system and financial infrastructure in Hong Kong, so as to enhance market quality and transparency and strengthen protection for investors. The statutory price sensitive information disclosure regime for listed corporations came into effect on 1 January 2013. Listed corporations are required to disclose inside information to the public in a timely manner. Moreover, the new short-position reporting regime has also come into effect on 18 June 2012. The new reporting regime will assist the SFC in collecting more market information, with a view to strengthening its ability in monitoring short selling activities in the market. This is conducive to maintaining Hong Kong's financial stability. In order to fulfil the G20 commitment, we are prepared to introduce the regulation of

over-the-counter (OTC) derivative market to enable regulators to better assess and manage systemic risk in the OTC derivative market place.

On strengthening co-operation in financial services with the relevant regions, since 2010, we have begun to organize roadshows in cities worldwide to promote Hong Kong as China's global financial centre and Hong Kong's advantages as an asset management hub. Moreover, the RMB business links with overseas markets, such as London and Australia, can enhance our function and role as the global hub for offshore RMB business and promote RMB business activities between Hong Kong's banking institutions and international financial institutions. The implementation of CEPA in 2004 paved the way for the local financial industry and its practitioners to gain access to the Mainland market step by step. At the regional level, such specific policy measures as the financial co-operation frameworks between Guangdong and Hong Kong, Shanghai and Hong Kong and Qianhai and Hong Kong have boosted the exchanges and co-operation among financial institutions as well as in financial tools, capital and talents between Hong Kong and the Mainland.

President, Mr James TO's amendment proposes the setting up of a financial ombudsman and the enactment of a Hong Kong Monetary Authority Ordinance. We are of the view that they are not necessary at present.

Mr TO proposed the setting up of a financial ombudsman. Before setting up the Financial Dispute Resolution Centre, we have also carefully considered such a proposal. In the end, we decided to put in place a financial dispute resolution scheme which deals with cases of dispute by mediation and, failing which, arbitration. Our proposed model of mediation plus arbitration is in line with the international practice in similar mechanisms. An arbitrator and an ombudsman both act as an umpire to decide a dispute based on the parties' submissions. Their approaches to dispute resolution are very similar. In Hong Kong, the Arbitration Ordinance governs the procedural issues and arbitral awards are enforceable through the courts.

As for the proposal to enact the Hong Kong Monetary Authority Ordinance, the existing legal framework for the operation of the Hong Kong Monetary Authority (HKMA) has been functioning well. The powers, functions and responsibilities of the Monetary Authority, that is, the Chief Executive of the HKMA, are set out clearly in the Exchange Fund Ordinance, the Banking

Ordinance, the Deposit Protection Scheme Ordinance, the Clearing and Settlement Systems Ordinance and other relevant Ordinances. Since its establishment in 1993, in pursuance with these Ordinances, the HKMA has been performing four major functions: (1) maintaining currency stability; (2) promoting the stability and integrity of the financial system, including the banking system; (3) maintaining Hong Kong's status as an international financial centre; and (4) managing the Exchange Fund. Therefore, we are of the view that at present, there is no need to enact an additional Hong Kong Monetary Authority Ordinance.

Mr TO proposed to enhance the transparency and accountability of regulators in handling notable finance-related cases. At present, regulators have already put in place a series of monitoring measures and checks and balances. When dealing with matters related to law enforcement, on condition that the legal requirements on confidentiality are met and investigations and legal processes are not affected, regulators will ensure the highest degree of transparency and accountability possible.

President, I will stop here and after listening to Members' views, I will give an overall response again.

MR RONNY TONG (in Cantonese): President, in a recent survey, it was announced that Hong Kong's ranking in competitiveness among various provinces and cities in China has fallen three ranks from the second to the fifth. The reason is that our economy has remained stagnant. However, we still take a lead in our position as an international financial centre as compared to different places in the Mainland. The same survey also pointed out that in the eyes of our compatriots, the three major global financial centres are New York, London and Hong Kong, which ranks the third, so it can be seen that at present, Hong Kong still enjoys a fairly high status as a financial centre. However, the other cities in China, particularly Shanghai, are catching up fast.

President, the subject under discussion today is actually a timely issue and an issue of concern. However, when the Secretary delivered his speech just now lasting 10-odd minutes, he devoted a lot of time explaining how to develop the market but did not elaborate much on the factors contributing to a successful financial centre. President, if we want to stay ahead of Mainland cities and maintain and enhance our position as a financial centre, we must examine and

ascertain how we differ from other financial centres on the Mainland or in South East Asia and what our strengths are.

President, I believe no one would disagree that two factors are vital for a successful financial centre, namely a credible judicial system and a sound regulatory mechanism. Under a sound regulatory mechanism, the monitoring should be fairly credible and well established. Can Hong Kong meet the requirements? President, in the past, we were able to do so, but in recent years, we find that our system is facing continual and increasing challenges in this regard.

President, why do I say so? When the same subject matter was debated by us in November 2008, I had already raised the point that the practice of "multiple regulators for one industry" would result in "no regulators for the industry". In comparison, as the global trend is one regulatory for one industry, why do we have to buck the trend? Do we think we have the conditions to think that we are the only persons who stay sober while the whole world is drunk? President, I cannot see why we have to adopt such an attitude because the development of the financial market nowadays is very different from that 10 or 20 years ago.

President, the first point that I wish to raise is that the delineations between various subsectors in the financial industry are becoming increasingly indistinct. Financial institutions can provide banking and insurance services, as well as trading of stocks and bonds. Investment is also becoming increasingly complicated. One can buy stocks and Lehman Brothers minibonds in banks; or one can also buy investment securities from the insurance industry. In the end, there is an increasing number of non-professional investors and the Lehman Brothers minibonds incident is a good case in point.

In fact, as many people are not professional investors, they need protection, but what is the situation in Hong Kong at present? President, at present, we have at least four regulators, namely the Securities and Futures Commission (SFC), the Hong Kong Monetary Authority (HKMA), the Office of the Commissioner of Insurance and the Mandatory Provident Fund Schemes Authority. President, what is the consequence of having four different regulators? Simply put, they have different regulatory cultures, as well as different regulatory practices and criteria; and most importantly, their scopes of regulation overlap and are not clearly delineated. Therefore, in the Lehman

Brothers minibonds incident, many victims had no recourse for their problems. When they sought help from the SFC, they were told to approach the HKMA but when they approached the HKMA, the latter told them to go to the SFC.

President, as I have said just now, at present we need to adopt the practice of one regulator for many industries, and this is the world trend. President, apart from the current practice of multiple regulators for one industry, we have one more regulator, that is, the Financial Services Development Council (FSDC). The FSDC is not a regulator, rather it is a fairly high-level and open body responsible for developing the market. When it develops the market, it also has to conform to our regulatory regime. If it proposes certain directions of development, policies or views, should other regulatory authorities have to respect them and take actions?

President, I only have very little time left but I must point out that it is not enough just to have a good regulatory regime. In dealing with people or matters, it is necessary to uphold impartiality. In the recent incident relating to the Hong Kong Mercantile Exchange Limited, how come the SFC has not taken any action though the investigation work had lasted for more than one year? President, the other example is the incident involving CITIC Pacific Limited. Several years have passed but there is still no investigation outcome. Each time I asked the Government, it would not answer me. What are the other examples? The Apex Horizon All-Suite Hotel is also a case in point. It turned out that buying properties can be regarded as a collective investment scheme and the SFC can exercise regulation over it, so Members can see that the scope is getting broader. Now, there is also the FSDC. We found that all members of the FSDC have intricate relationships with the industry, so will there be any conflicts of interest? In the eyes of international investors, do we actually have a sound, neutral, credible and established regulator? The Secretary has never said a word about this.

President, I think the SAR Government should think about this issue and propose a well-developed regulatory regime. Thank you, President.

MR MARTIN LIAO (in Cantonese): President, I thank Mr NG Leung-sing for moving the motion "Maintaining and enhancing Hong Kong's position as an international financial centre".

President, in the Global Financial Centres Index published last month, Hong Kong ranked the third in asset management for three years in a row, after London and New York, and is slightly ahead of Singapore, which ranked the fourth. With the global economic centre shifting eastward, Asia has become the region with the fastest growth in wealth in the world. In 2011, the number of millionaires in the Asia Pacific Region exceeded that in Europe for the first time; last year, the offshore assets attracted by Hong Kong and Singapore increased by about 20%. Last year, the Asian Region excluding Japan saw an increase of as high as 14% in wealth and it is expected that by 2017, it will overtake the North American Region. By then, China will become the second richest country in the world in terms of aggregate wealth. In the forecasts published by the Royal Bank of Canada today, the Asia Pacific Region will actually overtake North America next year and its growth in wealth will reach 9.8% per annum, whereas the increase in China will be as high as 14.3%.

President, at present, as a result of the international environment, Hong Kong has some once-in-a-lifetime opportunities which it should seize to proactively develop into an asset management and investment centre in Asia. Hong Kong enjoys exceptional advantages. Not only is it a shipping hub in Asia, it is also located at the southern gateway into China. As the Mainland financial market actively moves towards liberalization and with the increasing pace of the internationalization of Renminbi, we have not only benefited from the financial reforms of our country, but also received policy support from the state. Apart from the 36 measures to support Hong Kong announced in 2011, the 12th Five-Year Plan promulgated by the country in the same year also stated clearly to consolidate and enhance Hong Kong's position as an international financial, trading and shipping centre, and in particular, support Hong Kong's development into an offshore Renminbi business centre and an international asset management centre. It is also proposed that the Mainland service industry will be fully opened up to Hong Kong before the end of the 12th Five-Year Plan.

President, we have let time slip away without accomplishing anything and we have two years left in implementing the 12th Five-Year Plan. So far, we have just taken the first steps in developing Hong Kong into an international asset management centre. Now, with the formulation of 13th Five-Year Plan underway, when will Hong Kong seize the opportunities seriously and catch up? Or is it going to miss the opportunities again and let the chance slip away, turning Hong Kong's past glory into a thing of the past?

President, after striving for years by the local financial industry, the Government has finally taken action to create an environment conducive to developing the asset management industry, which include introducing the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012 into this Council for scrutiny, planning to build a platform for Islamic finance, as well as revising the obsolete and outdated trust law which has a history of 80 years. The proposal to exempt offshore funds from profits tax in this year's Budget will also serve to promote the development of the asset management industry in Hong Kong.

Although these measures have come late, they will enhance the competitiveness of the local asset management industry. So long as the Government, community and the industry are committed, we are still capable of competing with others. However, there is still a lack of comprehensive and careful deliberation in relation to the overall complementary policies and a plan for thoroughgoing implementation. Hong Kong must formulate good strategies as soon as possible to put in place a series of feasible measures and further improve the regulatory mechanism of investment tools.

President, in developing into an asset management centre in Asia, our responsibilities are heavy and the road is long. First, we have to face squarely the problem of a lack of talents in the asset management industry. At present, practitioners responsible for analysis, research and asset investment account for less than 10% of all employees in the asset management industry, whereas the remaining 70% are responsible for sales and marketing of funds. The authorities should co-operate with the industry in recruiting and training of more financial analysts and fund managers, so as to build a team of professional and stable talents, well-versed in analysing objectively various types of data, monitoring global and regional economic cycles and trends, so as to gain insights into opportunities and foresee the potential risks in various types of investment products; and consequently adopt prudent investment strategies and adjust asset distribution in a timely manner, so that structural risks can be reduced and the assets managed in Hong Kong can be more diversified and can appreciate steadily. The Government must also adopt complementary policies, for example, by enhancing efficiency, establishing streamlined and cross-departmental approval procedures to facilitate the establishment of funds in Hong Kong, as well as providing more tax incentives.

President, it is said that past experience, if not forgotten, is a good guide for the future, so I believe the approach adopted by the Government in handling the Lehman Brothers minibonds incident is a negative example that may serve as a lesson. We must understand that it is no easy task to rebuild the confidence and trust of the stakeholders in international asset and investment management. Moreover, this cannot be achieved overnight. There are now very few developed industries in Hong Kong with good prospects. Here, I also wish to address to those who wish to launch the Occupy Central movement, the sterling reputation of Hong Kong as an international financial centre is established with the hard work of several generations of people, so it did not come easy. Although at present, we cannot polish this reputation to make it shine even brighter, we must not destroy it rashly either, still less should we let our competitors, which are eying our achievement covetously, rejoice in seeing this happen.

President, I so submit.

DR LAM TAI-FAI (in Cantonese): President, since the reunification, Hong Kong has always been regarded as a key financial centre by the Central Authorities. We have made some unprecedented and remarkable achievements, such as the listing of the four major state banks in Hong Kong, Hong Kong becoming the first offshore Renminbi (RMB) trading centre, as well as the Hong Kong Exchange acquiring the LME with an astronomical sum of money; all these achievements had aroused the envy of many Western countries. Because of this, the Hong Kong Government has gradually and unknowingly weakened its sense of crisis. Recently, the report released by International Institute for Management Development in Lausanne indicated that the competitiveness of Hong Kong is on the decline. This has sounded an alarm to the Government, reminding us that we have to review practically our past development, take active steps to formulate a blueprint for long-term sustainable development, as well as take advantage of our unique geographical position and policy incentives to enhance our competitiveness and consolidate our leading position.

President, Hong Kong has weathered the impacts of the financial, economic and social problems over the past 10-odd years. First, before the outbreak of the financial tsunami, the Government had not taken advantage of our economic edges to formulate and implement effective policies to improve the business environment and balance our economic base. All along the

Government has tilted towards the financial industry to the neglect of the development of other industries, making us extremely susceptible to influences of the external environment. Industrial development in Hong Kong has been simply neglected. The policy addresses have never mentioned industrial development and industries are regarded as non-existent. If the Government can guide the financial industry to make use of the booming capital market and reduce the financial costs of the industrial sector and the small and medium enterprises, I believe this can ease the hardship of the industrial sector, and allow it to contribute more to the local economy and increase job opportunities.

President, the Lehman Brothers incident has exposed the excessive reliance of our economy on the financial industry and the consequences of the government policies in tilting towards the financial industry. It also highlights weakness in regulation of the Government and the regulatory bodies as well as their weak sense of crisis, which has undermined the reputation that Hong Kong has built up over the years. Regrettably, the Government has not learnt the lesson and enhanced its regulation. The scandal of the Hong Kong Mercantile Exchange Limited has dealt another blow to the reputation of the financial industry of Hong Kong. Fortunately, business of the Hong Kong Mercantile Exchange has never been good, or else Hong Kong will land itself in a financial disaster.

President, if the Government continues to favour the financial industry, I believe it should change its past practices and adopt a more proactive and effective approach to make full use of the opportunities given to us by the Central Authorities to use the financial industry to promote the development of the local economy.

President, I am sure the trend of large state enterprises from China coming to Hong Kong for financing will be on the decline as the Chinese economy restructures and takes on market economy characteristics. It can even be said that the trend will disappear. The internationalization of RMB will be a very important element in the future development of the financial industry. In fact, since Hong Kong has become the first offshore RMB centre, it enjoys the early-bird advantages in areas such as RMB settlement, RMB investment products, financing in Hong Kong and the Mainland, direct investments, as well as financial and commercial activities related to Qianhai, and so on.

President, with an increasing volume of offshore RMB capital and the support from central financial agencies, I am sure the financial industry will continue to benefit in the days to come. However, the Government should make good use of the opportunity to promote development in other trades, especially industrial development for the promotion of the local economy. This can help the Government regain public confidence and this is also something which the Central Government would like to see.

President, the Government should note that the financial industry in Hong Kong has been facing increasingly serious challenges. Our unique position as an offshore RMB centre is challenged by first-class international financial centres like London and Singapore. When compared to these two markets, our financial industry is by tradition only a capital market highly concentrated in equity and equity derivatives, and with respect to foreign exchange, interest rates and bond markets closely related to RMB business, Hong Kong lags behind in areas of financial infrastructure, talents, experience and other matching facilities. The opportunities arisen due to the integration of RMB business in Hong Kong and China will bring severe challenges to the regulators. Moreover, one trouble follows another. While the Hong Kong Mercantile Exchange incident is still the subject of gossip for local people and overseas practitioners in the industry, the Hong Kong Government has to face the challenges brought about by the new opportunities. I understand there are many difficulties ahead, but if Hong Kong is to leverage on the opportunities arising from the policies, it must make full preparation, improve its regulatory work and maintain an impartial attitude.

Will the RMB business in Hong Kong bring unprecedented development in the financial industry and improve our economy? Or will there be an impressive start but an abrupt ending? The role played by the Government is of crucial importance. First, the Government must understand that policy implementation must be carried out concurrently with regulatory measures in the new financial realms. Integrity and reputation are the cornerstones of every international financial centre; the Government must not treat this matter lightly even with the policy support of the Central Authorities. This is because Hong Kong cannot afford to be affected by another major scandal. At the same time, I think the Government can arrange for more exchanges with other countries, so that the Government, regulators and the industry can draw on the experience of other international monetary centres or financial centres, and formulate effective risk management systems and measures. The Government can employ different

means to attract experienced overseas experts to come to Hong Kong for development, so as to speed up the development of the financial industry.

President, the future development of the offshore RMB business is crucial to the financial industry, the Hong Kong Government and the general public. The unique role played by Hong Kong in the past is now threatened by other international financial centres. Therefore, if the Government is passive and does not do anything to cope with the challenges, the future is doomed. I really hope that the Government can seize the opportunity to boost development, so as to elevate our position, and enhance our competitiveness, thereby consolidate our position as an international financial centre.

President, I so submit.

MR YIU SI-WING (in Cantonese): President, the financial industry has a long history in Hong Kong and it has been developing rapidly since the 1960s and the 1970s. Hong Kong has the advantage in geographical location and time zone, it has a fair and stable business environment, a simple and low tax regime, a sound legal system, ample data in the financial market and professionals with expertise. All these factors contribute to Hong Kong's becoming a global financial centre.

According to the global financial centre index released in March 2013, Hong Kong ranked third after London and New York. Although Shanghai can benefit from state policies and has speeded up its pace in financial infrastructure, there are still concerns among international investors about the business environment on the Mainland. This is because China has yet to build a reliable and independent legal system. Therefore, the sound system in Hong Kong is both our asset and foundation.

In the face of competition from the neighbouring places, we need not worry too much. It is most important for us to know our position, and while we strive to keep our competitive edge, we should learn more about our competitors and make an objective comparison. London is a centre for international trade and clearance and it is the most important international credit market and foreign exchange market. New York is an exporter of capital in US dollar and an international trading and clearing centre for the US dollar. Tokyo is an exporter of capital in Japanese yen. Shanghai and Shenzhen have become financial centres in China and they specialize in certain special financial services. With

the increase in the scale of the Chinese economy, there is a natural increase in the demand for financial services. In future, a number of financial centres may develop on the Mainland. Cities like Beijing, Guangzhou and Tianjin may become regional financial centres. All these financial centres will try their best to capitalize on their advantages; they will take specific actions to give full play to their advantages and expand their scale.

With the co-ordination of the Central Government and under the policy direction of "one country, two systems", Hong Kong will continue to benefit for being the financial testing ground in China. It will continue to enhance co-operation with the key cities on the Mainland and complement each other. Such interactive relationship is not possible in any other places in the world. In respect of the conversion of Renminbi (RMB) for cross-border trade settlement, with the support of the Central Authorities, Hong Kong is still the offshore RMB market with the strongest circulation of RMB and the most diversified RMB products. In 2012, 13% of the total trade volume was settled in RMB and 90% of the transactions were carried out in Hong Kong.

A special zone will be set up in Qianhai, Guangdong and it will offer more business opportunities to the financial industry. Banks in Hong Kong can directly lend money to Mainland enterprises and capital raised overseas can be directly invested on the Mainland. Hong Kong will then have closer ties with the entire Pearl River Delta Region and its status as an international financial centre will be enhanced. Even if cities like Shanghai may overtake us in certain areas, under the existing system, provided that Hong Kong will not do anything to undermine its position, our status as an international financial centre will not be replaced.

According to *Office Space Across the World 2013* published by Cushman & Wakefield, rentals for premium commercial buildings in the Central District of Hong Kong in 2012 saw a drastic fall by 24%, but the rentals were still the second most expensive in the world. The average rental per square foot is more than double of that in Singapore. The high rentals and operation costs will make Hong Kong less attractive to foreign capital, especially to those multinational groups which want to set up their Asian headquarters in Hong Kong. I hope the Government will pay more attention to the practical needs of these companies and introduce more incentives.

President, if Hong Kong is to maintain its status as a financial centre, apart from having a business environment which is congenial to multinational companies, political stability is also of vital importance. Any social upheaval will have a negative impact on the financial industry and the tourism industry. In 2010 when the "Red Shirts" incident broke out in Thailand, the organizers at first claimed that it was a peaceful and rational sit-in protest. However, the 69-day occupation of the commercial district in Bangkok not only paralysed the economy, but also eventually led to a bloody riot, resulted in more than 1 000 people killed or injured. The tourism industry of Thailand has hit rock bottom not just for that year but for the following two years.

The Central District is the heart of Hong Kong, a place that promotes the economic lifeline of Hong Kong. If the Central District is paralysed, it is like the heart stops beating. Both investors and tourists will have great concerns and this will deal a direct blow to our economy and tourism industry. Therefore, I hope that the organizers of the Occupy Central movement can weigh the pros and cons and will not take any action which will damage the interest of Hong Kong and affect our next generation.

President, I so submit.

MR CHAN KIN-POR (in Cantonese): President, today we hold a debate on maintaining and enhancing Hong Kong's position as an international financial centre. I am sure Members have their profound views on this issue; for me, I will focus my discussion on the regulatory problem of the financial industry.

Five years ago, the collapse of the Lehman Brothers in the United States triggered the financial tsunami and the Lehman Brothers minibond incident. At that time many members of the public complained about the improper practices adopted by financial institutions in Hong Kong to sell the Lehman Brothers bonds. The Legislative Council decided to invoke the Legislative Council (Powers and Privileges) Ordinance to set up a subcommittee to investigate into the incident. I joined the subcommittee and for a period as long as four years, we had meetings almost every Tuesday and Friday morning. During our investigation, we had summoned many high-ranking people in the Government, the Hong Kong Monetary Authority (HKMA), the Securities and Futures Commission (SFC) and other financial institutions to attend the inquiry. These people included Joseph YAM, former Chief Executive of the HKMA and Martin

WHEATLEY, former CEO of the SFC. The subcommittee released a report last year and made a couple of recommendations.

As a matter of fact, both the HKMA and the SFC were seriously affected by the Lehman Brothers incident, the key persons in charge were alarmed. Both Joseph YAM and Martin WHEATLEY left their posts before the completion of the inquiry report. The HKMA and the SFC introduced dozens of measures one after another to monitor the financial institutions. The HKMA has implemented 19 measures on enhancing the regulatory system and protecting the investors, and the SFC has compiled the Code on Unlisted Structured Investment Products. In addition, the Government and other regulators have also introduced many regulatory measures such as the Guidelines on Conduct Requirements for Registered Intermediaries compiled by the Mandatory Provident Fund Authority and the measure on the disclosure of commission by intermediaries compiled by the Insurance Authority. Numerous regulatory rules and regulations have appeared all of a sudden, imposing great difficulties to financial institutions and intermediaries in selling financial products.

A prerequisite for a financial centre is to have innovative financial products to meet the needs of clients. For regulators in Hong Kong, apart from enhancing the regulation of the sale of financial products, they have been slow in processing applications, which directly impede the development of the financial market. As far as I know, in Singapore, it takes about a month or so to get the approval for the sale of financial products. However, in Hong Kong, the processing of similar financial products takes nine months and the result is still pending. This is not an individual case, and it can be said that this is an established practice. Also, there are cases that the applications of foreign enterprises for a financial licence in Hong Kong have not been approved after several years. This is just incredible. I was told by some financial institutions that they have decided to abandon the Hong Kong market in view of the complicated vetting and approval procedures. Not only are financial institutions affected, but the customers also find it baffling. A regulator once recommended that the customers should be asked to sign more than 10 times in an insurance proposal. The clients will only find such requirement a nuisance, and I am afraid this will not help in the regulation work.

To be honest, timing is importing in introducing a product to the market, that is, the time to market. But the current practices of the regulators can well be said to be anti-market behaviour. It is actually destroying our financial market.

Regulatory work in Singapore is by no means inferior to that of Hong Kong. How can they process an application so quickly, while we fail to do so? It is obviously a man-made problem. I believe the present excessive regulation in the financial market is not simply to protect investors; more important still, they are meant to protect senior officers of the regulators.

As I have said earlier, the regulators are severely challenged in the Lehman Brothers incident. In order to respond to public demands, they have proposed a number of regulatory measures which are in line with the practical situation. These regulatory measures are acceptable. Regrettably, the regulators have overdone in righting a wrong, and have not struck a balance between regulation and market development. This inevitably gives people an impression that the regulators are just trying to shift all the responsibility onto the financial institutions, the salespersons and the consumers. Should anything happen, the heads of the regulators may say that this has nothing to do with them, and hence they can continue to draw a high salary from their posts. They do not have to face the public outcry. While they can keep their high salary and positions, the competitiveness in the financial market will be sacrificed.

If this situation continues, business in the financial market will dwindle. I hope the Government can engage in serious reflections and change its present mindset. It must strike a proper balance between regulation and market development. The regulators should understand that they are now driving a train which moves our market forward. At times, they have to slow down the train, but they also have to increase the speed when required; or else, we will be stagnant and make no advancement, while our rivals will soon overtake us.

I wish to make another point. It is a correct move to set up a Financial Services Development Council (FSDC). I hope that this Council will not be affected by the noise in society, but can identify a new direction for development in our financial industry and this applies especially to the removal of barriers and obstacles for the industry in the Mainland market. Industry players hope that the FSDC would lead us to a new direction of development.

I so submit.

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

MR ALBERT CHAN (in Cantonese): President, speaking of the financial market in Hong Kong, I would say that it is really like the ancient city in the movie, "The Mummy", with a lot of monsters and demons, and whether you will succeed in finding the treasure or end up losing your life often depends on your luck. Of course, this mostly has to do with your connections with people, and under the dominance of the financial hegemony, this city of "The Mummy" is more like an automatic teller machine to those hegemonists in power; whereas for small shareholders and ordinary members of the public, they are often brought to an unbearably miserable ending and may even become broke. The most obvious case in point is Cable and Wireless or the PCCW. Many people in the older generations have invested their lifelong savings in it but their shares have almost been turned into penny stock by other people through the use of financial tactics. This is why we have, over the years, expressed opposition to Hong Kong taking the path of financial hegemony and developing into a financial market. We hold that we should go back to the basics and pragmatically develop industries, for this is, after all, better than being engulfed by the city of "The Mummy".

Many Members have described Hong Kong's financial market as if it is most incredible. But if we look at the figures in recent years, especially the total value of stock transactions, we will see that Hong Kong actually dropped to the 11th place last year and was even behind South Korea, Germany and Toronto. In the US\$24,000 billion-worth NASDAQ Stock Market, Shanghai takes up a share of US\$2,600 billion but Hong Kong's share has dropped to US\$1,200 billion only. In the past decade or so, the pace of the overall financial development in Hong Kong is, in fact, continuously lagging behind when compared to other places.

Certainly, Hong Kong's performance can still be considered quite good in terms of the monetary amount, because when we look at the sky from the bottom of a well, it is natural to feel that Hong Kong is awesome. In 1998, the value of the stock market totalled HK\$3,400 billion and the amount increased to HK\$21,900 billion in 2012. But when compared to the increase in other places, this increase in Hong Kong actually shows that we are moving forward only at a snail's pace. In 1998, the value of Shanghai's stock market was HK\$1,360 billion in total but it increased to HK\$19,700 billion in 2012 and Shanghai has been gradually catching up with Hong Kong. The development of London was even more impressive as their value was HK\$17,100 billion in 1998 and increased to HK\$34,000 billion in 2012. New York was even more formidable. The value of their stock market already totalled

HK\$119,500 billion in 2012. From this we can see that other places have developed by leaps and bounds.

In terms of the bond market, the situation in Hong Kong is even worse. In fact, as early as two decades ago, I already proposed to the then Financial Secretary Hamish MACLEOD the development of a bond market in Hong Kong. While Hong Kong is entirely in a dream in this respect, other places have achieved developments by leaps and bounds. The bond market in Shanghai already recorded a market value of RMB 5,600 billion yuan in 2012 but the relevant market value in Hong Kong was only HK\$883.7 billion last year, whereas the figure in the United States even reached HK\$250,000 billion. So, with regard to the development in this respect, while members of the public or the Government always think that Hong Kong is incredible and there was even the suggestion of "Nylonkong" many years ago, the ranking of Hong Kong has actually dropped out of the top 10 in recent years, and it is no longer the world's third largest financial centre as it was back in those years.

So, the reality is sad. After the handover, we have seen democracy regressing in Hong Kong, Hong Kong-communists ruling Hong Kong and constant instances of transfers of benefits. For all these scandalous acts, I do not think I need to explain any further. But now, even what the Hong Kong people have taken pride in is at stake, as in the case of the position of the container port which has been declining and overtaken by Shenzhen. Anson CHAN once made heroic remarks that Hong Kong would not be overtaken because of our well-established financial and banking systems and that the Mainland could never catch up with us. But the container port in Hong Kong is already ranked lower than that in Shenzhen.

Regarding those remarks that tell us to keep on dreaming or keep on entangling ourselves over the question of maintaining Hong Kong's position as a financial centre, I think we should give up, because our status as the financial centre is primarily built on the Mainland capital and the listing business, and this is but a mismatch. Just take a look at other financial centres in the world. They are the real world-class financial centres. While the United States certainly has the strong support of the economy of the whole United States, many listing businesses in the entire North America and even South America as well as the listing arrangements of many world enterprises are also conducted in New York. The case of London is just the same. It is the centre of listing business not only to the United Kingdom but also to many countries in the entire Europe.

In Hong Kong, initially only 20% or 30% of the business involved Mainland enterprises; however in recent years, almost 70% of the business now rely on the listing of Mainland enterprises in Hong Kong in order to take forward the development of the financial industry. In view of this sole, unitary reliance, Hong Kong absolutely cannot be taken as an international financial centre. Therefore, I appeal to the Government to cease daydreaming, and I appeal to Members, especially Members from the financial industry, such as Mr NG Leung-sing, to stop caring about only the interests of their own industry at the expense of the overall interests of Hong Kong. We should go back to the basics and gradually promote the development of industries, so that Hong Kong people can have some decent food to feed themselves. Stop thinking about having shark's fin soup, because shark's fin is neither healthy nor environmentally friendly.

DR CHIANG LAI-WAN (in Cantonese): President, I always find many of Mr Albert CHAN's speeches unpleasant to the ears, but I must say that I agree with him when he said earlier that the prospect of the financial industry seems to be rather gloomy and he even called on the Government to consider developing down-to-earth or practical industries.

I also heard Mr NG Leung-sing mention earlier that Hong Kong began the development of light industries from the 1960s to 1970s and achieved great success, making light industries a major pillar of Hong Kong, and he also expressed the wish that the financial industry will become another major industry in Hong Kong after the light industries. I can only heave a sigh on hearing this. As we all know, the development of industries back in those years accounted for almost 30% of the Gross Domestic Product (GDP) in Hong Kong and provided for the living of almost 2 million workers. But nowadays, since the relocation of the light industries to the Mainland and after attention was shifted to the financial industry, we have had expectations of the financial industry. Among the financial industry, logistics industry, shipping and trade proposed by the Government, it seems that only the trade sector can still take up an important position. As for the development of other industries, such as the logistics industry, I am not too sure, it seems that they are seldom reported, and people do not have much interest in them. It is just a matter of time for them to vanish into thin air.

We have pinned hopes on the financial industry. It is not the case that we entirely have no expectation of it. Practically speaking, what has been developing continuously should supposedly stay on an upward track, but let us look back on the development of the financial industry over the past three years. Three years ago, its share in the GDP still reached 17.1% but it is only 16% now, which is down by 1% and this represents a regression. Why is it so? I wonder if the Administration, under its plan back then, had any expectation of the financial industry. Did it expect the development of the financial industry to reach a certain state or scale? They should have a grand ideal, or else how would we claim to be "Nylonkong", comparing ourselves to New York and London? That is most awesome. President, I do have great expectations of the financial industry but why does it account for such a low percentage of share now?

When it comes to the financial position of Hong Kong, people will really laugh behind our back. But it is not the case that Hong Kong does not have capital. Hong Kong does have a lot of capital. Since the abolition of the estate duty and the listing of many major Mainland enterprises in Hong Kong, a huge amount of capital has actually been gathered in Hong Kong. But when it is found that investment opportunities are lacking for the capital, everyone makes investment with their capital either by buying stock or buying residential properties. Now that there is a problem as buying residential properties is no longer an option. So, people hope to invest more of their capital on financial products. What can they buy? When I ask the staff of banks what I can buy, I found that unless one is very confident in a certain fund — But after the Lehman Brothers incident, many people no longer have trusts in funds and have turned to bonds with higher yields or the so-and-so bonds issued by the Government which are already fully subscribed ahead of their official launch.

In other words, this is proof that Hong Kong has a lot of capital, just that investment opportunities are lacking. Can Hong Kong create more of these products? Do not just let the Americans create such products. Can Hong Kong make gains from the capital? Can we conduct researches or studies to this end? Or is it that Hong Kong does not have the talents to conduct these studies? This should not be true. The Secretary who is in this Chamber now is a great talent in this field. I think since we have set the direction of developing financial services, we should look into how the scale of the financial industry can be furthered. Let us not talk about "Nylonkong" or whatever. We only hope that when comparing with the neighbouring regions or places, the financial industry in

Hong Kong can be shown to have made certain achievements. Since such a huge amount of capital from all over the world has now gathered in Hong Kong, we can look into how we can provide more ways out for the capital, with a view to increasing the share of the financial industry in the GDP and hiring more professional talents in Hong Kong.

President, we support the continuous development of the financial industry by the Government. I, therefore, support Mr NG Leung-sing's motion. I so submit.

MR CHARLES PETER MOK (in Cantonese): President, as Hong Kong is an international financial centre, the financial industry is very important to the development of the economy and society. In recent years, we have often said that our industries must not be too homogeneous and that we must not rely solely on the financial and real estate industries. That said, it does not mean that we can give up the position of an international financial centre.

Indeed, many people are very concerned about Hong Kong's position being replaced by such cities as Shanghai. While we should refrain from being over-confident, we must not be entirely unsure of ourselves and we must not neglect our biggest competitive advantages, namely, the rule of law, honesty and probity, and freedom of information. I very much hope that the Mainland China can rapidly make progress in these areas, and I would not mind at all if they can even surpass Hong Kong. If that would really be the case, I would certainly be happy for the country but I am afraid that it is unlikely that it can make this achievement so speedily and easily. Hong Kong still has its advantages. I have said so before, and I still maintain this view. The biggest competitive advantage of Hong Kong lies in our differences from the Mainland, not our integration with the Mainland blindly.

To maintain and enhance our position as an international financial centre, it is all the more important for Hong Kong to judge a case on its own merits, and we must preclude our judgments from being influenced by the political position of some people. For example, many people have said that "Occupy Central with Love and Peace" (Occupy Central) would damage Hong Kong's position as a financial centre. The Wall Street had been occupied for several months and how has its position as a financial centre been affected? Quite on the contrary, this campaign has drawn attention to some of their inherent problems internally.

This is actually the purpose of the Occupy Central movement in Hong Kong too. Frankly speaking, according to some friends who work in Central, the banks and fund companies in Central have long drawn up contingency plans in view of this movement. It is not a must for financial activities to be conducted in Central as the industries can carry out activities online with the use of computers, though shopping in Central may somehow be affected. I think as Members may be aware, the real hub of financial operations is located beside the Tseung Kwan O Landfill at the Tseung Kwan O Industrial Estate where there is a concentration of data centres. The financial industry should probably be more worried if Tsueng Kwan O would be the place to be occupied. So, it is not the objective of the Occupy Central movement to damage the financial industry of Hong Kong, nor is it the desired effect that the movement wishes to achieve.

But let me turn back to the original motion and the three amendments to it. I support the original motion although the proposals in it are quite general. But on the point of "appropriately refining the existing regulatory system and financial infrastructure" mentioned in the original motion, I must point out that in recent years, there have been continuous reports on fake bank websites and even false business transactions in Hong Kong. Unscrupulous businessmen have faked a large number of transactions for conducting merger and acquisition activities extensively, or they have made use of shell companies overseas to fake transactions. There are even cases of listed companies providing false information on their performance in an attempt to secure loans from banks, or crime syndicates making use of complicated transaction procedures to dodge regulation by the monitoring authorities. These acts are indeed the real dangers to our position as an international financial centre and a disgrace to us. Many members of the financial industry have conveyed their concerns to me and considered that the Hong Kong Monetary Authority (HKMA) and the Government should take more proactive actions.

President, regarding the proposal of "introducing more proactive financial policies and measures", I wish to put forward the following views. To put it in the words of members of the industry, the banking industry is now divided up by three power blocs, as three major banking groups have taken up a total market share to the tune of 70%. This is not conducive to free competition in the market. Moreover, despite that the HKMA has imposed quite stringent regulation on banks and some wealth products, its regulation on various exchanges and the insurance industry is rather loose. The incident of the Hong Kong Mercantile Exchange Limited has clearly reflected this problem. To

address problems in the development and monitoring of the macroscopic market, the Government must start from the policies, re-examine the present situation and take forward new reforms.

In respect of the application of technology, such as e-bill, e-cheque or other payment and settlement infrastructure, we are indeed lagging behind our competitors in the region, such as Japan, Singapore and Australia. Banks in the Mainland have directly provided e-business and e-payment platforms or even deposits service through e-payment platforms. I think Members have learned of these developments from news reports recently. When other people and enterprises around us have been changing continuously and if Hong Kong remains stagnant and fails to act promptly to overtake our competitors in introducing innovative services — we certainly still need to balance the needs of regulation in tandem — our competitiveness and position as an international financial centre would be at stake.

Besides, the Government should encourage financial institutions to adopt more effective information service management systems, such as the information service management system (ISO 20000), business continuity management system (ISO 22301), and information security management system (ISO 27000) developed by the International Organization for Standardization (ISO), in order to prevent problems in respect of information security and reduce risks accordingly.

The recent SNOWDEN incident, which we will be discussing today, has aroused concerns among Hong Kong people about the network security of infrastructure facilities. I have confidence in the measures taken by major financial institutions for ensuring network security, but it is difficult to tell the situation of small and medium enterprises (SMEs), including small and medium financial companies. It is necessary for the Government and the industry to squarely address this problem. Although nobody can help them enhance protection in this respect, the Government can provide the necessary policy support to help these enterprises adopt effective security measures. This is an area of work that the Government must take into consideration. Furthermore, some financial institutions have indeed done badly in the protection of the privacy of the public. The industries should not go too far in pursuit of short-term interests, for this can, in turn, tarnish the image of the enterprises and the industry as a whole.

Lastly, financial institutions must change the concept of approving loans on the sole criterion of bricks and mortar. They must support SMEs and business start-ups by making it convenient for them to secure financing. If necessary, the Government should actively provide support services, say, in respect of collaterals for loans, and only in this way can the financial industry stimulate the economy as a whole and facilitate the development of a more diversified economy in Hong Kong.

President, I so submit.

MR JEFFREY LAM (in Cantonese): President, thanks to the hard work of Hong Kong people, Hong Kong has achieved very good developments in the economy and trade over the past few decades. Multinational enterprises have chosen to do business in Hong Kong because Hong Kong has a sound legal system and well-established financial policies, a low tax regime and social stability. Therefore, in order to maintain and enhance Hong Kong's position as an international financial centre, the Government should introduce more business-friendly policies to facilitate the balanced development of various large, medium and small financial enterprises, while stepping up financial co-operation with the relevant regions and particularly, seizing the opportunities brought by the Mainland.

But recently, many reports have pointed out a decline in the competitive advantages of Hong Kong. In order to maintain and even enhance Hong Kong's position as an international financial centre, we need to seriously review the existing problems. In recent years, there have been incessant political contentions in Hong Kong, and if we are always skeptical about the Mainland and tying our own hands, we would only let opportunities slip by. As the internationalization of Renminbi is in an initial stage, Hong Kong should improve its relationship with other financial centres and explore more co-operation with them. With more co-operation, conditions can be created for healthy competition. Therefore, if we can seize the opportunities brought by the Mainland to Hong Kong and identify a new economic direction, it will help enhance Hong Kong's position as an international financial centre.

President, according to the results of the 2012 Annual Survey of Companies in Hong Kong Representing Parent Companies Located Outside Hong Kong published at the end of last year, when these companies chose to set up

regional headquarters or local offices in Hong Kong, the top five factors rated as most important by these companies included political stability, law and order, rule of law and an independent judiciary, and so on. However, there have been incessant political contentions in Hong Kong. A legal academic has even incited the public to resort to civil disobedience, breaking the law knowingly. These acts which shake the foundation of the rule of law and damage stability in society will affect the confidence of overseas investors in Hong Kong's position as an international financial centre, which will not do any good to the overall development of Hong Kong.

President, social stability is the most important factor affecting the business and financial environment. The commercial sector, being a major stakeholder in society, is concerned about the Occupy Central movement. Let us not talk about whether or not the occupation would ultimately take place. The damages have already surfaced. Recently, a number of local and overseas business associations have unanimously pointed out the problems of the Occupy Central movement. Many large enterprises and industrial and business institutions have conducted risk assessments, and some enterprises have made plans based on the results of assessment. Besides, the concerns and anxieties aroused in society are also heating up. All these have directly deal a blow to Hong Kong's position as a financial centre as well as its business environment. On the other hand, given that Hong Kong's credit rating may possibly drop because of the Occupy Central movement, the relevant hedge funds may sell off shares to reduce the risks, and this would lead to volatility in the stock market and cause shareholders to suffer losses.

President, once the financial centre of Hong Kong is shaken, the overall business environment would become worse, and the three major pillar industries including tourism, trade and logistics would all be affected. Members will recall how Thailand's "red shirt protesters" and "yellow shirt protesters" had affected the business districts and transport in Thailand. Although the protests took place many years ago, our memory of what happened then is still vivid. From this we can tell that the Occupy Central movement will cause irrevocable damages to the business development and international image of Hong Kong.

In recent years, the Hong Kong Government has introduced a number of policies and measures affecting the local business environment. I think government policies may not necessarily have to follow the footsteps of others; nor do we need to surpass Britain and catch up with the United States. Apart

from the need to align with the international standards, our legislation should also have regard to our social and cultural background. The policy of maintaining a simple tax regime is an example. Therefore, before the introduction of new measures, the Government should first duly conduct assessments to gauge the impact on the economy, in order not to compromise the international status and competitiveness of Hong Kong.

Regarding the proposals to set up a financial ombudsman and enact the Hong Kong Monetary Authority Ordinance, I have reservations about them. It is because the dispute resolution centre has initially produced some effects since its establishment as more investors have chosen to resolve their disputes with financial institutions using the approach of "Mediation First, Arbitration Next", and over 80% of the cases handled by the centre have been resolved.

President, on the setting up of a financial ombudsman, The Law Society of Hong Kong has analysed the differences between arbitrators and an ombudsman and considered that it is more desirable to set up a centre for resolving disputes. It is because arbitrators have more extensive powers than an ombudsman and the arbitral award, which is final, carries a stronger binding effect. I agree to this point and consider it unnecessary to set up a financial ombudsman separately.

President, in view of the current volatility in the external economy, financial stability is of utmost importance. Apart from monitoring the operation of financial institutions, the Hong Kong Monetary Authority (HKMA), being the regulator, should decisively use the Exchange Fund to maintain the stability of the financial system in Hong Kong when necessary. Furthermore, the design of the existing legal framework, which includes making the HKMA part of the government structure rather than an independent statutory body, has actually reflected this basic principle. For this reason, I think the enactment of the Hong Kong Monetary Authority Ordinance is superfluous and redundant.

President, I so submit.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr NG Leung-sing, you may now speak on the amendments. The speaking time limit is five minutes.

MR NG LEUNG-SING (in Cantonese): President, I wish to briefly respond to the speeches made earlier by a number of colleagues first. To begin with, some Members considered that this motion today is rather simple. On this point, I must stress that in proposing this motion, my objective is to make it brief and concise. Also, it is meant to focus on the policy and create a guiding effect, in order to facilitate Members' discussion on the Government's policies through the platform here in this Council. This is the first point to which I wish to briefly respond.

Second, from certain contacts made with the industries, we can see that they are basically supportive of this motion but at the same time, their pragmatic and non-political attitude in their operation is also highlighted. This is why some Members found it a bit strange that I have seldom raised political issues. In my view, with regard to the long-term operation of the financial industry, especially the banking sector, importance is attached to stability and to the virtues of being trustworthy and law-abiding. Therefore, the industry mainly aims to be pragmatic in their operation.

With regard to the various amendments proposed today, I will comment on them from the perspective of whether they can promote the interests of the financial industry as well as the healthy development of the industry in the long term. On Mr Christopher CHEUNG's amendment, as I said in my speech earlier, since the opening up of Hong Kong for trade, it has always been the case in the banking industry or other financial sectors that the outsiders and local practitioners compete with each other and consistently pursue balanced development on an equal basis. This is also one of the core values of an international financial centre, and not only should it be highly cherished, it should also be maintained permanently. As for Mr CHEUNG's proposal to provide support and protection for large, medium and small enterprises, especially local enterprises in the industry, it is also a world trend, and it can demonstrate the role played by Functional Constituency Members of this Council in providing protection for the industries in the course of balanced participation in the work of this Council.

As for the other amendments, I strongly believe the industry and the relevant sectors and even the regulatory authorities should always have room for improvement in order to progress with the times. But with regard to the proposal made by Mr James TO in his amendment on the handling of financial disputes, I think the establishment of the Financial Dispute Resolution Centre by the authorities in November 2011 has already resolved many monetary disputes between financial institutions and their clients, and I believe it is conducive to consolidating Hong Kong's position as an international financial centre in the long term. In order to economize on the use of public coffers and ensure high operational efficiency, it is indeed inappropriate to further create the post of a financial ombudsman or whatever, which is redundant. Besides, I think the existing monitoring system has basically been operating effectively.

Furthermore, the financial turmoil that swept across Europe and the United States over the past few years has plunged a number of major banks into crisis. The banks in many places required hefty equity injection by the Government in order to ride out the difficulties, whereas banks in Hong Kong nevertheless managed to operate safely and stably. This striking contrast proves that the local monitoring mechanism can basically achieve certain effects. So, I do not see there are pressing reasons for making changes to the existing monitoring system. Under the principle that it is better to stay still than to make a move, it is difficult for me to support Mr TO's amendment.

With regard to Mr HO's amendment, from the perspectives of balancing the interests of all sides and respecting the legal system, I do not see that the regulators have shown bias in handling major cases at the present stage. I, therefore, cannot agree with this amendment.

But anyway, I do welcome any proposal put forward by colleagues on this question regarding our status as a financial centre. This will be helpful to the Policy Bureaux in drawing up policies or rolling out measures in future. I believe this can also facilitate the development of Hong Kong's position as a financial centre, enabling the state, Hong Kong and local citizens to benefit from the development of the financial services industry and hence truly achieving abundance of wealth.

President, I so submit.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I wish to thank Members for their valuable views on how to consolidate and enhance Hong Kong's position as an international financial centre. In my opening speech, I have explained the policies, measures and work done by the Government in this respect, I will therefore not repeat again.

In response to the amendments proposed respectively by Mr James TO and Mr Albert HO, as well as the views and opinions of other Members, I wish to make some comments now.

We agree that it is very important to set up an independent mechanism to resolve financial disputes. With the funding support given by the Legislative Council, we set up the Financial Dispute Resolution Centre (FDRC) which came into operation on 19 June 2012. As at end April 2013, the FDRC had received more than 1 760 enquiries and 35 of them were applications for mediation. Of the cases handled, 84% were settled; and more than 80% of users rated FDRC service satisfactory or above on the evaluation forms. It can be seen that the FDRC is effective. As the FDRC has been set up for just one year, the financial dispute resolution scheme run by the Centre is still relatively new to the public. Therefore, the FDRC is taking active steps to enhance the understanding of the investors and financial institutions on adopting the means of mediation to solve disputes. It is hoped that with more publicity and promotion, more investors would choose to solve their disputes with the financial institutions by means of mediation. We should allow the FDRC to continue its operation and review its effectiveness in due course. At this stage, we should not retrogress and discuss the setting up of a financial ombudsman.

On enhancing the transparency and accountability of regulators, the existing system has managed to strike a balance among monitoring, transparency and accountability. In the case of the Securities and Futures Commission (SFC), the Securities and Futures Appeals Tribunal set up in April 2003 may review regulatory decisions made by the SFC after applications have been received. In addition, an independent Process Review Panel for the SFC was set up in November 2000 to review whether the internal operation procedures of the SFC are fair, just and reasonable. It is also responsible for ensuring that the SFC complies with its internal procedures at all times and submits an annual report to the Financial Secretary. The objectives of setting up the Panel are to provide sufficient monitoring and checks and balances measures to ensure consistency

and fairness of the SFC in exercising its regulatory powers. This shows that we are determined to enhance the operation transparency of the SFC. The SFC also agrees that it should be accountable to the public. In order to enhance operation transparency the SFC, the SFC has all along reported its work to the public through its annual reports, quarterly reports, news releases, and so on.

Since October 2012, the Hong Kong Monetary Authority (HKMA) issues a monthly report on the progress of work of its Enforcement Department. This includes complaints against bank products and services, as well as other cases referred by the HKMA or other regulatory bodies on bank regulation. Regarding the SFC, in its annual and quarterly reports mentioned above, there are figures on its enforcement actions and details of certain major cases. The SFC will also release information from time to time on enforcement, such as enforcement actions taken after the completion of inquiries or investigations, disciplinary actions taken or legal proceedings initiated, as well as cases in which applications are made to courts. The public can thus have a better understanding of the enforcement work of the SFC.

I wish to reiterate that the Government and regulators attach great importance to public demands for transparency and accountability of regulators. We will put in our best efforts in this respect.

As for the appointment of the Monetary Authority, the establishment of the Exchange Fund Advisory Committee (EFAC) and its role, there are clear provision in the existing Exchange Fund Ordinance. Specifically, the Financial Secretary should appoint a person as the Monetary Authority on the terms and conditions which he deems fit. In addition, in exercising control over the Exchange Fund, the Financial Secretary should consult the EFAC. The Financial Secretary is the chairperson of the EFAC and he is empowered by the Chief Executive to appoint members to the EFAC. Members of the EFAC are mostly persons with relevant professional knowledge and experience and they will provide independent and professional advice on the operation of the HKMA. In actual operation, the EFAC has five subcommittees and they are responsible for monitoring the work of the HKMA in governance, audit, investment, currency board and financial infrastructure. These subcommittees will report to the Financial Secretary via the EFAC and make recommendations.

Legally, the Monetary Authority is to report to the Financial Secretary. Hence the HKMA is also part of the administrative framework of the SAR

Government. But as the central bank of Hong Kong, the HKMA has to maintain a certain degree of autonomy and independence. Therefore, on 25 June 2003, in the Exchange of Letters between the Financial Secretary and the Monetary Authority, the duties and responsibilities of both parties are clearly stated. The document is available for public access and it is not a classified document. In addition, the Financial Secretary has transferred certain powers vested in the relevant ordinances to the Monetary Authority. In other words, with respect to daily operation, the HKMA has a high degree of autonomy in the statutory powers transferred to it or vested in it.

The existing arrangement has, on the one hand, provided clear legal basis to the Monetary Authority and the EFAC, and on the other hand, enabled them to exercise flexibility in taking measures as appropriate in the light of the rapid and changing environment at both local and international levels. This arrangement can safeguard the stability of the financial system and the economy of Hong Kong.

Since the establishment of the HKMA in 1993, Hong Kong has undergone a number of international financial crises and major market fluctuations, including the Asian financial turmoil in late 1990s. At that time the currency systems in Asia were under the serious attack of speculative activities, and the exchange rate systems for many places collapsed. In Hong Kong, contingency measures were adopted to fend off the attack on Hong Kong dollar and currency stability was thus maintained. The second major financial crisis is the international financial crisis and the euro bond crisis in recent years. Many financial institutions in Europe and North America, and even sovereign nations, are having financial problems. Luckily, the monetary system, the banking system and the financial system as a whole in Hong Kong remain sound and healthy. It can be said that over the past 20 years after the establishment of the HKMA, the fact that our financial system can withstand and resist numerous severe attacks and our position as an international financial centre can be enhanced, all prove that the existing arrangements, including the relevant legal framework, have been effective.

I must stress that the current external economy is volatile and unstable, hence it is of vital importance to maintain financial stability. As a regulatory body, the HKMA should, apart from having the capacity to oversee the operation of financial institutions, also have the resources and power to cope with

fluctuations in our financial system. The HKMA is playing a dual role: On the one hand it exercises stringent supervision of bank operations in Hong Kong and pays attention to the situation of the macro economy; on the other hand, it will use the Exchange Fund boldly when necessary to safeguard the stability of our financial system. The design of the present legal framework, including the fact that the HKMA is part of the government framework, instead of being an independent statutory body, is a realization of this basic principle.

Regarding the protection of bank customers, there are laws which vest relevant functions and powers in the HKMA. The Banking Ordinance stipulates that the Monetary Authority has an overall responsibility to monitor all the business of approved institutions. The Ordinance empowers the Monetary Authority to exercise the relevant powers independently and he must undertake all reasonable steps to ensure that all approved institutions are running in a responsible, honest, practicable and orderly manner. The Banking Ordinance also provides that the Monetary Authority should urge and encourage approved institutions to maintain normal standards in conduct and sound rules in business. He shall also prevent or help prevent any unlawful, disreputable or improper practices related to the rules of business of approved institutions.

With respect to protecting the rights of bank customers, the HKMA has all along been enhancing such work. The Lehman Brothers incident that happened in 2008 led to many problems, however, work in investigation and mediation is basically complete. The HKMA has learned a lesson from the incident and in 2010 it set up a department in banking conduct and another department in enforcement. These departments aim at enhancing work in safeguarding the rights of bank customers.

In order to maintain a high degree of transparency, the HKMA maintains a close contact with the Legislative Council and all sectors across the community in the course of its work. The Chief Executive of the HKMA attends meetings in the Legislative Council Panel on Financial Affairs on a regular basis to report to Members the work of the HKMA. Officers from the HKMA often attend meetings of the committees of the Legislative Council to explain and brief Members on the operation of the HKMA and the relevant legislative and policy recommendations and implementation details. The HKMA also works through various channels such as press conferences, news releases, briefings, annual reports and other publications, website, information centre and public education

to promptly disseminate news and information related to its work, enhance public understanding of the work of the HKMA and subject itself to public scrutiny.

President, now that the economy of the Western countries is in the doldrums and the global economy is still overshadowed by uncertainties, we should concentrate our efforts and seize the present opportunity to enhance Hong Kong's competitive edge in order to cope with challenges from all quarters. We should not put our resources in places which are not necessary. I therefore implore Members to oppose the amendments from Mr James TO and Mr Albert HO.

Thank you, President.

PRESIDENT (in Cantonese): Mr Christopher CHEUNG, please move your amendment to the motion.

MR CHRISTOPHER CHEUNG (in Cantonese): President, I move that Mr NG Leung-sing's motion be amended.

Mr Christopher CHEUNG moved the following amendment: (Translation)

"To add ", given the ever-growing competition between Hong Kong's financial industry and those in its neighbouring regions," after "That"; and to add "to facilitate the balanced development of various large, medium and small financial enterprises" after "policies and measures"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Christopher CHEUNG to Mr NG Leung-sing's motion, be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr James TO, as Mr Christopher CHEUNG's amendment has been passed, you may now move your revised amendment.

MR JAMES TO (in Cantonese): President, I move that Mr NG Leung-sing's motion as amended by Mr Christopher CHEUNG be further amended by my revised amendment.

Mr James TO moved the following further amendment to the motion as amended by Mr Christopher CHEUNG: (Translation)

"To delete "and" after "financial infrastructure;"; and to add "; (4) to set up a financial ombudsman, and empower the ombudsman to order non-compliant financial institutions to pay compensation to relevant investors or consumers; (5) to enhance the transparency and accountability of regulators in handling notable finance-related cases (such as the Lehman Brothers minibonds incident, the leveraged foreign exchange transactions of CITIC Pacific Limited and the Hong Kong Mercantile Exchange Limited incident); and (6) to enact the Hong Kong Monetary Authority Ordinance to stipulate the appointment method and term of office of the Monetary Authority, and the Exchange Fund Advisory Committee's composition, powers, duties and the procedure for appointing its members, etc.; and, at the same time, to increase the Hong Kong Monetary Authority's powers in protecting banking consumers, and ensure that the Authority exercises its regulatory powers independently and is subject to public monitoring" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr James TO's amendment to Mr NG Leung-sing's motion as amended by Mr Christopher CHEUNG be passed.

PRESIDENT (in Cantonese): I now call upon Mr Albert HO to move an amendment to Mr James TO's amendment.

MR ALBERT HO (in Cantonese): President, I move that Mr James TO's amendment be amended.

Mr Albert HO moved the following amendment to Mr James TO's amendment: (Translation)

"To delete 'Hong Kong Mercantile Exchange Limited incident)' after 'CITIC Pacific Limited and the' and substitute with 'incident of Barry CHEUNG of the Hong Kong Mercantile Exchange Limited), enabling the public to monitor the relevant regulators handling cases impartially'."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Albert HO to Mr James TO's amendment, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Mr Tommy CHEUNG rose to claim a division.

PRESIDENT (in Cantonese): Mr Tommy CHEUNG 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 stop now and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, and Mr IP Kin-yuen voted for the amendment.

Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Christopher CHEUNG, Mr Martin LIAO, Mr POON Siu-ping, Ir Dr LO Wai-kwok and Mr Tony TSE voted against the amendment.

Mr Tommy CHEUNG, Dr LAM Tai-fai, Dr LEUNG Ka-lau, Mr Frankie YICK, Miss CHAN Yuen-han, Mr KWOK Wai-keung and Mr TANG Ka-piu abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, 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, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHAN Hak-kan, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the amendment.

Mr WONG Kwok-hing, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN and Miss Alice MAK abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 27 were present, five were in favour of the amendment, 15 against it and seven abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 16 were in favour of the amendment, seven against it and five abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr James TO's amendment to Mr NG Leung-sing's motion as amended by Mr Christopher CHEUNG be passed.

(Mr Andrew LEUNG stood up)

PRESIDENT (in Cantonese): Let me first deal with the motion moved by Mr Andrew LEUNG to shorten the time taken for the division bell.

MR ANDREW LEUNG (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion "Maintaining and enhancing Hong Kong's position as an international financial centre" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

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

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

I order that in the event of further divisions being claimed in respect of the motion on "Maintaining and enhancing Hong Kong's position as an international financial centre" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr James TO's amendment to Mr NG Leung-sing's motion as amended by Mr Christopher CHEUNG be passed.

PRESIDENT (in Cantonese): 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 SIN Chung-kai rose to claim a division.

PRESIDENT (in Cantonese): Mr SIN Chung-kai has claimed a division. The division bell will ring for one minute.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr CHEUNG Kwok-che, Mr Charles Peter MOK and Mr IP Kin-yuen voted for the amendment.

Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Christopher CHEUNG, Mr Martin LIAO, Mr POON Siu-ping, Ir Dr LO Wai-kwok and Mr Tony TSE voted against the amendment.

Mr Tommy CHEUNG, Dr LAM Tai-fai, Dr LEUNG Ka-lau, Mr Frankie YICK, Miss CHAN Yuen-han, Mr KWOK Wai-keung and Mr TANG Ka-piu abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, 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, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHAN Hak-kan, Mr Michael TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the amendment.

Mr WONG Kwok-hing, Mrs Regina IP, Mr Paul TSE and Miss Alice MAK abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 27 were present, five were in favour of the amendment, 15 against it and seven abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 16 were in favour of the amendment, eight against it and four abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr NG Leung-sing, you still have 13 seconds to speak in reply.

MR NG LEUNG-SING (in Cantonese): Maintaining and enhancing Hong Kong's position as an international financial centre is to protect the greatest interest of Hong Kong and its people. I urge Members to support the motion.*(Laughter)*

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr NG Leung-sing as amended by Mr Christopher CHEUNG, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Sixth Members' motion: Building a safe city.

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

I now invite Mr CHAN Kin-por to speak and move the motion.

BUILDING A SAFE CITY

MR CHAN KIN-POR (in Cantonese): I move that the motion as printed on the Agenda be passed.

Is Hong Kong still a safe city? On 1 October 2012, a group of staff from the Hongkong Electric Company Limited and their families boarded a vessel heading to a firework display. But then it collided with a ferry and sank, resulting in 39 people killed and 101 injured.

In the early hours of 30 November 2011, a fire broke out at the Fa Yuen Street hawker stalls and spread to a nearby tenement building with a large number of "sub-divided units". As most of the residents were sleeping at that time, the fire killed nine people and injured 34. Actually, in December 2010, a fire had broken out at the hawker stalls at Fa Yuen Street.

On 29 January 2010, when workers were undertaking removal works at the ground floor of a five-storey tenement building in To Kwa Wan, the columns of the building were damaged, causing an immediate collapse of the entire building that killed four people.

On 1 May 2008, a coach carrying more than 60 passengers lost control on New Hiram's Highway, then crashed and overturned at a roundabout, resulting in 19 people killed and 43 injured.

These are serious accidents that happened in recent years and all of them are startling. In fact, there are many more of these bloody lessons, which are too numerous to mention. In the abovementioned accidents, the deceased or the injured were either sleeping or resting, or excitedly heading for some outdoor activities, but were accidentally injured or killed. I am not recalling these tragedies to remind people of their grief, but to call for serious self-reflection to see if Hong Kong is a safe city.

In recent years, there has been a spate of major incidents in Hong Kong which resulted in heavy casualties. Although the Government has undertaken investigations or taken remedial measures after each incident, it only adopted stopgap measures and has not looked into the cause of the incidents from a fundamental perspective. Worse still, potential safety hazards associated with transport, industrial undertakings and homes can be identified throughout the territory, and may cause casualties. I therefore opine that Hong Kong must learn from the painful lesson and think seriously about the issue of city safety.

Every year, the China Institute of City Competitiveness (the China Institute) will conduct various studies on competitiveness. While Hong Kong had time and again been ranked the safest city in China, it has been excluded from the ranking list in the reports published in 2011 and 2012. In other words, Hong Kong's ranking has dropped outside the top 30. According to the China Institute, Hong Kong was not placed on the safe city list because of two extraordinary incidents, namely the fire broke out at Fa Yuen Street and the Lamma Island maritime disaster.

The China Institute also pointed out that the major characteristics of a safe city include: "there being no major safety incident throughout the year", "good social law and order", "few production incidents" and "government provision of good information network environment and sound information security". I

would like to mention in passing that we are going to discuss the case of SNOWDEN today. As the China Institute has highlighted, network safety is an essential element of a safe society, thus the Government should by all means defend Hong Kong's network environment against any attack or unlawful incursion.

President, the cases mentioned by me right at the beginning of my speech were extraordinarily serious incidents which had attracted extensive media coverage, and members of the public had been clearly informed of the details. Yet, even ordinary accidents should not be neglected by the community if casualties are resulted. For example, there has been a rising cycling trend in recent years, but the majority of people have not noticed that accidents related to cycling have become more serious. For the first 10 months in 2012, there were 2 100 traffic accidents related to cycling and more than 2 000 people were injured, representing an increase of more than 13% over 2011. Nine people had been killed.

Another example is the cleaning of windows. Window cleaning is a day-to-day chore, but there are seven to eight cases of people falling from a building while cleaning windows in each of the past two years. Most of the victims were found dead on the spot. From this, we can see that our daily living is full of death traps.

Statistics showed that every year, an average of over 100 people were killed in traffic accidents and about 20 000 injured. For fire accidents, an average of 10 to 20 people had been killed every year and about 300 to 400 injured. For industrial accidents, some 10 to 20 people were killed and about 14 000 injured on average every year. Since the Government has not compiled any comprehensive statistics for accidents at home, we have no idea of the details.

On the other hand, the number of emergency calls has also been on the rise in recent years: it was 470 000 in 2003, but then it rose to 640 000 in 2011, and reached as high as 680 000 in 2012. Although many emergency calls were made by residents seeking help for acute diseases, the surge of emergency calls does reflect an increasing number of accidents.

As highlighted by people dealing with the rights of industrial accident victims, after the police have switched to use the digital communications system,

reporters can no longer receive spot news information and rush to the scene of the accident for coverage. As a result, media coverage of accidents has drastically reduced and this might give the public an impression that the number of accidents has decreased. The truth is, however, the situation has deteriorated. Furthermore, the casualty figures released by the Government are either incomprehensive or have unclear breakdown, such that members of the public cannot get a full picture of the situation and may therefore underestimate the actual number of accidents.

As for the causes of various accidents, after consolidating different views, I think the major cause include people's slack safety awareness; ageing or deficient design of urban facilities; certain government departments' lax enforcement of law and an absence of comprehensive safety policies.

Firstly, we must look squarely at people's slack safety awareness. In many major accidents, it is precisely people's slack safety awareness that had resulted in heavy casualties. For example, as reflected by a number of major fire accidents (including the fire at Fa Yuen Street), people have low awareness of fire safety and do not even know how to escape. This also showed that the Government has not done a good job in fire safety education. It is only after the occurrence of several fires that announcements of public interest via television had been produced to teach people how to escape and the three things that should be brought along when they escape.

People's slack safety awareness may be attributable to the fact that Hong Kong has been relatively safe for quite some time, and hence their vigilance has been lowered. Countries which are plagued by natural disasters (such as Japan) would teach students and the public how to escape and enhance their awareness in coping with various disasters from time to time, with a view to raising their alertness correspondingly.

Another cause is the ageing urban facilities or deficient design, which I believe is one of the causes of the frequent accidents. After several years of rapid growth, many residential buildings and community facilities have aged. Worse still, the prolonged lack of maintenance has led to canopies collapsing and windows falling, and even the serious building collapse tragedy in To Kwa Wan. Very often, fire that broke out in old buildings was caused by the ageing electrical installations. Although the Government has enacted laws in recent years to require the inspection of old buildings and their windows periodically, and has

also promoted the redevelopment, maintenance and improvement of the management of old buildings, the large number of old buildings require more efforts be made by various parties to improve the situation.

Also, the changing living pattern of society has directly increased the risk of accidents. The most typical example is the "sub-divided units". I believe the risk of "sub-divided units" needs no further explanation, but apparently the Government has not figured out a proper solution.

Furthermore, mistakes in the design of urban facilities, especially the highways, may become death traps. Any deficiency may result in serious traffic accidents. For example, the accident associated with a coach that occurred on New Hiram's Highway in 2008 had killed 19 people and injured 43. The long and steep highway is one of the causes of the accident.

The Tuen Mun Highway is also full of traps. In July 2003, a bus plunged from a bridge on Tuen Mun Highway, resulting in 21 deaths and 20 injured. After the accident, the safety of the relevant road section had been called into serious question. In fact, many roads have deficient design and are therefore hidden bombs that may explode at any time.

With regard to the lax enforcement of law by government departments, although Hong Kong has a set of largely comprehensive laws to govern our safety, the lax enforcement or non-compliance by certain departments has rendered them useless, no matter of how perfect they are. The Lamma Island maritime disaster has unveiled the negligence of duty on the part of the Marine Department in its vetting and approval process and vessel inspection. Neither has it enforced the law on the provision of child lifejackets on board. I hold that if these problems are not rectified, the situation of lax enforcement or non-compliance by certain departments will only deteriorate, and may even spread to other law-enforcement agencies.

I trust that in order to effectively prevent the recurrence of various accidents, especially major incidents, the Government must formulate a set of safety policy, which may serve as important indicators of governance. Under the safety policy, the Government should promote the prevention of accidents in various departments through, for example, the enactment of safety legislation, and promote comprehensive education on safety, which I considered to be of paramount importance. The Government should instill an awareness of safety

among students as early as possible, so that they are accustomed to safety practices and remain vigilant about disasters, escape and road safety. If the safety awareness of Hong Kong people can be raised, the number of accidents will definitely be reduced.

Meanwhile, it is imperative to promote the enactment of safety legislation. There is currently no safety policy in Hong Kong, thus the Government must take the initiative to enact safety legislation. The rising cycling accidents have prompted many people to request the Government to provide for the wearing of helmets. And yet, the Government has refused to accede to the request on the excuse of the divergent views in society. Should the Government have put in place safety policies, it would have promoted the wearing of helmet according to the policy objective and press ahead the necessary legislative work, and there will be no more excuses for not carrying out the legislative work.

What I have just proposed are long-term measures. As for short-term measures, I hope that the Government will set up an inter-departmental committee to review the various ordinances relating to city safety, and urge the various departments to improve the implementation of such ordinances, with a view to eliminating the lax enforcement of law like that of the Marine Department. Meanwhile, the Government may draw reference from the operation of the Audit Commission and set up a City Safety Audit Unit, which will inspect the enforcement of various departments periodically on its own initiative, examine the need to update the relevant ordinances, and investigate any unsafe community facilities and design, with a view to identifying any potential risk in society.

The community can also make contributions. The Government may draw reference from the concept of the "Safe Community" project of the World Health Organization (WHO) to promote a city safety culture at the community level. The concept of "Safe Community" advocated by the WHO has been developed into a global movement. In Hong Kong, nine communities have joined the project. It was initiated by people from the community, and community leaders as well as representatives from social welfare organizations, employers and employees of various enterprises, local police, fire department and hospitals have been invited to join. Participants may make use of their resources and services to promote safety in the community in the form of partnership.

For the detailed arrangements, the Government may draw reference from the outreach approach and liaise with various occupational safety organizations, schools, enterprises and government departments either for proposals on promotion, education and community activities to cater for the special circumstances of the community, or for proposals to improve the local police, fire department and hospitals. It is understood that some communities have performed excellently and helped raise the community's safety awareness.

I hope that the Government will learn from the relevant experiences and inject resources to support the participation of various districts in the project, thereby promoting safety awareness in the community in the first place.

I so submit.

Mr CHAN Kin-por moved the following motion: (Translation)

"That on the surface Hong Kong is a safe city, but due to the ageing of some urban facilities, people's slack safety awareness, certain government departments' lax enforcement of law, etc., recent years have witnessed the occurrence of various kinds of accidents one after another and worse still, serious blaze and marine disasters, some of which even incurred heavy casualties; in fact, the China Institute of City Competitiveness has already excluded Hong Kong from its ranking list on China's safest cities in its research reports over the past two years; in this connection, this Council urges the Government to set up an inter-departmental committee to comprehensively review the various existing ordinances relating to city safety, urge the various departments to improve the implementation of such ordinances, and formulate a safe city development policy, so as to comprehensively enhance city safety; in addition, this Council urges the Government to draw reference from the concept of the World Health Organization's 'Safe Community' project to promote a city safety culture and comprehensively prevent the occurrence of accidents."

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

PRESIDENT (in Cantonese): Four Members wish to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the four amendments.

I will first call upon Mr TANG Ka-piu to speak, to be followed by Mr Charles Peter MOK, Ms Claudia MO and Dr Helena WONG respectively; but they may not move the amendments at this stage.

MR TANG KA-PIU (in Cantonese): President, Mr CHAN Kin-por proposed the motion "Building a safe city" today. Being a member of the labour sector, I notice that Hong Kong's working population of more than three million have to work at least eight to 10 hours, and some even 12 hours a day, leaving the remaining six to eight hours as rest time. From this, we can see that the work of half of Hong Kong's population may have implication on their living in various respects. While some people may be injured or even killed in accidents, others may suffer from occupational diseases due to prolonged repetitious movements in the working environment.

I have therefore proposed an amendment from this perspective. I certainly hope that the Government will adopt the series of measures proposed by Mr CHAN Kin-por, which includes the setting up of an inter-departmental committee. Nonetheless, I hold that the relevant measures must be implemented from the perspectives of workers and occupational safety.

The labour sector opined that the yearly statistics on occupational safety (especially the statistics on fatal industrial accidents) provided by the Labour Department (LD) and the Labour and Welfare Bureau — no representative from the Labour and Welfare Bureau has attended today's meeting — in the past were often underestimated. According to the yearly statistics on fatal industrial accidents provided by the LD, there were 29 cases in 2011, but only fatal industrial accidents as defined in the Factories and Industrial Undertakings Ordinance were included. In fact, many wage earners were seriously injured or even killed in accidents, or suffered from occupational diseases, while working in service establishments, offices, or driver's accommodation which I will talk about later on. And yet, the LD has not included the relevant figures in the statistics on occupational safety.

The LD claimed that there were 29 fatal industrial accidents in 2011, but as stated in the Coroners' Report 2011, there were a total of 36 occupational deaths. Why would there be such a difference? Since no representative from the Labour and Welfare Bureau has attended today's meeting, I hope that the Secretary for Security will give an explanation on behalf of that bureau. As pointed out in the Coroners' Report, of the 36 cases of occupational deaths, "All 36 of the deceased are men, there being no woman; the ratio is therefore 36:0. This extreme ratio really warrants the attention and study of occupational safety experts." This is the conclusion made in the Coroners' Report in respect of cases of occupational deaths, and I hope that the Security Bureau would relay this to the Labour and Welfare Bureau. Why would the ratio between man and woman be so great?

However, we are more concerned about the missing cases. As I said earlier, the LD claimed that there were 29 fatal industrial accidents in 2011, then why would the Coroners' Report stated that there were a total of 36 cases of occupational deaths? We suspect that the number might be even higher. Let me cite an example. As I have highlighted time and again at the Legislative Council meetings, newspaper reports on fatal traffic accidents in which taxi drivers were killed almost appear every day. And yet, the LD has not included these cases of deaths at work under fatal industrial accidents. Instead, they are grouped under traffic accidents.

Then, we will turn to the police for the number of traffic accidents each year. According to the Coroners' Report, the number of deaths arising from vehicular accidents is 90 in 2011. How many of them are professional drivers? Since the Coroners' Report only stated that "52 deceased are pedestrians", the remaining 38 deceased are probably passengers or drivers. And yet, there is no way we can find out the number of professional drivers. We have inquired the authorities about the number of traffic accidents involving taxis and how many people had been killed at the drivers' seat, but they failed to provide the relevant breakdown.

I opine that to examine Hong Kong's occupational safety, there must be a clear classification. The statistics on fatal industrial accidents currently provided by the LD are biased because it has not included cases of serious injuries or deaths relating to work. We therefore hold that the statistics compiled by the LD have underestimated the actual situation.

I hope that the Security Bureau would instruct the Traffic Branch of the Hong Kong Police Force to maintain separate figures for professional drivers when handling fatal traffic accidents in the future. This would enable labour unions that are concerned about professional drivers or associations engaging in the study of occupational safety and health to have a better understanding of the day-to-day risk of professional drivers. I hope that either Secretary Anthony CHEUNG or Secretary LAI Tung-kwok would urge the relevant department to do the job.

Furthermore, as I have just said, there are many cases in which employees were injured or even killed, or suffered from occupational diseases while at work. During our discussion of the Budget, Members of this Council had asked the Administration about the total number of workers seeking consultation at LD's Occupational Health Clinics in 2012 to see if they have suffered from occupational diseases. The Administration replied that, "In 2012, a total of 2 227 patients sought consultation at the occupational health clinics of the LD. Among them, 1 900 (85.3%) suffered from diseases or injuries caused by work, related to work or aggravated by work."

This is the conclusion made by the independent doctor engaged by the LD. Then why did the patients seek consultation? Among the 1 900 people who have sought consultation, 1 630 (85%) suffered from musculoskeletal disease, that is, strain injury.

In the light of the conclusion drawn by the independent doctor of the LD, can the workers claim compensation in accordance with the existing law? No, they cannot. This is because according to the existing Occupational Safety and Health Ordinance (the Ordinance), workers may only claim compensation for occupational diseases prescribed in the schedule to the Ordinance. The schedule has set out 52 diseases and workers can only claim compensation for diseases prescribed therein. Among the prescribed diseases, the so-called "strain injury" only covers the forearm. In that case, even if LD's doctors diagnosed that a worker has functional impairment or chronic pain in the shoulder, lumbar vertebrae or cervical vertebrae caused by work, he cannot claim compensation for the sake of his right under the existing law. As we can see, be it the notification of work injuries or the handling of occupational diseases, there is a need and also the room for the existing law to be amended and reviewed.

On the other hand, the Ordinance has weirdly provided exemptions for three workplaces: firstly, an aircraft when located in a public place; secondly, a vessel when located in a public place; and thirdly, the seat or position occupied by the driver of a vehicle when it is located in a public place. People working in the abovementioned workplaces are excluded from the Ordinance.

There are currently over 100 000 professional drivers in Hong Kong. While some are self-employed, some have clear employer-employee relationship. Take the drivers of franchised buses as an example. Although they have to drive eight to 12 hours a day, their employers need not bother about their risk to occupational safety and can make arrangements for the working hours or work equipment at will without any civil or criminal liability.

Here, I want to urge the relevant government departments Secretary for Labour and Welfare is not present. I hope that Secretary Anthony CHEUNG will relay the issue to Secretary Matthew CHEUNG and then join hands to resolve the problem. In fact, I still have plenty of examples and figures to share with Members, but I only have 10-odd seconds left.

I so submit. I hope that the authorities will pay attention to the relevant issue.

MR CHARLES PETER MOK (in Cantonese): President, I would like to thank Mr CHAN Kin-por for proposing the motion "Building a safe city" today.

Over the past week or so, I have no idea how many times I have been asked by local and international media or members of the public and friends about the safety of Hong Kong's network. Here, I would like to take this opportunity to explain my viewpoint. Mr SNOWDEN chose to blow the whistle in Hong Kong and unveiled the programme called "PRISM" launched by the Central Intelligence Agency of the United States. He said this programme has enabled the United States Government to have access not only to a number of American systems, but also the systems of telephone or Internet companies, and even Internet systems and companies commonly used by the Americans and worldwide netizens for the purpose of collecting the metadata of netizens. Since the Internet has no boundaries, the United States Government has actually infringed on the privacy of Hong Kong users and worldwide netizens.

The information that SNOWDEN subsequently disclosed to local newspapers has made Hong Kong people even more concerned and worried. He said that the surveillance targets of the United States Government include Hong Kong's universities, public officials and even students, and hacking into computers in Hong Kong had a success rate of 75%. Yet, the information provided by SNOWDEN so far is pretty piecemeal and covers only one side of the story. Actually, there is no way we can verify the details given by him. Therefore, in my opinion, local computer security experts do not have sufficient information to verify or refute what he said.

Is our computer network safe? The Chinese University of Hong Kong has unfortunately been put in the limelight. Is its computer system safe? Here, I can boldly say that it is safe. Judging from the civilian Internet technology of the world, I do have confidence in the network security of major enterprises, schools, public organizations and important facilities in Hong Kong. Nonetheless, there is no guarantee if the computer network security system and technology for civilian or government use is capable of inspecting intrusions by intelligence bodies sponsored by state machines.

President, the motion under discussion today is "Building a safe city". I wish to point out that we should not take this issue too lightly because there is still plenty of room for improvement in network security. Firstly, although major organizations, the Government and important facilities have attached great importance to network security, this is not so for small and medium enterprises (SMEs) as well as personal computers. Many previous studies have pointed out that the security of websites and servers of local SMEs are inadequate, and many personal computers are completely vulnerable. This warrants our concern instead of the systems of local universities or Internet exchange centres. I must stress that the security of these systems should not be taken lightly either.

Secondly, in my amendment, I have urged "the Government to re-activate the Inter-departmental Working Group on Computer Related Crime, which was established in 2000 but subsequently ceased operation". This proposal was actually put forward before the incident of SNOWDEN, the whistleblower, came into light. This is not because I have foresight. Rather, it is the request made by members of the trade (especially information security experts) year after year. I have only relayed their concerns.

As for the reasons for establishing the abovementioned inter-departmental working group, it was 2000 when the Government became aware of the need to monitor computer-related crimes amid the growing popularity of Internet, and the working group was thus established. After studying the issue for six months, a report was published, which contained 57 recommendations. Basically, the Government had adopted most of the recommendations and followed up on a number of issues. A number of good policies had been introduced, for example, the Hong Kong Computer Emergency Response Team Coordination Centre was established in the light of the recommendations made in the published report.

However, 2000 is 13 years from now. Can Members still remember how they accessed the Internet 13 years ago? What kind of computer was used? What was the speed of Internet access back then? While the USB flash drives, which have aroused widespread privacy concern, are becoming less popular nowadays, it was non-existent or were not so popular back then. While social networks, such as Facebook, microblog and WeChat, had not come into existence at that time, we are now talking about the cloud services. While smart phones were still unavailable in the market and 3G services had just entered the testing stage, we are already using 4G LTE. The present environment for the development of computer network has actually gone beyond the imagination of the report published at that time.

Is the Government's existing information security policy outdated? The technology that we are using has changed, and I must stress that the information security problem currently faced by the Government is not whether the technology adopted has any problem. As the Government has reiterated in response to the urgent oral question raised at the beginning of today's meeting, the most advanced technologies have been used. However, I wish to say that the point is not whether the technology adopted by the Government has problem or the technology has become obsolete, it is the need to review the relevant policy to ensure that it keeps abreast of the times.

It is true that the inter-departmental working group no longer exists, but the Internet Infrastructure Liaison Group has been set up by the Office of the Government Chief Information Officer in 2005. And yet, some members of the trade reflected to me that not much has been done by this Liaison Group and its nature is also different.

Firstly, the Liaison Group does not meet regularly but will only meet once every few months or even six months. Secondly, it has been reported that the Liaison Group's top priority is to monitor the Internet traffic of certain important dates, such as before the delivery of the policy address or budget, or before the commencement of major events like the Olympic Games, and predict what would happen to ensure smooth operation and minimize hiccups. However, the incidents under discussion are apparently unpredictable, thus the present approach is insufficient. Thirdly, the Liaison Group has put in place a reporting mechanism for major incidents. Yet, I was told by my friends that the mechanism has never been activated. In that case, while I admit that the Liaison Group does have its function, it is mainly confined to the day-to-day operation rather than the formulation of policy reform. But a policy reform is precisely what we need. This is the difference between the inter-departmental working group established in 2000 and the Liaison Group set up by the Office of the Government Chief Information Officer.

The most important thing about the inter-departmental working group established in 2000 is its cross-departmental nature. Although the Liaison Group is comprised of a number of government departments and representatives from the industry, it has failed to effectively propose and implement new initiatives to reform the various departments. In late November 2012, I had put a written question about re-activating the inter-departmental working group on information security, but regrettably, the Security Bureau replied that there was no such need on the ground that it has maintained good communication and exchanges with the industry, and the existing laws were sufficient to cope with the situation. I wonder if the recent incidents or international concerns have changed the mind of the Government, but the industry has all along reflected to me that the existing measures are inadequate. In the light of the recent SNOWDEN incident, I eagerly hope that the Government will revisit the matter with an open attitude and avoid giving the standard reply that the existing measures are adequate. The authorities should pursue the re-activation of the inter-departmental working group, with a view to restoring the confidence of local people and the rest of the world in Hong Kong's network security.

President, in the movie the "Spider-man", there is my favourite line "With great power, comes great responsibility". Nowadays, the phones, tablets and notebook computers that we have in hand are much more powerful than those some 30 years ago. However, many individuals and enterprises are reluctant to implement protective measures, thinking that they could simply ask for protection

from the Government. But from my little knowledge about computer network, I can tell Members that this is insufficient. In some cases, we must protect ourselves and no network user should shirk their due responsibilities.

If the SNOWDEN incident does toll an alarm bell, it would be the need for the Government to strike a balance between social security and operational need against the protection of people's privacy and the freedom of expression on the Internet. This balance owes much to the Government's ability to provide sufficient transparency and accountability on the measures to monitor networks and intercept communication, as well as the monitoring systems. Therefore, to ensure network security in Hong Kong, members of the public must do their due diligence to protect themselves, whereas the Government should establish a protection mechanism with sufficient transparency and accountability, and expeditiously set up an inter-departmental working group to examine the new policy on information security in the light of the requests from experts of the industry.

President, I eagerly hope that the Government will look squarely into the issue of information security, and colleagues will support the amendment proposed by me today.

I so submit.

MS CLAUDIA MO (in Cantonese): President, we are talking about what a safe city is. In our earlier discussion on the labour issues, we mentioned occupational safety, and just now Mr Charles Peter MOK touched on our Internet safety. I would like to discuss with Members whether our city is safe. We are not even talking about whether this city is good for living. We are only talking about whether it is "safe". What we refer to is "safety" as a home. In any society, if there is no home, there will be no country. At present, Hong Kong, our home, is very densely populated. Many people are quite worried that we may be having too many large-scale underground infrastructural facilities, including the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL), the Shatin to Central Link (SCL) which is currently under construction, and the Central Kowloon Route which will be under construction later.

We are not torturing ourselves with unnecessary fears and saying something to shock people. Take the collapse of buildings as an example. The

collapse of the building at Ma Tau Wai Road was unbelievable. No one had ever thought that such things would happen. It was said that some works in the building went wrong, resulting in the collapse of the whole building. Another incident occurred at Kotewall Road many years ago. I guess the President also has some recollection of that. I remember at that time I was still a small child. That incident was also unbelievable. Owing to the huge landslides, the whole building collapsed. The fear experienced every day by numerous residents currently living along these large-scale underground infrastructural facilities is unimaginable to the senior officials.

We certainly hope that the Government can provide 100% safety guarantee. However, when a doctor performs an operation, he will not give 100% guarantee that the patient can recover and leave the hospital after the operation. Nevertheless, very often the Government does not even give any basic promise. Now that the Administration has just indicated that completion of the XRL will be postponed for about 18 months, it is not surprising that the "final bill" may amount to \$100 billion by then. Hong Kong people cannot help questioning why the project needs to be postponed for such a long period, leading to such a hike in construction costs. According to the Administration, it does not know how to tackle a number of problems related to the project and has no idea how to proceed. It may be necessary to conduct a number of additional initial strengthening works before the original works can proceed. We have 14 engineers who said that they would closely monitor and supervise the XRL project, but now, after all such talk, though Hong Kong people wish to know more, the Administration is unwilling to disclose anything. It seems to imply that the public do not know these stuffs, only engineers will understand the engineering matters, and it will do as long as we trust the Administration.

The objection to the construction of the XRL back then was grounded with reasons and justifications. After the Legislative Council had passed the proposal, some basic works are now in progress, but the Government is still unable to make some most basic promises to the residents living along the rail link. Apart from Tai Kok Tsui, villagers and residents in Ngau Tam Mei and Pat Heung often appeared in television programmes, speaking of their fear of site settlement, and then an engineer would tell them that as there were underground works going on, settlement in building structures above the ground was normal. In other words, it would be weird if there was no settlement. As regards to what extent settlement in buildings was regarded as unsafe, a study has to be conducted. As such, would the residents not feel worried?

In one of the buildings, the ceiling was peeling while cracks were found on the wall. Then ground subsidence of the whole building could be as deep as six inches. This was measured by the reporters with a ruler. I am talking about Chung Yew Building at Kok Cheung Street in Tai Kok Tsui. Since 2011, I have been following up the matter for the residents, yet the Government has treated it as though nothing has happened, saying that there is no need to be afraid and the building will not collapse. However, did the Government write down its promise in black and white: "The building definitely will not collapse. If it collapses, we will make full compensation, or if there is any danger, we will notify residents in advance"? No. There is still only one word, which is "trust".

President, I wonder if you have looked at the XRL's route clearly. Let me show you this document. Actually, as we are so far away from one another, I do not believe anyone can see it. The XRL's route extends southward from the New Territories all the way to the urban area, initially at Sham Mong Road, but then it suddenly turns into the shabbiest area in Tai Kok Tsui where there are dozens of dilapidated buildings aged over 50. Residents have lived in constant fear since the works commenced. In Cosmopolitan Estates, where there are eight buildings whose names start with the Chinese character "大" ("Tai"), the residents are being tormented every day. Then there are those buildings whose names start with the Chinese character "中" ("Chung"), including Chung Hing Building, Chung Sing Building, Chung Yew Building (which has been mentioned earlier) and Chung Kin Building. After that, the route extends to Blocks 3 and 4 in Phase 2 of Charming Garden in Kowloon West, and Blocks 8, 9 and 10 in Phase 1. All of them will be affected. If we say Charming Garden is comparatively new, those old buildings whose names start with "Chung" and "Tai" mentioned just now were built at earlier times. Their foundations are not very secure. Of course, the MTR Corporation Limited (MTRCL) has always claimed that they are experienced in railway construction in Hong Kong and told us there is no need to worry at all.

The question is that the XRL is different from the MTR which we usually take. The XRL runs at high speed, and owing to its high speed, it needs a giant tube with a much bigger diameter than that of the MTR tubes. Unlike the construction of an underground station in Tsim Sha Tsui, the tube is not a big problem, and the XRL is a super project. Back then, a group of young people had searched a lot of documents and asked me to put forward some queries, especially about the geological condition underground in the old area of Tai Kok

Tsui. Its depth was about 50 m. One of the documents stated that the land underground was "completely decomposed", which may be translated as "完全腐爛" in Chinese, meaning "totally decayed". The reporters asked the MTRCL about it, and their response implied that the reporters did not understand the professional jargons in geology. Actually the expression "completely decomposed" does not mean "totally decayed". Instead, it refers to "completely weathered granite".

As we all know, granite is very firm and solid, yet it has been completely weathered. They did not know that the document we found had explained what was meant by "completely decomposed". That document was utterly related to the XRL. We did not casually find a geological report and claim the situation to be like that. That was part of the report related to the XRL. According to the report, the land underground in Tai Kok Tsui was "completely decomposed". That means it "can be crumbled by hand and finger pressure into constituent grains". The land could be crumbled by hand or fingers into pieces, and they still told me it was granite? At that time I was not a Legislative Council Member. I wrote again to look into the matter, but they ignored me and never replied again.

I never had the chance to talk about the issues of the XRL project here. Is it due to such a serious problem that the project has to be postponed for 18 months, and the contractors have been making claims for differences in project fees, or else they will simply have no way to hang on. The differences claimed involved hundreds of millions of dollars. What is the price for the XRL? In particular, now we are discussing the matter of safety. How can the Administration just say, "Please trust us, please trust us. There is no need to be afraid." This is rather unfair to the residents on Maidstone Road in To Kwa Wan because vertically, there is the SCL, and horizontally, there will be the Central Kowloon Route. Earlier, some residents on Maidstone Road called the police for assistance because the SCL project had caused vigorous vibration of their building, and some of them were even scared to tears. The Central Kowloon Route also made them worry. In its reply, the Administration advised that they needed not worry because the Central Kowloon Route was not a railway and there would not be any station. The project could be conducted deep underground, far away from the foundation of their dwellings, so they needed not worry. After all, it was that same line: "Please trust us."

Can the Government really consider giving the promise in black and white apart from verbal promise? Of course, in the meanwhile, the Government also

has to ensure people's safety. However, the Government really needs to make a promise in black and white, stating that it is safe and the Administration will make compensation should anything go wrong. Thank you.

DR HELENA WONG (in Cantonese): President, regarding today's motion on "Building a safe city", I wish to introduce a sex perspective because a city which cannot protect women from violence and fear will not be a safe city.

Since I have brought up some guidelines proposed by the United Nations in today's amendment, I would like to first speak in English about the United Nations' reflection on this issue. According to the definition of the United Nations, what is a safe city for women?

"A safe city for women and girls is:

- A city where women and girls can enjoy public spaces and public life without fear of being assaulted.
- A city where violence is not exercised against women and girls in either the home or the street.
- A city where women and girls are not discriminated against and where their economic, social, political, and cultural rights are guaranteed.
- A city where women and girls participate in making decisions that affect the community in which they live.
- A city where the state guarantees the human rights of all people without excluding women and girls.
- A city where the state and local government take actions to provide attention, prevention, and punishment for violence against women and girls.
- A city where the state and local government guarantee women's and girls' access to justice."

President, we would like to introduce in this debate the definition of a safe city put forward by the United Nations from a sex perspective with concerns for women's rights. I hope it would arouse people's concern about building a safe city in Hong Kong. If women's safety is not protected, if they are not safe from violence at home or in public places, in private or public life, or if they often live in fear of violence, such a city cannot possibly be safe.

President, recently, we have heard of some astonishing cases of sexual assault. A foreign woman wished to lie down in a public beach to take a rest at night. Suddenly someone went to molest her and even stripped off her pants. Such an incident was shocking. A bigger shock has happened lately — if I remember rightly — in Chungking Mansions. A tourist came to Hong Kong and stayed in a guesthouse. Shockingly, she was raped in the guesthouse by someone who broken into her room.

President, I am a member of the Independent Police Complaints Council, and I have received some figures provided to us by the police about crimes in Hong Kong. Regarding the rape figures, in 2011 there were 91 cases; in 2012 there were 121; in the first quarter (first three months) of 2013, there were already 35. That is to say, it is estimated that there will be 140 cases this year. The figures keep rising.

Of course, I have heard the "grand theory" of the Secretary for Security. His appeal to women to drink less alcohol has evoked some responses from the Hong Kong and international media. I hope the Secretary will withdraw these remarks. Can women indeed avoid being raped by drinking less alcohol and thus lower the rape figures? Should we make efforts to combat crimes from the perspective of building a safe city? No matter whether a woman has drunk alcohol and whether she is sober or not, if the other party did not get her consent, such assault is a serious crime.

On figures of indecent assault, in 2011 there were 1 415 cases; in 2012 there were 1 495; we estimate that in 2013, there will be nearly 1 400 to 1 500 cases.

As for criminal cases of domestic violence, in 2011 there were 1 928 cases; in 2012 there were over 2 000, which is 2 002; in 2013, according to the figures provided by the Security Bureau and the police, there were 435 in the first

quarter. That is to say, it is estimated that the number of criminal cases of domestic violence will range from 1 000 to 2 000 this year.

President, looking at these figures, of course we would feel astonished. Even if there is only one rape case, we would still find it intolerable. Yet the problem is, these figures may be just the tip of the iceberg. The situation may be much more serious than what is shown by these figures. Why?

In 2013, some organizations conducted a survey called "Survey on women's experience of violence in Hong Kong 2013". I believe the Government can also find it on the Internet. According to this survey, actually a lot of people who had been sexually assaulted did not report to the police. Why did they not report to the police? The reason was that they were discouraged by their experience in the police station which was often very negative. The respondents in this survey said the police would advise that the incident was something minor. Sometimes they would even encourage them not to report the case and send them away. They felt the police did not believe what had happened. When the victims were making statements or waiting for examination in the hospital, even the police officer would indirectly sexually harass them by commenting on their age, look and figure, making them even more embarrassed.

These figures may not necessarily reflect the real situation. As we have heard, the number of complaints received by many trade unions or women organizations has exceeded all the figures held by the Equal Opportunities Commission. The industries involved include the catering, retail and service industries. I believe there are also men who have been sexually harassed, but they are not protected under the current legislation. We hope the Government can amend the relevant legislation as soon as possible.

President, today, I also wish to talk about the MTR. Nearly 200 cases involving sexual assault took place at the MTR each year. Concerning these cases which happened at the MTR, what actually has the Government done for prevention? The organizations have also conducted some researched. They are very dissatisfied with the action taken by the Government or the MTR Corporation Limited (MTRCL). With regard to the some 200 sexual assault cases which took place at the MTR each year, including cases of indecent assault, sexual harassment and under skirt photo-taking, the MTRCL has carried out some publicity work, but it may not be very eye-catching. Perhaps we should study how to facilitate the three parties, namely, the victims, eyewitnesses and the

MTRCL, to work together and adopt some measures to reduce sexual violence at the MTR.

President, I have heard the proposal about whether female-only train compartments should be provided at the MTR to protect women from sexual harassment. The Democratic Party objects to this approach, and women organizations object to it as well. The reason is that in our view, this may not be an effective measure to protect women's safety, since we may provide only one, two or half a compartment. It is useless as many other women need to enter the other compartments. Hence, a relatively safe approach, I believe, is that the MTRCL should adopt proper publicity measures and clearly explain to passengers what they should do in case they have been molested. The MTRCL needs to carry out more public education or streamline the procedures to facilitate eyewitnesses nearby to testify. I believe the MTRCL needs to carry out such public education. Moreover, there should be trained officers in the stations to deal with these cases.

We object to the mere provision of "female-only compartments" because we do not think we should encourage the concept that women are always being protected. Moreover, this would make people feel that if a woman does not enter this compartment and later, she is sexually harassed in another compartment, it serves her right and she has only herself to blame. Therefore, I think an important point is, maybe we should consider installing closed-circuit television in the train compartments (*The buzzer sounded*)

PRESIDENT (in Cantonese): Dr WONG, your speaking time is up.

DR HELENA WONG (in Cantonese): Thank you, President.

I hope Members will support our motion.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I thank Mr CHAN Kin-por for proposing the original motion, as well as Mr TANG Ka-piu, Mr Charles Peter MOK, Ms Claudia MO and Dr Helena WONG for their amendments. As many different policies areas are involved in the motion, other Secretaries and I will give our responses respectively.

In broad terms, city safety is a notion which straddles many areas including law and order, healthcare and disease prevention, accident incidence rate, disaster relief and contingency capability, as well as town planning, traffic and transportation, network safety, sustainable development, inclusiveness in society, and so on. At present, the international society has yet to formulate any standard definition or evaluation criteria in respect of city safety, even though certain factors pertaining to city safety will usually be incorporated when assessing the competitiveness or quality of life of individual places or cities.

Transport safety and the effective operation of public transportation system are prime factors of city safety. The Government has undertaken a lot of work in maintaining the safety of road, rail and sea transport, as well as protecting public and personal safety when planning for infrastructural development. I will speak about traffic safety and the safety of transport infrastructure first.

Regarding traffic safety, the Government recognizes the importance of prevention and has introduced many different measures for preventing accidents. All along, the Transport and Housing Bureau, the Transport Department and the Police Force have spared no effort in promoting and enhancing road safety through a three-pronged strategy that includes introducing the necessary legislative amendments, stepping up enforcement actions, improving road facilities, organizing publicity and education activities, and so on, in order to safeguard the safety of road users. The Government also established the Road Safety Council which is tasked to co-ordinate road safety activities in Hong Kong.

In recent years, the Government has introduced many new initiatives to combat improper driving behaviour and enhance the safety operation of modes of public transport, including measures to deter red-light jumping, speeding, drug-driving, and so on. As cycling has become a fad in recent years, we have strived to provide a "bicycle friendly" environment on the one hand, and on the other, stepped up measures to increase cycling safety, as well as the relevant publicity and education, particularly in new towns and new development areas.

In his speech just now, Mr CHAN Kin-por mentioned the incident involving the collision of vessels near Lamma Island on 1 October last year which resulted in a death toll of 39 passengers. I very much concur with his statement that it was a lesson of blood. We must indeed learn from the experience. Following the collision incident, the Government has immediately

implemented a number of measures to ensure maritime safety as well as passenger safety, for example, the Marine Department (MD) has carried out comprehensive re-inspection of all ferries, launches and kaitos in Hong Kong, and strengthened internal monitoring work on ship inspection, plan approval and spot checks. Moreover, the MD will strictly enforce the safety guidelines during major maritime events, and step up the promotion of maritime safety through education.

In addition, for the sake of enhancing the overall level of maritime safety in the long run, we have, over the past few months, held proactive discussions with the local passenger-carrying industry on various medium and long-term improvement measures, in the hope of formulating practicable and feasible implementation proposals that are premised on the overriding principle of "safety first" as early as possible.

The Government attaches great importance to the contents of the report of the Commission of Inquiry into the Collision of Vessels near Lamma Island, and recognizes the need for a fundamental review and reform of the MD. The Steering Committee on Systemic Reform of the Marine Department (the Steering Committee) under my chairmanship has started working in order to take forward this comprehensive review and reform. The Steering Committee will first formulate proposals on procedural matters, with the hope of implementing the proposals within this year. After that, the Steering Committee will focus on issues relating to systemic and structural reform of the MD. In the meantime, international maritime experts will be appointed by the MD as advisors to provide professional input to the department for enhancing the overall level of the MD's monitoring, so as to ensure navigational safety and passenger safety.

Mr CHAN Kin-por is correct in saying that apart from formulating policies, legislation and procedures, we must also carry out our work proactively with our hearts, while ensuring stringent enforcement and monitoring. Regarding the Lamma Island ferry tragedy, the MD is now conducting an internal investigation to ascertain the related accountability issues.

With regard to rail transport, it has always been our requirement that safe and reliable railway services should be provided by the MTR Corporation Limited (MTRCL) at all times. Under the current mechanism, the Transport and Housing Bureau is responsible for overseeing the overall policy on monitoring railway safety and regulating railway services, while the Transport Department

and the Electrical and Mechanical Services Department (EMSD) are responsible for monitoring respectively the service and safety performance aspects of railway services provided by the MTRCL.

The MTRCL follows a stringent programme in carrying out periodic repairs and maintenance of its rolling stock, railway tracks, power supply system, signaling system, and so on. The EMSD will deploy officers to conduct regular inspections to check whether the MTRCL has carried out repairs and maintenance as scheduled to ensure railway safety. It will also follow up with the MTRCL on the necessary improvements to be made after each railway incident. No less than once every three years, the MTRCL would engage an independent expert to review its safety management system, including an assessment on the repair and maintenance work of the MTRCL. According to the latest independent expert review conducted in April 2011, the MTRCL's overall performance was exceptional as it had not only developed and implemented all the key components in its safety management system, but also made sustainable efforts to improve various aspects of safety management. The assessment was also endorsed by the EMSD which is responsible for overseeing railway safety.

When speaking about her amendment just now, Dr Helena WONG mentioned the arrangements for protection of women in transport carriers, which is also a matter of grave concern to the Government. All along, various major public transport operators, including the MTRCL and franchised bus companies, have worked closely with the law-enforcement departments in taking measures to prevent and fight crimes including indecent assault. Public transport operators have also actively disseminated anti-crime messages, encouraged passengers to report crime, and provided training to staff on preventing crime and assisting passengers. I agree that public education is very important.

Dr WONG and the Democratic Party oppose the introduction of female-only compartments. In fact, the MTRCL has indeed explored the feasibility of introducing female-only compartments in the MTR network, but finally decided that it was not feasible on account of passenger throughput, equal treatment for both sexes, and so on. I have elaborated the relevant considerations of the MTRCL in my reply to a question raised by Dr CHIANG Lai-wan in this Council earlier.

The amendment proposed by Ms Claudia MO focuses on the impact of transport infrastructure on structural safety of nearby buildings. Given the high

density of buildings in most urban areas in Hong Kong, it is unavoidable that tunnels built in urban areas may run through or closely with the strata of some buildings. We are fully aware that residents living along the alignment may worry about the impact of the relevant construction works on the structural safety of their buildings. I would like to point out that structural safety of buildings along the alignment is our priority concern in the construction of railway tunnels and other road works.

In respect of all railway works, the MTRCL will, as early as the project design stage, carry out careful and comprehensive assessments and investigations on the environment, geology, underground utilities and structures in the vicinity of the alignment and works areas to ensure that the design as well as the relevant works will not affect the surrounding environment and structural safety of nearby structures, and the most suitable construction method will be formulated to minimize the impact of works on the neighbourhood community.

During the construction stage, the Buildings Department (BD) will also request the MTRCL to install sufficient monitoring points around the works site before the construction to monitor the impact of the works. If nearby buildings are found to have been affected by the works, the MTRCL will have to take immediate and appropriate actions to prevent aggravation of the problems concerned. If necessary, the MTRCL will have to cease the relevant works and submit a report including proposed mitigation measures to the BD for approval.

The problem of building vibrations was reported by some residents living in 67 Maidstone Road in mid-May this year, when the works for diaphragm walls and foundations of the Shatin to Central Link were being carried out. Since the said works procedure commenced at the end of last year, no abnormal result had been indicated by monitoring devices the MTRCL installed around the site area. Nonetheless, after the incident, the MTRCL had suspended some works procedures and installed additional monitoring devices in the nearby buildings to strengthen surveillance of the impact of the works on nearby buildings. With the consent of the BD, the impact of each construction procedure on the buildings has been gradually tested since late May. No anomaly has been identified so far. On the basis of the test results, the MTRCL will submit investigation reports to the BD and the Highways Department (HyD) by July. Before allowing resumption of the foundation works in full, the Administration will study the reports to look into the cause of the incident, as well as to vet the construction

methods submitted by the MTRCL, so as to ensure that the structural integrity of the buildings is not affected by the works.

When carrying out major road works, we will adopt the same "safety first" principle as in railway works, and take measures correspondingly to ensure building safety. Take the example of the Central Kowloon Route (CKR) project which is a matter of concern for some citizens lately. The HyD has made reference to the experience of other relevant projects and formulated a proper plan for the design and construction methods of the tunnel section of the CKR to ensure that construction works will be carried out in compliance with all design and statutory requirements, and both the construction and subsequent operation of the CKR will not impact on structural safety of buildings along the alignment. Before the commencement of works, the HyD will engage professionals to investigate and record the conditions of nearby buildings along the alignment. The department will also install adequate monitoring points to monitor the impact of tunneling works on surrounding buildings as well as their structural integrity during construction in order to ensure safety.

Furthermore, we attach great importance to the repair and maintenance of highways. To ensure the safety of road users, the HyD carries out different scales of road repair works every year including daily inspections of expressways and weekly inspections of trunk roads and other primary distributor roads in urban areas so as to ensure that our highways are always in their best condition. Once damaged road facilities are identified, repairs will be carried out immediately to ensure safety.

President, the Government will continue to strive for ensuring road safety in Hong Kong. Meanwhile, the Government will continue to adopt the overriding principle of ensuring personal safety of members of the public in the planning, building and maintenance of transport infrastructure.

In his original motion, Mr CHAN Kin-por urges the Government to draw reference from the concept of the World Health Organization's "Safe Community" project to promote a city safety culture and comprehensively prevent the occurrence of accidents. "Safe Community" is a major initiative of the World Health Organization (WHO), which aims at developing a safety culture in the community where people can live and work safely and healthily. So far, a number of districts in Hong Kong have been accredited as "Safe Communities" by the WHO including Tuen Mun, Tsuen Wan, Sham Shui Po and Kwai Tsing.

As part of the "Safe Community" programme, the Housing Department (HD) organizes activities such as "Operation Tai Ping Tei" and "Recruitment Programme of Public Housing Estate Cleaning Ambassadors" every year, and implements the Marking Scheme for Estate Management Enforcement in Public Housing Estates to enhance environmental hygiene of public housing estates. The HD is very concerned about community safety. Stringent requirements on the contractors' responsibilities in maintaining hygiene, pest control, and so on, have been stipulated in the management and cleaning contracts of public housing estates. In case of contingencies such as the outbreak of avian flu, the HD will step up the measures in public housing estates and undertake specific disinfection and cleansing work to prevent the spread of the disease.

When speaking about his amendment just now, Mr TANG Ka-piu suggested that the Government should conduct a comprehensive review on various existing ordinances including occupational safety legislation and the relevant employees' compensation legislation. In this respect, the Secretary for Labour and Welfare has entrusted me to respond as follows. With regard to occupational safety, the Labour Department (LD) is responsible for enforcing the Occupational Safety and Health Ordinance, the Factories and Industrial Undertakings Ordinance and their subsidiary regulations, which already cover the safety and health conditions of most employees in Hong Kong. All along, the LD has adopted a three-pronged strategy to raise the level of occupational safety and health in Hong Kong through inspections and enforcement, publicity and promotion, as well as education and training. In the past decade, the number of occupational injuries in Hong Kong decreased from 42 022 in 2003 to 39 907 last year (that is, 2012), representing a drop of 5%, while the number of industrial accidents also decreased from 17 249 a decade ago to 12 547 in 2012, down by 27.3%. The authorities will conduct regular review of guidelines and legislation for protecting the safety of employees at work. Moreover, the authorities will also consider, in the light of social, economic and technical developments as well as the trend of occupational accidents, if amendments to existing guidelines and legislation, or new guidelines and legislation are required for protecting employees' safety at work.

With regard to the relevant employees' compensation legislation, apart from reviewing the levels of statutory compensation every two years in accordance with the existing mechanism, the Government has introduced amendments in a number of areas in recent years, for example, making Severe Acute Respiratory Syndrome (that is, SARS) and Avian Influenza A, as well as

mesothelioma compensable occupational diseases under the Employees' Compensation Ordinance and the Pneumoconiosis and Mesothelioma (Compensation) Ordinance respectively. The authorities will continue to pay attention to the situation in society and various aspects, listen to views from all sectors (including the labour sector) and monitor the practical needs in undertaking reviews and improvements of the relevant employees' compensation legislation as appropriate.

President, I so submit.

SECRETARY FOR SECURITY (in Cantonese): President, I am grateful to Mr CHAN Kin-por for proposing this motion today and four other Members for their amendments.

The Government has been working very hard to ensure that Hong Kong is a safe city. In this connection, the Security Bureau is mainly responsible for maintaining law and order in the community, fighting crime, providing fire-fighting, rescue and emergency ambulance services, and protecting the life and property of the people.

For the Hong Kong Police Force (HKPF), they maintain law and order in the community and fight crime. The HKPF have been monitoring the changes in *modus operandi* and formulated relevant strategies to combat them accordingly. They have also co-operated with different strata of the community to prevent crime and promote public awareness of various crimes.

With regard to the combat of technology crime, Mr Charles Peter MOK's amendment has mentioned the security of computer systems and the Internet. Let me brief Members on the combat against technology crime and the work of the HKPF in this regard.

The number of technology crime has increased from 2 206 in 2011 to 3 015 in 2012, representing an increase of about 37%. To co-ordinate resources more effectively in the combat against technology crime, the HKPF has continued to include the combat as one of the 2013 Operational Priorities and will adopt the following three measures, which include:

- (a) maintaining professional competence and advanced capability in technology crime investigation, digital forensics and training; monitoring closely the technological development and changes in *modus operandi* of law breakers, and enhanced the knowledge of front-line police officers of technology crimes and investigation skills through training;
- (b) working closely with overseas law-enforcement agencies, other government departments and key industry stakeholders to, *inter alia*, improve the co-operation mechanism with law-enforcement authorities around the world so as to combat cross-regional and cross-boundary technology crimes, and establish partnership with public and private organizations for research and experience-sharing; and
- (c) raising public awareness of technology crime prevention through public education and community engagement.

Mr MOK also proposed to re-activate the Inter-departmental Working Group on Computer Related Crime. Actually, tackling computer or related crimes has been an inter-departmental effort. Apart from the abovementioned work done by the HKPF, the Office of the Government Chief Information Officer has also updated the regulation and promotion strategies in the light of the development in the Internet and technology. It has worked with the HKPF, for example, to organize activities concerning information security, such as seminars and video contest, with a view to raising the awareness of information security among organizations and citizens.

For the work of the HKPF in combating technology crime, I will make further response in my concluding speech.

Concerning sex crimes and the protection for women, Dr Helena WONG has mentioned sex crimes and the protection of women in her amendment, with particular reference to sex crimes occurred in public space and transport carriers.

The HKPF have been actively combating sex crimes and offering tips on personal safety to the public in respect of crime prevention and public education. For example, the HKPF have advised the public to avoid taking public transport alone at night, sit near the driver when there are few passengers on a bus, and stay

vigilant. Apart from uploading the above tips onto the HKPF webpage for public information, publicity leaflets on personal safety are also distributed to the general public in public places.

The HKPF will continue to unswervingly enforce the law and work with various public transport operators, including bus companies, ferries and green minibus operators in Hong Kong, to launch publicity activities on the prevention of sexual assault. Targeting indecent assault cases in the railway premises, the HKPF have produced relevant crime prevention posters for display by the MTRCL in all railway stations and encourage victims to report indecent assault offences.

Mr CHAN has also mentioned a number of recent calamities in Hong Kong. Let me give a response by describing the work of the Fire Services Department (FSD).

The FSD is tasked to provide fire, rescue and emergency ambulance services. Its staff have all along performed their duties faithfully to provide prompt and reliable fire-fighting and rescue services for the public, and raise people's awareness of fire safety through various channels, so as to minimize fire incidents and enhance the rescue capabilities of the public in case of a fire.

The FSD will ensure that sufficient fire service equipment, vehicles and boats of international standard as well as well-trained staff are always available to carry out fire-fighting and rescue operations. The FSD will appropriately deploy fire personnel and relevant vehicles to fire stations in various districts in the light of the fire risk assessment results and the latest developments, and will set up new fire stations and ambulance depots where necessary to cope with the growth in service demand.

At present, Hong Kong's fire service equipment is on a par with that of fire brigades in other advanced countries or regions. The FSD will continue to monitor the latest development of fire service equipment and identify new products available for procurement, so as to ensure the operation efficiency and safety of our front-line staff in the fire-fighting and rescue operations.

With regard to training, to ensure that the firefighters and ambulancemen can provide professional and reliable services for the public, the FSD has not only provided basic training for new recruits, but has also provided continuous and

advanced on-the-job training for them, such as mountain rescue and traffic accident rescue, so as to ensure that they possess the necessary professional knowledge and skills.

Concerning the fire safety of buildings, the Buildings Ordinance provides that every building shall be provided with safety measures including fire service installations and equipment, means of escape in case of emergency and means of access for firefighting as may be required by the intended use of that building.

In the course of building inspection, if the fire personnel discover fire hazards such as the blocking of fire escapes or lack of maintenance of fire service installation, fire hazard abatement notices will be issued to owners of the buildings concerned pursuant to the Fire Services Ordinance, requiring them to abate the fire hazard. Prosecution may also be instituted against buildings or persons who failed to comply with the requirements where necessary.

Furthermore, the FSD will monitor the fire safety level of different premises by way of licensing and registration regimes, and in the light of the additional risks of fire of these premises, impose more stringent fire safety requirements.

In order to raise the fire safety awareness of the public, the FSD has been proactively:

- (a) making good use of district networks to enhance awareness of fire safety. At present, all 18 districts have established District Fire Safety Committees to promote and publicize fire safety awareness;
- (b) promoting the importance of fire safety by distributing leaflets, pamphlets and posters to the public, owners of target buildings and people of different races;
- (c) educating people the importance of fire safety through announcement of public interests on television and radio, and the correct way of escape in case of a fire, for example, people should bring their mobile phones, keys and wet towels when trying to escape, and if the means of escape is full of smoke, they should remain in their unit and expeditiously notify the FSD and wait for rescue; and

- (d) utilizing the double-decker Fire Safety Education Bus to carry out publicity work, particularly in old built-up areas, by introducing a simulated fire scene for members of the public to learn how to make appropriate judgments on how to escape.

President, I will listen to other Members' speeches and make further response in my concluding speech.

Thank you, President.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, first of all, I would like to thank Mr CHAN Kin-por for moving his motion today and four Members for their amendments. Today's motion proposes to enhance city safety and prevent the occurrence of accidents. Just now, the Secretary for Security and the Secretary for Transport and Housing have respectively spoken on their policy areas. I am going to talk about the Government's work in respect of building safety for which the Development Bureau is responsible.

The Government has all along done a lot of work in respect of building safety, in particular, after the building collapse incident at Ma Tau Wai Road, the Government has conducted a comprehensive review on building safety. Since October 2010, the Government has implemented a range of multi-pronged measures to enhance building safety through four areas, namely legislation, enforcement, support and assistance to owners, as well as publicity and public education. A number of initiatives have already been implemented, which proved that we have attached much importance to building safety. Let me first give a brief account of these initiatives, and I will give a response after listening to Members' remarks.

First, on legislation, a number of important legislative proposals to enhance building safety had been enacted and implemented in recent years. The Buildings Legislation (Amendment) Ordinance 2012, enacted in July 2012, introduced a number of measures to enhance building safety, strengthen the deterrent effects of non-compliance with statutory orders or notices, and enable the Buildings Department (BD) to apply for court warrants for gaining entry into individual premises for inspection and enforcement action. If law-enforcement officers can enter premises expeditiously for inspection, it would facilitate the enforcement actions on "sub-divided units".

Moreover, we have introduced into the Legislative Council the subsidiary legislation on the Signboard Control System in May this year, which provided for the continued use of certain existing unauthorized signboards after safety inspection by registered professionals or contractors. If the legislation is passed, the Signboard Control System will be implemented in September this year. This measure will enable the Buildings Department (BD) to monitor signboards more effectively and enhance the safety of numerous signboards in Hong Kong.

We understand that many building safety problems are caused by the lack of maintenance. As prevention is better than cure, the Government has strived to solve building safety problem at its root. After years of preparation, the legislation on the Mandatory Building Inspection Scheme (MBIS) and the Mandatory Window Inspection Scheme (MWIS) was implemented in June 2012, under which, building inspection is required for private buildings aged 30 years or above and window inspection is required for buildings aged 10 years or above. Each year, the BD chooses 2 000 buildings aged 30 years or above and 5 800 buildings aged 10 years or above to be inspected respectively under the MBIS and the MWIS. These schemes embody the concepts of the "Safe Community" project as stated in today's motion, and the owners are encouraged to be more actively concerned about the safety of their properties and conduct proper maintenance so as to prevent the occurrence of accidents.

In respect of enforcement, the BD has implemented new enforcement policies on unauthorized building works (UBWs) since April 2011, expanding the scope of prioritization of "actionable" UBWs, and focusing on tackling UBWs, substandard "sub-divided units" and dilapidated buildings. In addition to large-scale operations, the BD also proactively responds to people's reports on UBWs. After the BD has received reports on and confirmed after inspection that UBWs fall within the scope of its operations, it will issue statutory orders. The BD has also strengthened the prosecution of owners who do not comply with the orders, so as to sanction the owners who have not properly complied with the orders.

As regards the assistance to owners and publicity, we know that the owners have ultimate responsibilities for building maintenance, but many owners of old buildings are elderly persons who need financial assistance, and they may not have sufficient knowledge and experience of building maintenance. Therefore, it is very important to provide assistance to the owners of old buildings, especially those owners who do not have the abilities or have financial difficulties

in organizing building maintenance. To assist the owners in proper building maintenance, the Government has all along worked together with the Urban Renewal Authority (URA) and the Hong Kong Housing Society (HKHS) in implementing a number of financial and technical assistance schemes. For instance, it has implemented in 2008 the \$1 billion "Building Maintenance Grant Scheme for Elderly Owners" which provides financial assistance to elderly owner-occupiers to repair and maintain their building. In 2009, the Government, the HKHS and the URA jointly launched the Operation Building Bright, which provides a grant and one-stop technical assistance, to help the owners of old buildings carry out repair works of the common areas and maintenance works. In addition to promoting building safety and city beautification, it also created many job opportunities in the construction industry.

To make proper use of resources and facilitate the applicants, the HKHS and the URA officially rolled out on 1 April 2011 a new Integrated Building Maintenance Assistance Scheme (IBMAS), which integrated five existing schemes, to provide one-stop assistance to the owners of buildings in various parts of the territory. Furthermore, we have carried out a number of publicity and education projects, and used different channels such as radio stations, television stations and websites, to further enhance people's awareness and concern about building safety.

In connection with the building safety problems involving "sub-divided units", we know that people have recently been very concerned about the problems caused by "sub-divided units", and the Government has gradually strengthened the regulation of unauthorized "sub-divided units". By means of legislation, the Government has included the works related to "sub-divided units" under the Minor Works Control System. The owners intending to carry out minor works should employ prescribed registered contractors. Minor works will be carried out through simplified and effective procedures, and the works should not be carried out in contravention of the regulations (which specify the building design and construction standards in such aspects as fire safety, structural safety and drainage works) under the Buildings Ordinance.

The BD attaches great importance to enforcement actions targeting "sub-divided units". It has launched a large-scale operation against "sub-divided units" since April 2011, and the target buildings under the operation have increased from 150 to 200 each year from April 2012 onwards. In response to the Fa Yuen Street fire, the BD has adjusted its policy on selecting target

buildings in the large-scale operation against "sub-divided units". As street stalls may bring fire hazard to old buildings, the BD would select buildings with street stalls in the neighbourhood and are similar to the types of buildings affected by the Fa Yuen Street fire. It has carried out inspection on 339 old commercial/residential or residential buildings. Between April 2011 and April 2013, the BD had inspected 485 target commercial/residential or residential buildings, which comprised nearly 10 000 units. Over 1 500 removal orders had been issued by the BD against the unauthorized works found in the course of this large-scale operation.

In view of the fact that "sub-divided units" in industrial buildings have been found in recent years, the large-scale operation implemented by the DB since 2012 also included 30 target industrial buildings each year suspected of having "sub-divided units" for residential use. As at 30 April 2013, the BD had inspected 30 target industrial buildings and found in 10 such buildings 30 "sub-divided units" for residential purpose. The BD had issued 33 removal orders, and one fourth of these orders have been complied with while the rest are being followed up.

Since the common parts of old style domestic and commercial/residential buildings, particularly the common escape staircases, are very often poorly managed, with irregularities in fire-resisting construction and blockage of means of escape, the BD and the Fire Services Department launched a large-scale joint operation in April 2013. The joint inspection of the public means of escape in around 6 500 old buildings is expected to complete within one year, and appropriate enforcement actions will be taken.

President, I have outlined the Government's work in improving building safety in recent years. I will give an integrated response to the views expressed by Members on building safety issues after I have listened to the remarks made by Members in this motion debate. Thank you, President.

MR CHAN HAK-KAN (in Cantonese): President, I wish to thank Mr CHAN Kin-por for moving the motion "Building a safe city". What is meant by a safe city? Different people would have different interpretations. Regarding today's motion, the several amendments reflect the different focus and concerns on the question of "safe city". Nevertheless, to SNOWDEN, the centre of attraction in recent days, Hong Kong is the safest city in his eyes; otherwise he would not have chosen Hong Kong to expose the hideous behaviour of the "world police".

However, according to the information revealed by SNOWDEN, it seems that Hong Kong is not so safe in the cyber world, as access of people is almost unrestrained.

President, the SNOWDEN incident reveals that a safe city does not only limit to hardware measures of flood and fire prevention, but also involves software measures concerning information safety and personal privacy safety. Failure of hardware measures may lead to casualties, while inadequate software measures may open the floodgate for lawless persons, who may freely open the unlocked safe and retrieve our personal data and confidential commercial data.

Concerning the hacking of some intelligent agencies into Hong Kong's computer system, even though the American Government has not admitted such action, nor responded to the authenticity of the claim, incidents such as computer virus infection or leakage of personal data are not uncommon in Hong Kong. How many computers have been infected by computer virus, how many personal data or privacy data have been disclosed unknowingly each day? What is the impact of such leakage on our overall safety? Have the computers or mobile phones of our senior officials been hacked? Has information concerning our policy or policy decision, or even the contents of the discussions of the Executive Council been leaked? All these questions are important to Hong Kong, but I guess the Government does not have specific statistics or figures in these respects, moreover, I believe it would be difficult to compile such statistics.

However, it has been reported time and again in the past that various government departments, the discipline forces or different people have lost the so-called USB thumb drives, and there were people who downloaded data-sharing software in government computers, which had caused confidential information being uploaded to the Internet for free public access. President, if you have time to visit some auction websites, you may find that people are selling some so-called Wi-Fi-decoder which claim to decode Wi-Fi passwords. That is to say, people who have purchased the decoder may intrude into other people's WiFi routers, they can log in and may stay connected to the Internet without paying the fees.

In view of that, the more advanced and convenient the information system, the bigger the challenge in information safety. Of course, there is no turning back, and we should not live like Osama bin LADEN by burning some CD roms to convey message via a workstation which is not connected to the Internet, nor

can we use the pigeon to deliver the letters for us. Therefore, the Government should provide the most appropriate safeguard to the public in the light of technological advancement. As Mr Charles Peter MOK has said just now, the Security Bureau had set up a task force in March 2000 to study laws and matters relating to cyber crime, but the task force had stopped functioning now and I find this rather disappointing.

Nowadays, Hong Kong relies more and more on exchanging information via the Internet. Protecting the property of the general public is the basic function of the Government, therefore, besides the original motion of Mr CHAN Kin-por, I will also support all the amendments regarding the enhancement of the safety of our city, including the amendment moved by Mr Charles Peter MOK concerning the enhancement of cyber network safety.

President, on the other hand, regarding the potential hazard to a safe city, in particular the safety of ageing tenement buildings as mentioned by Secretary Paul CHAN just now, it would be very difficult to eliminate such safety hazard by implementing normal measures such as tightening the relevant safety laws and regulations and promoting safety awareness. In our view, such measures should be complemented by relevant policies, such as the housing and welfare policies, so as to meet the target of enhancing safety.

Besides the issue of "sub-divided units" mentioned by the Secretary just now, which has also become a platitude, potential hazards in old districts also include all sorts of illegal structures and poorly maintained housing structures, which pose hazard to residents and pedestrians. Problems such as regulations and enforcement are also involved. Nevertheless, support from the authorities is more important. For example, if a building has not formed an owners corporation, no matter how the Buildings Department enhances its inspection, or even issues the demolition or repair orders, nobody will take actions as there is no owners corporation, and the orders issued are just cast aside. President, what will be the result? Law-enforcement agencies have done their work, but the time bomb of the ageing tenement buildings will explode at any time, which is a threat to the general public and residents. For that reason, from the perspective of a safe city, the DAB urges time and again the launching of the third phase of the Operation Building Bright by identifying some target buildings to be dealt with within a short period of time and assisting the owners to complete the necessary maintenance and repair works, thereby safeguarding public safety.

President, amendments moved by four other Members are complementing the original motion. The DAB agrees with Mr TANG Ka-piu's amendment, as under the safe community concept of the World Health Organization, workplace safety is within the scope of a safe city. The DAB will vote in support of all amendments. Thank you, President. I so submit.

MR FRANKIE YICK (in Cantonese): President, a safe city is best characterized by good law and order, as well as the absence of major accidents. Although Hong Kong is not under the threat of any terrorist activities, various kinds of serious incidents have occurred in recent years such as the building collapse at Ma Tau Wai Road, the blaze at Fa Yuen Street, the fire in Tai O and the Lamma Island maritime disaster, which incurred heavy casualties in some cases, and aroused the concern about personal safety among the general public. Moreover, Hong Kong failed to make the top 30 in the latest ranking list on China's safest cities published by the China Institute of City Competitiveness in its research report in 2012. Does it mean that an alarm has been sounded for Hong Kong as a safe city?

As a matter of fact, it is evitable that major incidents sometimes occur in densely-populated metropolitan cities. The ranking list on China's safest cities in 2012 had excluded Hong Kong just because of a couple of incidents, which was indeed a somewhat biased decision as it failed to recognize the efforts made by Hong Kong over the years in maintaining sound rule of law as well as good law and order. Nonetheless, it is undeniable that every incident happens for a reason. Apart from the factor of human negligence, these incidents do reflect certain inadequacies in respect of the provision of safety facilities or the monitoring by the Government, as well as insufficient safety awareness on the citizens' part. While the Lamma Island maritime disaster which happened on the National Day last year was a rare accident caused by human negligence, it reflects that there is room for improvement in the monitoring work of the Marine Department (MD).

Here, I would like to declare interest as I am the Director of The "Star" Ferry Company, Limited. From my years of experience in managing ferry companies, I do not consider that the MD's monitoring is lax, and at times I even think its monitoring is so stringent as to hinder the business operation of the operators. As just mentioned by the Secretary, after the maritime disaster, the MD had immediately carried out comprehensive re-inspection of all ferries,

launches and kaitos, which found minor problems with just six vessels. It also indicates that the MD's monitoring is not totally without actual effect. Nonetheless, there is indeed room for improvement in specific incidents.

Furthermore, while the industry will gladly co-operate in implementing a series of safety enhancement measures proposed as a result of the accident, it may be difficult to implement certain measures right away due to market constraint. A case in point is the large-scale replacement and additional provision of various kinds of life jackets onboard within a certain time limit. As market supply cannot dovetail with such requirement, the industry is somewhat confused. Moreover, the industry considers that some measures are over-correction, for example, the requirement that the name of all passengers must be recorded. While the requirement will not present any problem to cruise operators, it is simply unenforceable for certain ferry operators, which has resulted in grievances of industry players.

It is fair to say that in implementing the safety enhancement measures this time, the MD has adopted a rather hasty approach such that the industry is required to comply with all new requirements within a short span of time. This overly hasty approach has put the industry in a very difficult position. The Government cannot prevent the recurrence of the maritime disaster simply through tightening monitoring unilaterally. We hope that the Government will strengthen communication with the industry so that both parties can work together to review and formulate measures that can effectively enhance maritime safety after taking into account the operational features of different kinds of vessels.

Separately, a safe city is where the personal safety of individual persons is safeguarded. All along, the overall crime rate of Hong Kong has been maintained at a relatively low, or even an extremely low level. Over the past five years, the overall crime rate, that is, denoted by the number of crimes per 100 000 population, has dropped from 1 128 cases in 2008 to 1 064 in 2012, while the number of violent crimes such as arson, serious assault, and so on, has hit a decade low. The overall law and order situation of Hong Kong is improving. Regrettably, in recent years, some black sheep in the industry have engaged in various taxi scams like overcharging, giving counterfeit money to passengers as changes, robbing the luggage of tourists, and so on. Such malpractices have not only tarnished Hong Kong's reputation as a "Shoppers' Paradise", but also undermined the travelling public's confidence of commuting

by taxis, which affects the livelihood of the law-abiding taxi trade. Therefore, we must eradicate these malpractices in order to combat such illegal practice and uphold law and order of Hong Kong.

Although the police have already proactively combated these malpractices by stepping up inspections and undercover actions, I consider that the co-operation between the Government and the public can more effectively eradicate the problem of "black taxis" and combat the relevant crimes. In this connection, I suggest that the police should proactively take on board the views of the taxi trade, such as setting up a report hotline or holding more regular meetings with the trade in order to strengthen information exchange and communications. At the same time, publicity and education are equally important so that passengers would be taught to record the taxi registration number as well as the information displayed on the taxi driver identity plate. Through a multi-pronged approach, it can stop swindlers from preying on the passengers.

While natural calamities cannot be fully prevented, the Government is duty-bound to guard against human negligence and inadequate monitoring. A low crime rate is not sufficient to make Hong Kong a genuinely safe city. We should learn our lessons from previous incidents and implement improvement measures proactively in order to prevent any recurrence.

As prevention is always better than cure, we must never be complacent. With an increasing population and environmental changes, it is inevitable that some old safety measures and legislation may be outdated. If the Government still sticks to the old rules and fails to suit the remedy to the case, it will indeed be difficult for Hong Kong to remain as a safe city. Hence, the Liberal Party supports the proposal in the original motion to set up an inter-departmental committee to comprehensively review the various existing measures and ordinances relating to city safety, so that the various departments can improve their implementation, in order to avoid the occurrence of incidents and safeguard public safety.

President, I so submit.

IR DR LO WAI-KWOK (in Cantonese): President, as some urban facilities in the territory have been ageing, and certain ordinances and measures relating to safety regulation have failed to make amendments to keep up with the times,

many hidden safety hazards have arisen, and various kinds of accidents may occur, resulted in property loss and even heavy casualties. All these have tarnished Hong Kong's reputation as a safe city. For example, in recent years, the public are widely concerned about lift safety. In 2008, a lift plunged to the ground in Fu Shin Estate, Tai Po. After this incident, the authorities had immediately reviewed the relevant legislation and stepped up inspection by raising the ratio of spot checks from 1 in 10 to 1 in 7. But with the occurrence of another incident in North Point in March this year as a lift plunged to the ground due to the snapping of suspension cables, the public have become even more concerned about lift safety.

The Lifts and Escalators Ordinance, which came into operation at the end of last year, clearly specifies the responsibility of different stakeholders. However, notwithstanding the enactment of the relevant legislation, how can the new legislation be effectively implemented is another matter of concern. When I previously put a question to the Secretary for Development in this Council, I expressed my concern in three areas as follows. First, I hope discussions can be held by the authorities with the industry as well as the professional bodies so that concrete complementary measures can be adopted to encourage practitioners in the trade to pursue continuing education to meet the professional qualifications as well as the registration and registration renewal requirements. Second, I urge the authorities to assist the trade in dealing with deep-rooted problems in the industry, such as the award of maintenance contracts to the lowest bidder, and quality assurance of the industry, as well as striving to attract new blood to join the trade. Third, the Electrical and Mechanical Services Department needs to deploy additional manpower in order to step up inspections and monitoring so that the public will be assured of safety when using lifts and escalators.

President, with so many high-rise buildings in Hong Kong, fire safety is another safety concern of life-and-death importance. In April this year, a No. 4 alarm fire — a rare occurrence in recent years — broke out in a high-rise housing estate in Ap Lei Chau, causing injuries to many persons. This has sounded an alarm about the potential fire hazards in the concrete jungle of Hong Kong. As many middle-class families live in the housing estate where the fire broke out, the facilities of the said housing estate as well as its property management services should be much better than many old buildings. However, it turned out that the fire hydrants had malfunctioned during the fire. The authorities should investigate the causes thoroughly.

As taller and taller residential buildings are built in Hong Kong, the authorities cannot solely rely on turntable ladders in putting out fire. With the increasingly important role in fire-fighting played by fire service systems inside the buildings, the authorities should comprehensively review the existing rules and regulations concerning the inspection of fire service systems and equipment inside the buildings, so as to strengthen monitoring and ensure the proper functioning of fire service systems or equipment at all times. Meanwhile, as the Fire Services Department has already conducted two rounds of public consultation on the proposal for a new registration system of registered fire engineers, so as to introduce the Third Party Fire Safety Certification Registered Fire Engineer Scheme, the authorities should, based on the outcome of the consultation, expeditiously amend the policies to implement the Scheme, so as to promote the participation and co-operation of the industry.

In recent years, there have been frequent incidents of gas explosion in telecommunications manholes. In this connection, the authorities published the Implementation Guidelines on Mitigating the Risk of Gas Explosion in Telecommunications Manholes in 2010, which is voluntary in nature. The Guidelines comprises three measures, namely installing vent holes in manhole covers, sealing up the ducts leading into manholes and surrounding the ducts leading into manholes with concrete. However, as reflected by the industry, such measures have not been implemented across the board. As I see it, the authorities should proactively consider, by making reference to the national standards such as "GB50373 — Design Code for Communication Conduit and Passage Engineering", requiring members of the telecommunications industry to seal the connecting ducts in the telecommunications manholes, so as to prevent incidents of gas explosions in manholes.

President, apart from tangible hidden safety hazards, Hong Kong must also face other intangible hidden safety hazards. In recent years, the frequent occurrence of regional cyber security incidents has posed a new threat to Hong Kong. Hong Kong is a free and open international city where the daily operation of various trades and industries invariably relies on computer systems and the Internet. Moreover, Internet transactions as well as services like mobile banking have become increasingly popular. There will be dire consequences if such systems are under malicious attacks. In August 2011, the HKExnews Website of the Hong Kong Exchanges and Clearing Limited was hacked, incurring loss on the part of some investors as their transactions were not timely executed. Lately, according to the information disclosed to the media by

Edward SNOWDEN, a former technical worker of the Central Intelligence Agency of the United States, the United States authorities have been hacking into the computer systems in Hong Kong since 2009 and have acquired huge quantity of information. Obviously, a red alert on cyber security in Hong Kong has already been raised. The authorities should expeditiously formulate comprehensive and holistic countermeasures in respect of legislative amendments, institutional framework, allocation of resources, and so on.

President, city safety involves many aspects, including law and order, people's trust on the judicial system and law-enforcement agencies, prevention of diseases, occupational safety and health, food safety, various tangible safety aspects in communal facilities, as well as the intangible aspect of cyber safety. In my view, these areas are wide and extensive. Hence, the SAR Government should seriously consider setting up an inter-departmental steering committee on city safety with three major responsibilities, firstly, to formulate a forward-looking safe city development policy to avoid dealing with problems on an ad hoc basis; secondly, to comprehensively review the various existing ordinances relating to city safety, and urge the various departments to improve the implementation of such ordinances; thirdly, to allocate resources for the promotion of a city safety culture so as to make more citizens aware of the importance of city safety.

In the spirit of "Hong Kong: Our Home", I firmly believe that we are all willing to work together and build Hong Kong into a safer city. President, I so submit.

MR CHEUNG KWOK-CHE (in Cantonese): President, in his motion, Mr CHAN Kin-por mentions "..... urges the Government to draw reference from the concept of the World Health Organization's 'Safe Community' project to promote a city safety culture and comprehensively prevent the occurrence of accidents". Following a search of the term "Safe Community", I learn that the Occupational Safety and Health Council in fact launched a "Safe Community" campaign in 1999 based on this proposal of the World Health Organization (WHO), with the aim of assisting the various districts in Hong Kong in becoming a WHO-accredited safe community where community organizations and residents join hands to reduce the number of accidents and protect health, so that residents can work and live in a pleasant environment.

It is only after revisiting certain information that I have come to learn about the initiation of work in four districts, namely Tuen Mun, Kwai Tsing, Sham Shui Po and Tai Po, between 2000 and 2002 — as mentioned by Secretary Prof Anthony CHEUNG — for building a safe community. Initially, I thought that I was ignorant, knowing nothing that work in these four "safe communities" has started about a decade ago. But during a conversation with a dozen of friends last week, I found that none of them knew about the "Safe Community" campaign. When I told them that Sham Shui Po, a district with the largest poverty population, was a "Safe Community", most of them responded by saying "Are you kidding?"

President, the fires, floods, landslides and maritime disaster that have occurred in recent years with huge casualties are invariably worth our concern. In the case of the recent vessel collision off Lamma Island, for example, the Marine Department's perfunctory discharge of its responsibilities and its enforcement staff's dereliction of duty as revealed during court hearings prove that all such disasters are not natural catastrophes as such but man-made calamities. Last month, a deadly fire broke out in a village house at Tan Kwai Garden, Hung Shui Kiu, Yuen Long, due to electricity leakage. A 16-year-old young girl, who found no means of escape, was suffocated to death. Her failure to make a timely escape is allegedly attributable to the presence of unauthorized building works (UBWs). This incident has brought to light the existence of UBWs in the entire estate, and the alteration of 95% of the rooftops to confined spaces. In case of a fire, thick plumes of smoke will billow, and occupants are prone to suffocation. Media investigations have also discovered that the Lands Department was already aware of the presence of UBWs in the estate 17 years ago, but it only "imposed an encumbrance", so the UBWs have existed for 17 solid years.

Mr CHAN Kin-por proposes that the Government should set up an inter-departmental committee to comprehensively review the various existing ordinances relating to city safety in Hong Kong. I have reservation about this proposal, because the Government headed by LEUNG Chun-ying is most apt to put up delays by establishing all sorts of committees and commissions, and "review the various existing ordinances relating to city safety" is too general in its wording. Therefore, I suggest that the Government should study expanding the powers of the Office of the Ombudsman, including its powers of enforcing the law and imposing penalties. While in theory, the existing Office of the Ombudsman may submit a report to the Chief Executive and the Legislative Council in case it finds that the department or organization concerned fails to take

adequate action or implement any recommendation at all within a reasonable time frame, this situation has basically never occurred before. Expanding the powers of the Office of the Ombudsman is the only way to drive the various departments to improve the implementation of laws.

I wish to take this opportunity to particularly urge the Government to give attention to two city safety problems. To begin with, Hong Kong Greenpeace has been reminding us over the past few years that in a paper on Public Consultation on Hong Kong's Climate Change Strategy and Action Agenda published in 2010, the Government proposed to increase the proportion of nuclear power generation in Hong Kong from the present 23% to 50% in 2020 as the most important means to reduce emissions, but the paper had not put forward any comprehensive energy conservation proposal or plan of studying the development of renewable energies before anything else. Tragic scenes of the nuclear radiation leakage crisis triggered by Japan's "311" magnitude-9 earthquake are still vivid in people's memory. The Hong Kong Government's failure to publicize the site selection of nuclear power plants, its failure to account for the handling of nuclear wastes, and its failure to assess the safety risks of nuclear power are all major safety problems in Hong Kong deliberately concealed by the Government. Following the incident in Japan, many countries and places have invariably announced the shelving of their plans to develop nuclear power. In my view, the SAR Government should review afresh the consultation document and catch up with their awareness of nuclear safety risks.

Another problem is the hidden safety hazards posed by "sub-divided units". Two hundred thousand low-income people are facing problems with the environment, hygiene, fire prevention, electricity capacity, personal safety, and so on. I wish to particularly remind the Government to tackle this problem from the perspective of people's livelihood, meaning that the Government must look at this problem from the angle of low-income people lacking appropriate accommodation, rather than simplifying it as a question of banning "sub-divided units".

President, I request the Government to enhance city safety, increase the powers of the Office of the Ombudsman to pursue the government departments with dereliction of duty, review its plan of using unclear power, and ensure safe housing for the grassroots in Hong Kong.

President, I so submit.

MR LEE CHEUK-YAN (in Cantonese): President, the subject matter of this motion today is city safety. What I would like to say is that nowadays, our city is being threatened by three major "killers", namely, the killer of politics, the killer of work and the killer of "sub-divided units". Talking about the killer of politics, let us look at this paper in my hand; it is a picture of the most powerful weapon in Hong Kong — a folding chair which ranks first in the top 10 weapon list. We oppose to political violence. What is the incident I am referring to? As we all know, a Mr CHAN had an argument with the Hong Kong Youth Care Association when attending an event commemorating LI Wangyang, and as he turned around, he was hit by somebody with a folding chair and sustained four injuries in his head, which all required stitches.

This type of political violence incidents is very serious. A week has gone by, and we have held several press conferences lately. According to the police, some people were arrested yesterday, so I will not comment on this individual case further. But I think the crux is that as many as three political violence incidents happened at the same spot in the pedestrian zone in Mong Kok on that particular week. The first one was the abovementioned incident. But there were two other incidents unreported in the press. Footage about the second incident had already been uploaded onto Facebook. It also happened at exactly the same spot on Sunday, the day of 2 June. Falun Gong was blocked by the Hong Kong Youth Care Association with banners. Actually, all the three political violence incidents were of a similar nature. As a citizen walked by, an argument broke out — what happened was clearly shown in the footage — and that citizen was hit violently by another person. Of course, that passer-by citizen reported the case to the police, yet he was arrested for the police claimed that he had taken part in a fight. I really do not understand the police's rationale. That citizen was the victim, and as shown in the footage, some police officers were also present on the spot, and saw clearly that the citizen was hit by another person. Yet after that person hit the passer-by citizen, the police arrested the victim claiming that he had taken part in the fight, but he had clearly not taken any action. I really do not understand what the police was doing.

It turned out that there was still one more incident. I only found out subsequently that a third incident had happened during the period from 2 June to 6 June. I did not know at that time. But I received a call later telling me that at exactly the same spot at about 7 pm in the afternoon of 4 June, an incident of the same nature happened, likewise because of a banner. After having an argument with the Hong Kong Youth Care Association, a citizen was hit by another person.

After the attack, the police arrested the said citizen claiming that he had taken part in a fight. I question the way this incident was handled by the police as police officers were also present on the spot. Yet, that citizen had to report his case to the police while holding the chair used as weapon for his attack. But the police had neither cordoned off the scene nor appealed for witnesses immediately. It only made an appeal for witnesses several days later. In that case, we doubt whether the police have been protecting the culprits professionally? What has been done by the police actually? Are the police unconcerned about such political violence incidents? Is it protecting the culprits? Besides, when there was a fight, should the police arrest the persons concerned on both sides? But in the present incident when the police was uncertain who was hit by whom, the person being hit was arrested.

In addition, two more incidents have occurred lately which also threatened press freedom in Hong Kong. Moreover, it is suspected that the triad society may be involved. Mr CHEN Ping — as we all know, he is the publisher of *iSun Affairs* — was assaulted right after he left office. The suspects had acted in a professional way as they had evaded the surveillance cameras and fled the scene rapidly after the attack. Mr CHEN Ping believed that his attack was perpetuated by professional triad members for the purpose of suppressing press freedom in Hong Kong. It was an act of black terror. Just late last night, a car rammed into the front gate of Jimmy LAI's mansion, with a machete left in the driveway for a very obvious intention. That was clearly another blatant threat. Of course, we do not know who is behind this incident.

If we consider all these five cases together, it is clear that a large number of political violence incidents have happened within a very short span of time. Has the city of Hong Kong become increasingly confrontational and violent as a result of politics, such that all citizens of Hong Kong are also worried about it? When they want to come forward as they see some injustices, would they be susceptible to attacks? How much importance has been attached by the police to these incidents and what preventive measures have been adopted, or how many suspects could be apprehended for justice to be served, so as to achieve a deterrent effect? In fact, we have serious doubts about Hong Kong's safety in this regard.

The second killer is work. Industrial accidents have been happening continuously, together with occupational diseases. In fact, many wage earners are under the constant threat of long working hours and dangerous working

conditions. Take the example of dock workers. As we all know, when Typhoon Signal No. 8 is hoisted, dock workers have to secure the containers with ropes. But they have to perform this duty under Typhoon Signal No. 8, which is very dangerous indeed. At present, many wage earners working as waiters, cleaners or carers in residential care homes for the elderly have to bend down at work, making them prone to waist injuries. President, it turns out that waist injury is not classified as an occupational disease because it is not included in the list of occupational diseases specified by the Government. Hence, it is very unfair to the employees who must work long hours and have a heavy workload, while the nature of some duties at work makes them susceptible to strain and stress. But the Government has turned a blind eye to the above problems. When workers suffer from occupational diseases, even to the extent that they must live with disabilities for the rest of their lives, it is just a problem for the workers as they will not get any compensation. Moreover, the Government has done nothing in terms of prevention, particularly with regard to the current problem of long working hours of workers.

Last but not least, I would like to talk about the problem of "sub-divided units". The problem of "sub-divided units" is the third killer. This problem has just been mentioned by Mr CHEUNG Kwok-che. The Government should provide suitable accommodation for low-income persons in order to resolve the problem. However, the actual situation now is that so long as the Government does not provide them with suitable accommodation, so long as they are not allocated with public rental housing, the problem of "sub-divided units" will continue. Moreover, as most of these "sub-divided units" were "sub-divided" structures, they are hazardous to a certain extent. If the Government still turns a blind eye to these issues, and just wait (*The buzzer sounded*) until a major incident has happened, like a blaze

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

MR LEE CHEUK-YAN (in Cantonese): it would be too late. Thank you, President.

MR KWOK WAI-KEUNG (in Cantonese): President, Mr CHAN Kin-por moved this motion on "Building a safe city" today, and many Members have just

mentioned that the Government has to formulate certain measures to strengthen regulation and reduce man-made accidents so as to protect people's personal safety, prolong their life and enhance their quality of living. All in all, every measure is associated with people.

The safe community concept is about improving people's health and building a safe city. The measures, legal systems, legislation and regulation that Honourable colleagues have just mentioned are complementary hardware. I would like to talk about the software, which is people's mental health.

Hong Kong is a densely populated place with a quick tempo of living. When tourists see how fast Hong Kong people walk in Central, they wonder if we are having a race. All Hong Kong people are under great pressure of work or study, and for family members living together in crowded places, conflicts may easily arise. They are indeed facing heavy pressure.

As we all know, everybody has to face pressure and that is inevitable. We are like a rubber band, and pressure is like pulling the rubber band tight for a long time. If there is no chance to relax a little, the rubber band will gradually lose elasticity and we can no longer cope with accidents or unexpected incidents.

The Mental Health Association of Hong Kong conducted a depression test late last year and interviewed over 3 000 people. Among them, 4% had symptoms of serious depression and 7.5% had symptoms of moderate depression. It is worrying that 8.2% of them thought about suicide in the past two weeks.

According to the data from the Hong Kong Mental Morbidity Survey 2010-2013, one in seven of the respondents suffered from various levels of neurotic symptoms; in particular, the middle-aged, unemployed men with low education level are the most vulnerable.

Given the strong capital and weak labour in Hong Kong, and the overtime work culture distorted by the capitalists, wage earners are under very heavy pressure. However, they are forced to endure in silence for the sake of earning a living and supporting their families. How can the pressure faced by wage earners not be heavy? People under great stress generally have the symptom of insomnia, they become disgruntled and easily quarrel with other people; and our society has to pay a price for that. If there are disputes, the parties concerned

may resort to litigation, and society has to pay a price or there may be some personal injuries, which cannot be ignored.

I have recently received a case about a working woman who has been sexually harassed at the place of work and she needs to seek help from a psychiatrist. However, as the relevant occupational disease or work injury compensation schemes do not cover mental illness, the affected employees cannot get any compensation.

President, I am sure Honourable colleagues remember what the "Bus Uncle" said a few years ago: "you face pressure, I face pressure". Every wage earner is actually facing pressure but the pressure can be relieved through the family.

We believe the family is a very good haven. Nevertheless, people cannot go home early because of long working hours. In fact, there is very little time for the family to play the role of a haven.

President, it was Father's Day last week and the Federation of Trade Unions conducted a questionnaire about "fathers under pressure". Among the 1 000 respondents, 60% had to work overtime without pay, and nearly 30% of the respondents spent less than five minutes with their children. Since these fathers cannot properly fulfil their role as a father in the family, they have negative emotions, feeling remorseful. Who would bear these costs? Should our society bear the costs when the next generation cannot receive very good education?

To enable the family to become a haven, the Government must formulate standard working hours to protect wage earners. Apart from giving them appropriate working and resting hours, the Government should also ensure that they would have overtime pay.

Moreover, I have recently received a case about the minimum wage. As we all know that the minimum wage has been adjusted to \$30 per hour on 1 May. Since some workers get monthly salary and their hourly wage has already exceeded \$30, their bosses told them, "If you work overtime, I will still give you an hourly rate of \$28; I have not violated the law so long as your average hourly rate is \$30 each month". We have consulted the Labour Department and we are told that this is precisely the provision of the Ordinance.

We then asked, since it was specified that the minimum wage was \$30 per hour, the overtime pay should be \$30 per hour. How come nothing can be done when the worker is not paid the minimum wage. These problems must be handled and solved as soon as possible.

President, people are the most precious assets of our society. To some people, cultivate oneself, regulate one's family, rightly governed the state and bring peace to the kingdom are unilateral practices. Yet, to my understanding, cultivating oneself and regulating one's families are reciprocal activities. People who are cultivated can regulate his family, and a regulated family can help in cultivating the person. We must rely on individuals to start building a safe and healthy city and eventually we can succeed in building a really safe city.

I so submit. Thank you.

MR JAMES TO (in Cantonese): President, I would like to discuss one point that few people have talked about, that is, the money and costs to be paid to avoid risks, who should foot the bill, as well as how the cost should be shared.

When I received this motion, I noted that it was proposed by a Member from the insurance sector, and I inevitably thought whether this Honourable colleague proposed this motion for the interests of the sector. This is reasonable because he should speak on behalf of the sector he represented. Viewing from this perspective, if the whole community has enacted different legislations to protect safety in various areas, such that many people think the city is very safe, and they have paid a cost in connection with various requirements on building inspection, window inspection, electricity inspection and medical examination, or the regulation of signboards, "sub-divided units" and fire safety, and so on. With so many requirements and regulations, people will not be crushed, burnt, or drowned to death. In that case, will many people think that they no longer need to pay huge amount of money to take out insurance? Will many people think that their risks have been substantially reduced and they almost have no need to take out insurance? Is this favourable or unfavourable to insurance companies?

In saying so, I may be using my own yardstick to measure the motive of an upright man. However, as a senior Member with 20 years' legislative experience, I have participated in the enactment of many laws and I believed that the laws were good when they were enacted; otherwise, I would not have

supported the enactment. After a very long time, I would review the laws that I had been involved in enactment, including the legislation concerning window and electricity inspections, fire safety, water safety, regular building inspection, and the installation of sprinkler heads in commercial buildings, the handling of signboards, and so on. I have also reviewed the Post-Release Supervision of Prisoners Scheme many committees usually will not allow prisoners on parole to go to work or to be discharged at an earlier date for fear that they may commit crimes, and may even commit homicide or get involved in some other incidents. However, we must bear in mind that we actually have to pay a price for all of the so-called safety policies to ensure safety in areas such as building safety, fire safety, electrical safety, water safety, or even non-slippery streets.

The price depends on the industry involved. Take building safety as example, the owners of old buildings may have to spend tens of thousands of dollars on the maintenance works, and the price is really a heavy burden for some owners who cannot afford to pay. If the relevant safety policies involve business operators, they have to pay a price but they will eventually pass the cost to consumers.

When the Government puts forward some safety concepts which are certainly right, and states the number of people who died each year due to inadequate safety protection, and hence indicates that it is time to deal with these safety issues by enacting legislation to strengthen safety protection, we have to think about the dollar values of these safety measures, that is, the price to be paid. Assuming that 40 000 people are involved, they have to share the costs of dozens of millions of dollars or hundreds of millions of dollars. In 20 years' time, the amounts may considerably increase to hundreds of millions of dollars, but the number of people to share the cost will also be increased to 200 000. At that time, the city would be a lot safer because the number of casualties caused by accidents may be reduced from 4 000 two decades ago to 400. People may still be willing to share the costs because they do not know if accidents will happen to them, right?

Furthermore, we should consider if this is a righteous practice and a fair way to share the cost. Sometimes when the Government introduces certain policies, it is also aware of the serious consequences, hence certain relief schemes are introduced. For example, the first layer of work will be undertaken by the Hong Kong Housing Society, or some non-governmental organizations will sponsor some people who cannot afford the relevant expenses (this is another level of work). Even for the schemes recently introduced by the Government to

subsidize flat owners in building and window inspections, though such schemes are mainly introduced to promote employment, they are related to safety, which is precisely the second factor for the implementation of the said schemes as stated by the Government.

While we agree with the premise of striving to making Hong Kong a safe city, we really need to clearly examine each policy and review many past policies. We have to make comparison from a historical angle or compare Hong Kong with other places, taking into consideration our affordability and factors such as GDP. We can then evaluate if many risks related to our city have been reduced considerably. If the risks have been significantly reduced, do we still have to make efforts to identify more risks and continue to formulate more safety policies? We must strike a balance. This is also my self-reflection because I have participated in the enactment of a number of legislations.

In reviewing this issue, I really think that the Government should give careful consideration, especially the sharing of responsibilities, and whether some people would, owing to their failure to meet the costs of certain relevant safety policies, be forced to give up certain rights, including property rights and some freedoms that they are entitled to.

MR TONY TSE (in Cantonese): President, everybody has a different view on the definition of a safe city and the features involved. As a member of the construction, surveying and urban planning sector, I believe that many friends from the sector would share my view. Apart from factors such as justice, security, transportation, healthcare and computer network safety, we must also attach importance to whether the Government has, in formulating policies and measures in respect of urban development, housing, infrastructural development and urban planning, adopted a people-oriented approach, with a view to building a safe city where people can live in stability.

Many people think that Hong Kong is one of the safe cities in the world, but viewing from the perspectives of urban planning and infrastructure, we find that there is much room for improvement. Although Hong Kong has world-class road designs, can these designs strike a balance between the use by pedestrians and vehicles? Can we look after the needs and safety of pedestrians? The design of many roads in Hong Kong frequently fails to fully

consider the access roads required for pedestrians to travel to adjacent areas on foot, which increases the risk of people walking to certain areas.

The Government's road traffic design is not friendly enough. For example, some pavements are too narrow with many obstacles, and coupled with the many restrictions on the use of roads, moving vehicles have to brake very often. Owing to narrow roads and heavy traffic flows, pedestrians are forced to become "human vacuum cleaners". Moreover, the Government has neglected the need to encourage pedestrians to walk instead of take a ride. For instance, the distance between some bus stops is short. If the distance between bus stops can be suitably adjusted to be a longer distance apart, and coupled with the reduction in the number of vehicles on the road and their emissions, and better road traffic design to protect pedestrian safety, I believe more people would be encouraged to walk more. This is beneficial to people's health and can also promote environmental protection.

I wonder if Honourable colleagues have noticed that footbridges of various sizes have been built in recent years; but some of the footbridges obviously have low utilization. As a matter of fact, it is essential to build footbridges to ensure pedestrian safety, separate pedestrians from vehicles, divert busy traffic on roads, and direct the flow of people to specific places. Nonetheless, this does not mean that building more footbridges will generate more positive benefits because we still need to consider if the site identification, design and utilization of the footbridges are appropriate. Otherwise, there will only be opposite effects in such areas as resources utilization, environmental protection and pedestrian safety.

In the past, owing to the Government's negligence on the monitoring of the use of buildings, problems such as "sub-divided units", caged homes and various kinds of unauthorized building works (UBWs) have emerged, bringing potential risks to the community. The Legislative Council has recently started discussing the introduction of the Signboard Control System. Due to the Government's failure to strictly implement regulation in the past, it is estimated that there are over 100 000 unauthorized signboards in Hong Kong, quite a lot of them are not properly managed or maintained, thus threatening pedestrian safety, and people have an impression that the Government connived the construction of UBWs. In addition, the safety of "sub-divided units" and open-air hawker stalls are pressing issues for which the Government is responsible. Having heard the Secretary's remarks, I hope that the Administration would expeditiously handle

the above issues and implement proper control, in order to ensure that the public have a safe living environment.

President, for many years, large-scale infrastructural projects have not been implemented in Hong Kong; but as we have proposed to the Government to build more public housing and HOS flats, and a number of large infrastructural projects would be launched one after another, I trust that this will put some pressure on construction workers. According to a construction industry union, the accident and occupational injury rate in the construction industry is the highest among various industries in Hong Kong. One third of these incidents involved newly employed workers, and many industrial accidents also occurred within the first two weeks after the workers had started working at new construction sites. This reflects that the Government and the construction industry-related organizations must further enhance the safety awareness of construction workers, as well as their awareness of the site environment and actual operation, with young people and new entrants to the construction industry as special targets, thereby enhancing their occupational safety and health protection.

It is an imminent task to maintain Hong Kong's status as a safe city. I so submit, President.

MR CHAN CHI-CHUEN (in Cantonese): President, we are discussing about building a safe city today. I believe Mr CHAN Kin-por has proposed this motion because he wishes that the Government and the Legislative Council would have the opportunities to examine the safety situation in Hong Kong. Is Hong Kong a safe city or a perilous place with traps all around? I think it is difficult to give this question a simple answer because improvements can always be made with regard to the safety. We should take this opportunity to consider what accidents are caused by negligence and what improvements can be made.

If we conduct a questionnaire opinion poll on the street and ask people if they think Hong Kong is a safe place, I believe nobody would give full marks and some may even think that the present situation is not as good as that in the past. If they are asked to compare Hong Kong with other cities in China, I can hardly imagine that Hong Kong is excluded from the ranking list on the top 30 cities. I am talking about the study conducted by the China Institute of City Competitiveness on the safest cities in China, which has Chinese characteristics. For two years, Hong Kong did not rank among the top 30 cities. Macao,

Shenzhen and Taipei occupied the first three places in 2012. If we ask people in various parts of the world if Shenzhen or Hong Kong is safer, I think most people will answer that Hong Kong is safer.

(THE PRESIDENT'S DEPUTY, MR ANDREW LEUNG, took the Chair)

In fact, Hong Kong ranked first in 2009 and 2010, why had it suddenly been excluded from the ranking list on the top 30 cities? It is because one of the criteria is "no material or significant safety incident happened that year". A city may fail to rank among the top 30 cities if such incidents have occurred. Unfortunately, the Lamma maritime disaster happened in Hong Kong last year and the Fa Yuen Street fire broke out the year before last. Yet, there are other assessment criteria apart from this criterion. First, good social order; second, superior investment environment; third, few production accidents or industrial accidents; fourth, safe consumer goods; fifth, sustainable development of ecology; sixth, good information network environment with strong information security protection. I dare not comment on Taiwan cities on the basis of these six assessment criteria, but which Mainland city is as good as Hong Kong? Which Mainland city can score high marks under these six assessment criteria? If there is any, there would not be panic buying of formula milk powder in Hong Kong by people from Shenzhen and other places in the Mainland. Thus, I agree with all the points in Mr CHAN Kin-por's motion except the point about the China Institute of City Competitiveness.

In my view, to examine the safety level in Hong Kong, we need not take this report of the China Institute of City Competitiveness as reference. The result of the study was based on the said assessment criteria, and Hong Kong had been excluded from the ranking list on the top 30 cities. Nevertheless, as compared with the top 30 cities, I do not think Hong Kong should rank the 31st or lower. After all, we cannot treat the matter lightly even if Hong Kong ranks first again. We often say that the Government, the Legislative Council or Hong Kong people should not wait until a tragedy or an accident has happened to get awoken and take actions. We should not wait until someone has jumped or fallen onto the railway track to consider the installation of platform screen doors; and we should not wait until more accidents involving broken lift cables have occurred causing casualties to step up lift inspections.

In fact, only the "powerful country" can so shamelessly claim that its cities meet the six criteria above. Even people living in Mainland cities are not certain if these cities are safe. In September last year, there were anti-Japanese demonstrations in 52 cities in China, resulting in arson and robbery in a number of cities. In the same month, 10 000 Foxconn workers participated in a riot. Things like slapdash building works, suppression by the People's Armed Police, political persecution and Internet blockade happen almost every day. If we ask Mainland people if their cities are safe, given that all information concerning what had happened has been filtered, they will find that their cities appear to be safe. If it is said that Hong Kong is a dangerous city which has failed to rank among the top 30 cities apart from some disastrous fire or sea, land and air accidents, or some issues related to Mainland works, as Ms Claudia MO has said, owing to the \$66.9 billion express link project, 10 village houses in Ngau Tam Mei had large cracks on the walls and the living rooms of some houses had cracks on the floors Can Hong Kong be regarded as unsafe because of that or has Hong Kong been affected by the Mainland?

I strongly agree with Mr CHAN Kin-por that there are a few factors causing our city to become unsafe or regressive, which include inadequate safety awareness of people, outdated urban designs, the lax enforcement by the Government, and a lack of safety policies. I particularly wish to talk about the lax enforcement by the Government. While it may not be safe to stay at home, it may not be safe to be on the streets. Last year, a NOW television photographer was attacked by people who said they love Hong Kong when he was taking photographs in Causeway Bay. The attacker was just fined \$1,500 and asked to pay \$1,000 as compensation. This is an example of lax enforcement. On 7 June this year, a member of the public was assaulted by four men at a pedestrian precinct in the course of an activity to pay tribute to LI Wangyang, and he was sent to hospital. This is another example of lax enforcement. Hence, in order to build a safe city in Hong Kong, the officers from the Security Bureau must pay special attention and avoid the occurrence of these incidents of violence. Hong Kong has always been a peaceful city, but these incidents of violence have recently occurred. Thus, the authorities must not be lax in enforcement.

MR LEUNG YIU-CHUNG (in Cantonese): Deputy President, Mr CHAN Kin-por points out in his original motion that "on the surface Hong Kong is a safe city, but due to the ageing of some urban facilities, people's slack safety

awareness, certain government departments' lax enforcement of law, and so on, recent years have witnessed the occurrence of various kinds of accidents one after another". True, if there is no incident, Hong Kong is really a safe city on the surface, but the question is, many incidents had really occurred one after another, threatening the safety of the city. Mr CHAN has rightly pointed out the contributing factors and to a certain extent, they reflect the areas where the problems lie.

The urban facilities in Hong Kong are really aged. If Members would still remember, there was a serious blaze in Tai O in 2000 and some 90 stilted houses were burned. At that time, the residents urged the Government to replace the aged fire protection equipment. Unfortunately, the Government took no actions, then a few months ago, a fire broke out in Tai O and 10 stilted houses were burned. Fortunately, no one was injured. If we do not seriously address the problem of aged urban facilities, fire will break out again.

Besides, Mr CHAN Kin-por also points out the government departments' lax enforcement of law. Many Honourable colleagues have cited the example of the marine incident off Lamma Island earlier. This is an obvious example. If government departments are strict in law enforcement, although I dare not say that incidents would not happen, but at least, we would not say that the incident is caused by lax enforcement of law.

Another factor mentioned by Mr CHAN Kin-por is people's slack safety awareness. As a matter of fact, all incidents that happened would affect the general public. If their safety awareness is strong, the situation will certainly be better, but a strong or weak sense of safety awareness actually depends on our definition. Sometimes, even if people have a strong sense of safety awareness, they may not necessarily prevent incidents from happening. In the case of the marine disaster off Lamma Island, no matter how strong the safety awareness may be, the incident had happened and it could not be avoided.

Mr CHAN Kin-por has pointed out the problems on the surface, but what are his recommendations? He says that he wants to build a safe city and it is essential to have a safe community concept to promote a city safety culture and comprehensively prevent the occurrence of accidents. I think this so-called conclusion is too generalized with no specific measures proposed. This is like saying something but nothing substantial has been said. As I have just said, since we know that urban facilities are ageing, how will a safety culture be

promoted? Will the facilities be replaced? Will government departments agree to replace the facilities? These are the problems. Moreover, will strict law enforcement be imposed? I do not think we can solve problems by putting forward some concepts alone. The most important thing is whether government departments can take some concrete actions.

Very often, government officials are very rigid, and when these officials say nothing can be done, nothing would be done. In the case of the fire in Tai O which I have just mentioned, government departments actually do not show much concern whether the fire prevention equipment is sufficient. After assessing the situation, the department concerned said that single pipes were sufficient, and there was no need to install larger pipes. In fact, the outbreak of the fire proved that those pipes are insufficient and firemen had to go to the other side of the river bank to connect the pipes, a lot of time was thus spent and the best time to put out the fire was missed.

This is the result of bureaucratic practices. In the area of industrial safety, the situation is the same. We often point out that if industrial safety officers are employed by the company, these officers will, in their work and attitude, accommodate the employer's demands, and hence cannot do a good job. We demand that industrial safety officers should be employed by the Labour Department. However, some officials say that this cannot be done because private companies are involved. If this rigid mentality is not changed, there is no way a safe city can be built.

Apart from all these, I think there is a greater problem, that is, a more dangerous time bomb is now hidden in our city and that is the Chief Executive LEUNG Chun-ying. After LEUNG Chun-ying has assumed office, he practises favouritism in politics and he is blind to public opinion. He rolls out policies without any regard for the public and society is deeply divided. When people hold different and opposing views, they may quarrel and may even resort to violence.

Recently, there are frequent acts of violence and the cause is that members of the public have expressed different views. If the Chief Executive LEUNG Chun-ying only has wishful thinking in implementing policies and fails to take into consideration the needs of the whole society, he only intensifies internal conflicts. I am very worried about this and I am afraid there may be major social upheavals. Actually, this situation is building up and all that is required is

a blasting fuse. If the Government does not change this attitude and if the people are incited into pointing fingers at each other and lashing each other, I am really worried that a riot may break out and the situation may get out of control.

In my view, the best approach to be taken by the Government is to pay heed to the people and take on board their views as far as possible. A democratic system should be established to increase the transparency of government departments and accept the monitoring of the public. In this way, the policies introduced can meet public demands and hence conflicts can be reduced (*The buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Mr LEUNG, your speaking time is up, please stop.

MR LEUNG YIU-CHUNG (in Cantonese): then a safe city can be built.

MR WU CHI-WAI (in Cantonese): Deputy President, speaking of a "safe city", we all think that this is our duty and we should try our best to build a safe city. But what is meant by being safe? This is the crux of the problem. As the saying goes, "In nature there are unexpected storms and in life unpredictable vicissitudes". It is just human nature to incline towards the auspicious and avoid the ominous. However, for people living in a modern society or under the operation of a world of public powers, they hope that they can live in a world with low risk or even zero risk. But is this possible? Mr James TO has said earlier that if we want to live with low risk or zero risk, we should consider the question of costs that may be incurred. But even if we leave aside the problem of costs, as society becomes safer, it often gives people a negative impression and that is, there are numerous rules and regulations which stifle creativity and imagination. I remember I heard a story when I was at school. The Arctic Circle where the Eskimos live is a place without germs, not even influenza virus can survive. Under such circumstances, the Eskimos should be very safe, but once they are infected by influenza virus, they may die easily. Hence, even in a so-called place of absolute safety, there may be lots of risks lurking around.

Risks in a modern society may have the following characteristics: The various kinds of risks that we face in our daily life cannot be eliminated by

individual power alone; risks are associated with profession and people with professional knowledge can turn risks into indicators that can be measured and quantified and they can arrive at a solution. On the question of predicting risks and managing risks, there is massive intervention from the Government in the form of public powers and technocrats. As a result, the Government has taken control over the definitions of "risks" and "safety criteria". However, as information technology develops, the disquieting fears brought about by risks are spreading fast through various media. The result is that everyone will find that he or she is living in a society full of risks.

In such circumstances, I wish to cite two examples from real life and share my thoughts with Members. Nowadays, when we go to parks, we can no longer find swings which used to be mounted on scaffolds as high as some 10 to 20 feet. These were swings when we were young. What we can see now are swings mounted on very low scaffolds and the ground is laid with mats. The seats in the swings use a design resembling that of diapers. This is to ensure that the children are 100% safe. But if the children do not even have the experience of falling down, how can they understand the risk of falling? Mr CHAN Kin-por has just talked about the problem of cycling safety. He calls for cyclists to wear helmets. Mr CHAN, I agree that cyclists should wear helmets. However, as we are responsible for our lives when using the roads, the Government is closing down some roads unreasonably and forbid bicycles from using them. This is done in the name of safety, but is this kind of safety awareness excessive? Is there a need to adopt a public policy that aims at achieving zero risks? Is this a consequence of fear that accidents will happen and complaints will be lodged?

On the other hand, the venture spirit is an important element which leads to progress in society and individuals. It is often in the efforts made to resist risks that people will create and innovate. If the people are used to the paternalistic rule of the bureaucrats, such as in the case of Singapore where everything is put under control, the people can only live within the framework of risks and safety standards as defined by the government. As time goes by, people will lose their venture spirit and innovation.

When we talk about the paternalistic rule of Singapore, it makes us think of some serious consequences and that is, when the citizens get used to this kind of paternalistic rule, it would be easy for people to give up personal freedoms and rights in exchange for the intervention of public power from the government. We know that as a government steps in by wielding its public powers and

depriving the citizens of their freedoms, the freedoms taken away can never be remedied or replaced. Just imagine, if we install closed circuit television everywhere in the public places in the name of enhancing public safety and say that this is done because of security reasons, will we get the support from the people? As a matter of fact, we must try our best to avoid this kind of practice and we do not want to see them happen in Hong Kong. The case is like the well-known figure lately, Edward SNOWDEN, who cited a famous saying by Benjamin FRANKLIN, that is: "They who can give up essential liberty to obtain a little temporary safety, deserve neither liberty nor safety."

To conclude, I wish to cite the example of cycling again. I hope the Government will basically trust the people of Hong Kong, like trusting that every cyclist will be capable of judging for himself whether he is fit to cycle on the roads. Every cyclist should be responsible for the decision he makes. Finally, I think society should reflect on the question of the nature of risks, that is, risks may not necessarily be harmful to society. But the damage done to society may be greater when people have such a dread for risks that they will prefer safety at the expense of a venturesome and innovative mind and their personal liberties.

Thank you, Deputy President. I so submit.

DR CHIANG LAI-WAN (in Cantonese): Deputy President, Mr WU mentioned just now that SNOWDEN once said that freedom of speech and safety were very important. In fact, SNOWDEN came to Hong Kong this time around mainly because he considers that Hong Kong is a place with freedom of speech, and the level of safety here is much higher than that in other countries. Speaking of freedom of speech, I think that SNOWDEN's remarks serve as a severe warning to those who often accuse Hong Kong of not being free enough, a blow that can awaken them. Even some Americans nowadays believe that Hong Kong is a relatively free and safe place.

In fact, many indicators in the world show that Hong Kong is relatively safe. One of the fundamental conditions for safe communities recognized by the World Health Organization (WHO) is the concern for high-risk groups, high-risk environments and vulnerable groups. Who are those belonging to the vulnerable groups? Well, I would like to first talk about the issue about women. Today, I have read three press stories about women. The first report is about a woman being assaulted. She returned home late at night, someone followed her to the

lift and patted on her shoulder. This incident may seem petty. But, when I turned to another page of the newspaper, I read that another woman who took a taxi home late at night was roped and robbed by the taxi driver. It is not mentioned in the press report whether she was indecently assaulted or what had happened. The third case is about a woman who initially had good relationship with her boyfriend. However, when the woman later wanted to break up with the man, the man kept harassing her and even raped her.

As such, a safe city means that people are living safely, but what is a city composed of? It is composed of tens of thousands of families. If anyone living in his own city feels unsafe on his way home or in his own home, it would be very terrible, much more terrible than anything else. Frankly speaking, statistics relating to Hong Kong's rape and indecent assault cases are lower than those of other places around the world, but the problem is that at present, the crime rate has kept rising as compared to that of the past. This is really terrible, as there are more and more such cases.

Let us look at the figures for 2012: among every 100 000 people in Hong Kong, there were only 1.73 rape cases, and the number of indecent assault cases was higher, being 21.36. With such figures, Hong Kong is actually much safer than other countries. But, compared with Hong Kong's own figures in the same period last year, the number of rape cases and indecent assault cases has increased by 33% and 5.7% respectively. From the indecent assault cases in recent years, we can see that almost 70% of such cases took place in public places, such as MTR train compartments. These places are of high-risk. In the past three years, the number of indecent assault cases inside MTR has increased year by year, and the youngest victim was only four years old.

Therefore, the Government should urge operators such as the MTR Corporation Limited (MTRCL) or bus companies to set up more cameras as far as possible, so as to monitor the situation inside compartments, and expose people who intend to assault others. The MTRCL may even consider setting up independent compartments for use by women. This is because according to the research of some American psychologists, people with sexual assault experience have higher tendencies to commit the crime again than other criminals. This means that one who has once sexually assaulted others may do so again; he has grown accustomed to or obsessed with committing the crime for a second or third time. For this reason, it is very important to take preventive measures.

In addition, Deputy President, apart from the increase of cases of rape and indecent assault, I would also like to talk about the problem of elder abuse. This is because the number of such cases has also increased drastically in recent years. The Against Elderly Abuse of Hong Kong received 1 450 cases seeking help in the first half of the year, representing an increase of 250 cases against the same period last year, and a percentage increase of nearly 20%. Therefore, I think it is the responsibility of the Government to do more for the safety of elderly persons and women of Hong Kong.

Thank you. I so submit.

DR KWOK KA-KI (in Cantonese): Deputy President, undoubtedly, Hong Kong is a fairly safe city on the surface. However, as the original motion has pointed out, the China Institute of City Competitiveness has already excluded Hong Kong from its ranking list on China's safest cities.

Indeed, major and minor accidents have occurred in Hong Kong last year. The large number of such accidents and their great impacts have definitely aroused our concerns. Last year, the Lamma Island ferry collision was one of the incidents which greatly distressed Hong Kong people. We also have the feeling that the Government has neither fulfilled its duties nor conducted any serious review after the incident. The Director of Marine's handling of the incident upon the release of the investigation report has given Hong Kong people the feeling that this city is even more unsafe. The reason is not merely attributed to the accident itself, but also the government officials' sense of accountability and sincerity in conducting a review after the accident, as well as the lack of any practicable remedial measures. All these cannot make us feel at ease.

After the release of the report, the Government chose to investigate the incident by its own officials. Of course, owing to the great pressure, the Government has decided that the investigation would not be conducted by the Marine Department but by the Permanent Secretary of the Bureau instead. But again, this does not make us feel comfortable since that is merely old wine in new bottle. In fact, last year's accident made the public deeply feel that some seemingly safe public services are in fact unsafe. After the incident, many reports have focused on ferry services which are used by the public every day and found that the situation has not improved. Many passengers are still completely ignorant of the basic life-saving equipment and the means of escape. Do we

want to see a recurrence of such unfortunate accident in Hong Kong which has led to the loss of dozens of lives?

Today, the Secretary for Labour and Welfare has not attended the meeting to listen to Members' speeches. Frankly speaking, many people have mistakenly thought that industrial safety has improved. But in fact, over the past few years, apart from a slight drop in the number of industrial accidents in 2000, an upward trend was seen again in 2001. What worries us is that in the next five to 10 years, the Government will carry out more large-scale projects. Many projects that could easily lead to fatal accidents or injuries will be carried out and strived for early completion in the next few years. Various projects, such as the extensions of the MTR, the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the Hong Kong-Zhuhai-Macao Bridge, as well as various infrastructure projects, have already commenced, we find it necessary to review the safety protection for workers. We have repeatedly stressed that in the face of the present situation of industrial safety, there is no excuse for us to shun responsibility.

Since 1970s, the number of industrial accidents in Hong Kong, including deaths and injuries, has really been decreasing. However, government officials must not be complacent. It is because, firstly, our manufacturing industry has gradually moved northward. Moreover, most of the accidents that happen nowadays involve the service sector and construction sites. The number of serious accidents in construction sites and even the number of casualties have not reduced significantly. We are worried that these figures will increase rather than decrease in the years to come. As for accidents in industries including the catering and logistics, the number remains on the high side in recent years. The Government responded that adequate inspections had been carried out. If inspections are adequate, why does the number of accidents still go up?

Secondly, as we all know, the Government has rigged the figures of industrial injuries. It is a well-known fact that the Government does not encourage workers to report sick leave on injuries for not more than four days. Therefore, as the figures have been rigged by the Government, it is tantamount to sweeping something that ought to be seen under the carpet. It would not be beneficial to the situation.

On the other hand, I would like to talk about the safety problem involving fresh water and food that all people have to face. A few days ago, we learnt from the press that people in the Mainland used nitrites to make preserved eggs.

As large quantities of food are imported from the Mainland every day, we should remember incidents concerning malachite green, big-head babies and fake infant formulae in the Mainland. Although the Government has introduced a number of remedial measures, many people still do not find foods imported from the Mainland safe. As regards fresh water, though the Government has repeatedly emphasized that remedial measures have been implemented to protect the water source from the Dongjiang River, if you have a chance to visit the source of the Dongjiang River, you will find that many factories are discharging sewage directly into the Dongjiang River Basin.

Hence, in our eyes, Hong Kong is only a safe city on the surface. There is still room for improvement in respect of the industrial sector, food, water, and even some important measures for protecting public safety. We very much hope that the Government can really learn from its mistakes and formulate afresh more appropriate safety policies in response to the occurrence of numerous accidents and incidents.

I so submit.

MR LEUNG KWOK-HUNG (in Cantonese): Deputy President, Dr CHIANG Lai-wan is not in the Chamber at the moment. According to the psychologists, the chance of a rapist committing the same crime again is very high. So, a separate compartment should be reserved only for women. Taiwan has already implemented such measure to protect women. Why cannot Hong Kong do the same? The reason is very simple. In Hong Kong, the MTR Corporation Limited (MTRCL) is a monopolized corporation. The MTRC has been resisting public monitoring or trust in the pretext of a listed corporation. I really do not understand why the Government has insisted on selling over 20% of the shares of the MTRCL. I further do not understand why the Government keeps on saying that the MTRCL has all along been a private company. I have pointed out many times that the Government is the major shareholder of the MTRCL. If the Government announces that starting from the next financial year, the MTRCL will keep 20% of its profits for construction fund, 23% for price stabilization fund, 10% for accident compensation fund and the remaining portion for public refund, I am sure that the shareholders of the MTRCL will instantaneously dump their shares. In doing so, the Government can buy back the shares of the MTRCL right away. Am I right?

However, I actually do not want to discuss this problem. Let us return to the subject under discussion. It is not the first time that the Government uses public power to feed a monster which eats up the people of Hong Kong. All public utilities in Hong Kong are the same. In one case, after building the relevant facilities, the Government handed over the business to someone else to operate. Another situation is to follow the old practice of the British Hong Kong Government. The British Hong Kong Government was a colonial government which refused to take up any responsibility. It would rather let the conglomerates run public utilities service. The British is renowned for this. They handed over public utilities, public transport and financial system to the rich compradors for operation, totally ignoring the hardships of the people. However, after the reunification for 15 years and these deep-rooted problems LEUNG Chun-ying has often mentioned the deep-rooted problems. He is not persuasive at all.

Do you know what I want to convey? Psychologists say that a rapist has a high probability of committing the same crime again. Do liars have the same tendency? Liars are highly probable to lie again Look into my eyes, Secretary CHAN. Look into my eyes, Secretary for Security. What is the price for lying? A rapist has to use violence and will be very shameful once arrested. A liar who keeps telling lies does not have to pay a price. Why do I say so?

Hong Kong has now become an unsafe city all because of the incapacity of "689" LEUNG Chun-ying. Secretary, you are the least evil among the five demons. But you had also said that you did not know which building had "sub-divided units". "Pour muck" LAM is one of the same kind. Although MAK Chai-kwong was a good guy, he had stepped down. Barry CHEUNG Secretary, please look into my eyes when I questioned you face to face in late January, Dr CHIANG Lai-wan gave me a dressing-down. When I asked whether you were aware of the financial dilemma of Barry CHEUNG, you refused to answer. While I shouted at you in this Chamber, I was being rebuked by another Member, the video clip of which was uploaded on the Internet and has subsequently attracted hundreds of thousands of viewers. Did you only see me quarrelling with "Yuen Chau" and did not hear what I had said? When you lied in saying that you knew nothing, did you really not have a tinge of shame? I am a nobody in the official circle, yet I have still heard rumours that Barry CHEUNG had great financial troubles, that he was heavily in debt and that he accepted low interest rate loans from property developers. He

is working as the Chairman of the Urban Redevelopment Authority (URA). Secretary, are you pretending that you know nothing or do you really have no idea? How can you, in the capacity as the Secretary for Development, still recommend him to be the Chairman of the URA? What is wrong with you? Is it not a terrorism organization? What makes it even worse is that this organization is operating around the clock. Hong Kong Marine Department is the same; it just never admits any mistakes. All in all, the Government is never willing to take up any responsibility because it is afraid of civil litigations. Does the Government not have money to make compensation? The Government had, out of some mysterious reasons, made an enormous compensation to someone, right? The Government spent a handsome amount of money each time to "rescue the market", right? Secretary, it seems that you are involved in such acts.

Deputy President, we have pointed out that Hong Kong is not safe in many aspects. But it is the duty of the governing officials to ensure that we can live safely and peacefully. We understand that some safety problems are the acts of God and are unavoidable. However, if the governing officials have tried their best, people would at least feel a little bit better when they walk on the street each day, right? The people of Hong Kong are now "in big trouble" because of this.

Let me tell you, Secretary for Security. TSANG Wai-hung only knows arresting and prosecuting me. But nobody was arrested in the chaos and fighting caused by the Caring Hong Kong Power. How can we talk about safety? The relevant video clip has been uploaded on YouTube for viewing. How should the incident be handled? The Television Broadcasts Limited also did not want to go to court. They only said that what we saw on television was what had happened. Even the defense lawyer agreed not to raise any dispute. Did you really not see the video clips on YouTube? Do you want me to email the hyperlink to you? How come you do not arrest the person in question, but arrest me instead? I was sentenced to two-month imprisonment. On the other hand, the *Apple Daily News* had identified the person involved in the violence. But the police had taken no action to arrest him. How can we say that Hong Kong is safe? They even said that we were violent. What a "shit-eating" accusation! For those who accused me of using violence when opposing the replacement mechanism, can you come forward out and say something? Are they out of their minds? Why is it so? It is because the governing officials are prejudicial. People sided with them are friends while those not sided with them are enemies. Those in power are so politically minded that opponents should be hammered. The rich

have the maximum power. The more money you have, the more power you will possess. The more power you possess, the more money you will have. What can we do? The Communist Party is stirring up troubles in Mainland China and we should be sorry for not taking to the streets on 1 July. We must take to the streets on 1 July in order to make Hong Kong a safer place.

MR YIU SI-WING (in Cantonese): Deputy President, Hong Kong has all along been one of the safest cities in the world. According to the 2012 Prosperity Index published by the Legatum Institute of the United Kingdom, Hong Kong's ranking in safety and security has risen significantly from 18th in 2011 to fifth. The overall crime rate of Hong Kong was 1 064 cases per 100 000 population in 2012, which is far lower than other major cities such as London, Tokyo, Toronto, New York and Paris. The law and order of Hong Kong is the basis on which we receive visitors and attract investments, and is a competitive edge that must be recognized.

In my opinion, if we simply look at the ranking list on China's safest cities released by the China Institute of City Competitiveness and conclude that Hong Kong is not a safe city, it would be too one-sided and unfair. One of the features of a safe city is that there are no particularly serious safety incidents in the year. In 2010, Hong Kong was top on the list. But then in 2011 and 2012, the Fa Yuen Street fire and the Lamma maritime disaster had caused Hong Kong's ranking to drop to below 30. Nonetheless, we cannot conclude that the overall safety environment of Hong Kong is deteriorating. After consolidating and comparing various figures, I hold that Hong Kong is still one of the safest cities in China and even the world.

Yet, there is one thing which is worthy of our reflection. The spate of incidents that happened in recent years appeared to be "accidents" on the surface, yet it has actually reflected the potential safety problems associated with the ageing buildings, ageing facilities and ageing population. The authorities must look squarely at these hazards and actively address them.

Firstly, it is the safe living. Apparently, the heavy casualties caused by the collapse of tenement buildings in To Kwa Wan and the tragic fire at Fa Yuen Street were associated with the ageing buildings and lack of fire escape facilities. Although the Buildings Department has launched the mandatory building and window inspection schemes targeting old buildings since June 2012, the coverage

of the schemes is only confined to unauthorized building works located in common areas and external walls and does not cover the interiors of flats. Thus, the effectiveness is yet to be known. The exorbitant property prices and rents have made "sub-divided units" not only the choice of low-income families, but also the single youths. To increase revenue, some unscrupulous property owners have disregarded building safety and partitioned their units to provide independent kitchens and toilets. Interior structural walls have been removed and the floor platform raised for embedding drains and water pipes, which have imposed additional burden on the buildings. Worse still, the electrical wirings are messy and fire escapes are obstructed. Thus, the safety problems have gradually surfaced, which are pretty worrying. I hope that the authorities will not see the inspections as a formality but will seriously enforce the law.

Secondly, it is the safety of public facilities. The findings of the inquiry into the Lamma maritime disaster were very shocking. The sinking of Marine Department's surveying vessel, Hydro 1, 13 years ago due to a hole on the watertight cabin has failed to draw serious attention. The sinking of both Hydro 1 and Lamma IV does share some similarities, both attributable to the loss of function of the watertight cabin. If the authorities can identify the cause of the problem, conduct a review and promptly formulate the relevant measures, the ending of the maritime disaster may be completely different. Furthermore, on 7 April 2013, an air bridge collapsed at the Chep Lap Kok Airport, injuring one worker and damaged a Cathay Pacific plane. Although the accident has not resulted in heavy casualties, it has reflected the ageing public facilities at the airport. The authorities must learn the lesson and make immediate associations by identifying the potential hazards of various public facilities throughout the territory, so as to avoid the recurrence of catastrophic accidents. The loss of 39 valuable lives in the Lamma maritime disaster is indeed a lesson too painful to learn.

Lastly, it is the transport safety. According to the findings of a survey conducted by the Occupational Safety and Health Council on the health conditions of professional drivers in 2010, 52% of the interviewed drivers indicated that they had been indisposed over the past three months, and 39% of non-franchised bus drivers felt dizzy or fell asleep while driving; among them 52.9% only slept for five to six hours a day. Between 2009 and 2012, investigation of traffic accidents by the police showed that 55 cases might be related to poor health of drivers. At present, franchised bus companies require bus captains aged 50 or above to undergo annual body check. And yet, many

drivers of non-franchised buses, public light buses or taxis are still not mandatorily required to undergo body check. Among them, coach drivers have the longest working hours under poor working environment. Even though employers are willing to enhance the remuneration package, it is difficult to attract young entrants. In the face of the ageing problem of professional drivers, the authorities proposed to amend the law to lower the age at which drivers are mandatorily required to undergo body check to 60. I support this proposal. Also, they proposed that the employers and employees should negotiate for a more satisfactory working time schedule so that professional drivers will have sufficient rest time, thereby minimizing the safety problems arising from long driving hours.

Hong Kong is a metropolis, but behind the prosperity is the indisputable fact that both the people and the facilities are ageing. The authorities must look squarely at this problem and should not let our thinking and measures grow old. Instead, they must practicably and seriously identify solutions and prevent the recurrence of the tragedy.

Deputy President, I so submit.

MS CYD HO (in Cantonese): Deputy President, the concept of a safe city actually originated in 1989 when it was initially developed by delegates from different countries at Stockholm. It aims to prevent accidents and casualties arising from accidents. It has a very important underlying concept, and that is, everyone must be fairly treated, and the entire community must engage in the formulation of certain policies to create a safer environment for the city where we live. The safety which we are discussing has an extensive coverage, including homes, workplaces, schools, sports ground and public space. If in terms of groupings of people, it would mean paying special attention to vulnerable people, elderly persons, children, women and persons with disabilities, so as to protect them from the threat of crime and violence as well as self-injury, thereby minimizing the suicide rate. Of course, more importantly, it is the contingency and disaster-relief measures that have to be put in place when the city is facing disasters.

Deputy President, the abovementioned issues are very important and they all stem from the issue of governance. The Manifesto for Safe Communities issued back then contains six requirements, including good governance; the

design of safe infrastructure jointly by different stakeholders in the community; the formulation of long-term and sustainable policies covering both genders and all ages. One requirement that is worthy of our reference is the proper documentation of the causes and frequency of injuries, and the purpose of which is certainly to identify the causes of the accidents that have caused casualties, with a view to addressing the problem.

Regrettably, work in this respect has been extremely insufficient in Hong Kong. Judging solely from the proper documentation of injuries which I have just mentioned, as many organizations have pointed out in the earlier discussion on child safety, the Government has been reluctant to hold death inquests for child death cases. And, data showed that in many cases, the children were brutally tortured to death by their close relatives. If no death inquest is held to follow up on the domestic violence cases for the sake of protecting the children and identifying the causes of the tragedies, the Government could easily evade its responsibilities. I hope that the Government's refusal to maintain the relevant record is not to evade its responsibility, but the objective consequence is certainly a recurrence of cases where children were brutally tortured to death due to a lack of systematic research and documentation.

Deputy President, the Government did formulate some good policies to enhance urban safety, and the most well-known one is the public housing policy. It originated from the tragic fire in Shek Kip Mei, which had made the Government determined to build the resettlement area, a safer accommodation for squatter residents. And yet, after some 40 years, the same problem surfaces again. Some people are still living in "sub-divided units" where the electrical wirings are messy and the staircases are piled up with miscellaneous items. In case there is a fire, the residents will be stranded and lead to tragedies with heavy casualties. While our city has become better off, dangerous living environment can still be found. We cannot help asking if there is anything wrong with our policies. Have we focused too much on the interests of the consortia and the property sector, which has resulted in high land price and continuous expansion of the problem of urban poverty, thereby pushing more and more people to live in such dangerous places as in the past?

These dangerous living places are not only for poor people. The Government has allowed some consortia and property developers to launch development projects under which toilets do not have windows. In order for each flat to enjoy sea view, it is recently found that in a housing estate, the toilets

of the master suites are designed to be self-contained and only installed with an exhaust system similar to that of hotels. Besides, all water pipes are sealed in the walls outside the units. The Government has not learned a lesson from the outbreak of SARS in 2003 and looked squarely at the need for ventilation for highly concentrated pollutants, but continued to approve building plans of this kind. As evident from the approval of building plans which create a living environment conducive to large-scale spreading of diseases, the Government has completely neglected the safe living of Hong Kong residents.

Regarding the industrial accidents caused by fatigue workers, as Members have said earlier on, there were incidents in which exhausted drivers died suddenly in the driver's seat. However, there were also many cases in which workers cut corners disregarding industrial safety and lost their fingers in an accident. Therefore, Deputy President, the dangerous environment does have something to do with the disparity between the rich and the poor, as well as the pro-business governance of the Government. To solve this problem, we must ensure that there is equity for public participation in policy formulation, through which a truly safe city can be built. Thank you, Deputy President.

DR PRISCILLA LEUNG (in Cantonese): Deputy President, I learnt from today's news report that another Mainland tour has traffic accidents in Taiwan, which killed the tourist guide and injured more than 20 people. The earlier incident of hot air balloon crash in Egypt is still unforgettable to Hong Kong people, in which some Hong Kong visitors were burnt to death in a hot air balloon in Egypt. The Philippines hostage incident has even left a very painful memory for us.

Imagining that Hong Kong is relatively safer than the abovementioned places, we have all along thought that Hong Kong is a safe place to many people. However, the tragic fire at Fa Yuen Street, the building collapse in To Kwa Wan, the Lamma maritime disaster as well as the "618" landslide incident which happened long ago, have tolled an alarm bell for many visitors and Hong Kong people that Hong Kong does have various safety problems.

(THE PRESIDENT resumed the Chair)

According to a colleague, the fact that Hong Kong has been excluded from the ranking list on China's safest cities may not truly reflect the reality. I nonetheless consider such ranking lists a reminder. Some of us probably do not or are reluctant to believe that Hong Kong has been excluded from the ranking list, thinking that this is impossible. But to me, should we first reflect on ourselves why we will soon or have been excluded from the ranking list on China's safest cities?

Hong Kong has all along imagined itself to be superior to other Mainland cities, but the fact is that we have not only been excluded from the ranking list of competitiveness, but also the ranking list of safety. According to those ranking agencies, Macao, Shenzhen and Taipei are superior to Hong Kong. I would see this as a scourge and it is worthwhile for us to reflect upon ourselves.

As many colleagues have just said, the tragic fire at Fa Yuen Street might involve the issue of "sub-divided units" or fire safety facilities, or probably building structure, as in the case of building collapse in To Kwa Wan. I remember that when the Government submitted the relevant report back then, I have described it as a "three-nots" report, namely "not responsible", "not serious to the problem" and "not acceptable".

The Lamma maritime disaster has actually revealed another problem: Apart from the environmental and safety problems caused by natural or man-made disasters, is our bureaucratic structure also full of problems? For example, in the building collapse incident at Ma Tau Wai Road, the Buildings Department had already sounded alarms before the incident. Some dangerous flats have received warnings time and again in these few years, but no action has ever been taken by the authorities and the matter was then shelved. The building concerned precisely belongs to this category.

Again, the Lamma maritime disaster reveals that Hong Kong people are very complacent and there are problems which they have never thought of. And, touch wood, no one would have imagined to see a maritime disaster in Hong Kong. Looking at the existing compensatory schemes of the Social Welfare Department, it can be seen that the Government has never imagined a maritime disaster like this happening in Hong Kong.

The existing assistance schemes include the Traffic Accident Victims Assistance Scheme, Criminal and Law Enforcement Injuries Compensation

Scheme and Emergency Relief Fund. These are standing schemes providing financial assistance to the victims. What is the coverage of the Traffic Accident Victims Assistance Scheme? It covers victims of road traffic accidents, but not maritime disasters, and their families. The Emergency Relief Fund, on the other hand, requires that financial assistance be provided only to persons in need of urgent relief as a result of flooding, fire, typhoon, landslide or other natural disasters, and it also does not cover major disasters like the Lamma maritime disaster.

All these assistance schemes have not taken into consideration the possibility of crisis. I do not want to dwell on what else may come, but judging from the narrow coverage of the abovementioned funds and assistance schemes, we can see that the Government has not foreseen any major security crisis in other areas. More sarcastically, the Disaster Relief Fund established by the former Legislative Council in 1993 through a resolution requires that all grants should confine to humanitarian aids within Hong Kong.

I eagerly hope that the authorities will learn from the painful lessons of the tragic fire at Fa Yuen Street and the Lamma maritime disaster, and as I have proposed time and again in this Council, discard the narrow mindset by establishing a \$100 million emergency assistance scheme called "Emergency Contingency Fund" in respect of our environment, building structure, as well as transport and maritime disasters. In case there is any major or man-made disaster, prompt assistance can be provided to families of urgent needs. Only by so doing can we look at our security problems by breaking away from the traditional and bureaucratic mindset.

President, I so submit.

PRESIDENT (in Cantonese): To ensure that Members and the Secretariat are well-prepared, I decided that if the debate of this motion could end before 9.30 pm tonight, we will move on to the last item contained in the Agenda, that is, an adjournment debate. Otherwise, the adjournment motion will be debated when the meeting resumes at 9.00 tomorrow morning.

Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr CHAN Kin-por, you may speak on the various amendments. You may speak for five minutes.

MR CHAN KIN-POR (in Cantonese): President, today, a total of four Members have proposed amendments to the motion. Mr TANG Ka-piu has included the element of occupational injury; Mr Charles Peter MOK has included the element of network security; Ms Claudia MO has included the element of infrastructural safety, and Dr Helena WONG has included the element of women safety. I support all these amendments and thank them for their valuable opinions on today's motion.

Thank you, President.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I wish to thank Mr CHAN Kin-por and the other four Honourable Members again for proposing the motion and amendments, so that we have the opportunity to discuss thoroughly ways to build a safe city.

As I have pointed out in my opening speech, transport safety and the effective operation of public transportation system are prime factors of city safety. In terms of handling transport incidents, the Emergency Transport Co-ordination Centre of the Transport Department (TD) and the Maritime Rescue Co-ordination Centre of the Marine Department operate round the clock each day. In case an incident occurs, the above co-ordination centres will closely liaise with other relevant government departments and organizations including the Police Force, Fire Services Department, Government Flying Service, Hospital Authority, and so on, in order to carry out speedy response and rescue operations, and make corresponding arrangements for emergency transport and public transportation services. Regarding incidents relating to civil aviation and aircraft accidents, the Hong Kong International Airport already has a set of mature contingency system and measures in place to deal with them.

Hong Kong waters are teeming with maritime traffic. For example, in 2011 and 2012, the number of vessel arrivals averaged over 200 000 annually, while the numbers of marine incidents averaged around 300 per year, or less than 0.15%. Considering the busy maritime traffic of Hong Kong, this percentage is not particularly high. But of course, it does not mean that the Government

should be complacent, particularly in view of the Lamma Island collision incident last year, which sounded a loud and clear alarm for the Government's work in maintaining maritime safety because even one accident is too many.

All along, the SAR Government, including the Transport and Housing Bureau under my charge, has placed great emphasis on protecting the personal safety of members of the public. Therefore, we are now following up the recommendations made by the Commission of Inquiry into the Collision of Vessels near Lamma Island in its report by conducting a systemic review and implementing various reform measures in order to ensure navigational and passenger safety.

At present, ocean-going vessels at berth in Hong Kong must comply with the safety standards prescribed by the International Maritime Organization and undergo stringent inspections, in order to ensure their navigational safety. Regarding local vessels, the Government is also proactively discussing with the local passenger-carrying industry various reform proposals and measures with the following major objectives: (a) To raise the professionalism of coxswains and enhance their technical training; (b) To improve the appliances and communications equipment on board; and (c) To raise the statutory standards or safety requirements in order to comprehensively enhance the overall maritime safety standard of Hong Kong in the long run. While the industry generally agrees that safety is an important consideration, it worries that some recommendations may create pressures on the operation of local vessels. The authorities will continue to discuss with the industry and strive for the early formulation of practicable and feasible implementation proposals.

Over the past five years, the number of road accidents has been maintained at about 15 000. As I mentioned in my earlier speech, one of the many past initiatives undertaken by the Government was to combat certain driving behaviour which threatened public safety, such as drink driving, drug driving, red-light jumping, speeding, and so on. In addition, the Government will also enhance road safety through improving road design, organizing various publicity and education activities, and so on, so that the level of road safety will be raised to safeguard the safety of road users.

Recently, some recommendations have been made by the Audit Commission for enhancing safety awareness and measures, as well as improving

the accuracy of traffic accident data. The Government will follow up respectively.

In view of the fatal bus accident at Chai Wan Road in November last year, the TD is stepping up monitoring on the operation of franchised buses, and actively reviewing the relevant health check arrangements of bus captains with franchised bus companies. It is hoped that such work will be completed by this year. Besides, the TD is also reviewing the health check requirements for the issuance and renewal of the relevant driving licences.

Regarding railway safety, during the three years from 2010 to 2012, the number of MTR accidents involving passenger injuries averaged about 1 300 annually, including those in which passengers or members of the public tripped or lost balance and fell. Of the accidents which happened over the past three years, two deaths were involved. Our request is that the MTR Corporation Limited should continue to provide safe and reliable railway services to the travelling public under the framework of existing legislation and Operating Agreement, while the TD and the Electrical and Mechanical Services Department will continue to monitor the service and safety performance of the MTR system.

Regarding aviation safety, over the past decade, no serious aviation incident has happened in Hong Kong. The Hong Kong International Airport has a solid reputation around the world for its high service and safety standards.

All in all, Hong Kong has excellent transport infrastructure. According to the 2012 Mercer Quality of Living Survey, Hong Kong ranks second in transport infrastructure in Asia (with Singapore ranking first), and sixth in the world. Just now, Ms Claudia MO pointed out that Hong Kong must ensure the safety of nearby residents when constructing major transport infrastructure. I very much agree to this point.

Indeed, one of the functions of constructing transport infrastructure is to improve the quality of living of the people. If public safety is endangered by any item of construction works, it will run against our goal of governance. Therefore, the Government will strive to supervise the construction process of major transport infrastructure in order to safeguard safety of buildings in the vicinity as well as public safety.

President, in his speech just now, Mr James TO had taken us through his somewhat philosophical journey of self-reflection. Please allow me to also indulge in a bit of self-reflection. Some Members have spoken about pressures of life and work, mental health, the concept of "home", and so on, I personally think that due to various reasons, our lives are being surrounded by more and more, as well as greater and greater pressures, so much so that people are filled with more hostilities and less understanding. Our society is far from perfect, and improvement is indeed required in many areas. Nonetheless, we should neither deny the achievements and efforts made by different sectors in the community, nor looked down on ourselves. We should not stop trying simply because the risks are still present.

Accidents can happen during the construction of infrastructure, while risks are involved in transportation. But it does not mean that we should stop developing infrastructure, or building roads and public transportation systems. But of course we should constantly enhance the awareness of safety and risks in society. As once said by a sociologist, modern society is actually a risk society.

Of course, materialistic safety does not mean spiritual safety. Various factors such as human relationships, ethical relationships, pressures of work, pressures arising from information and the Internet day in day out have all impacted on our sense of safety. If we do not have the care and attention of other people and if our privacy is not protected, we can never be safe, no matter how advanced technologies are and how abundant wealth is.

Mr James TO raised the questions about who should pay the price for safety, and how personal and social risks are to be allocated. These are in fact questions we as public officers or policy decision makers ponder on each day. Can the Government provide an absolute and categorical guarantee for safety in all aspects? Can safety in all aspects be guaranteed by enacting more and more legislation? Can safety in all aspects be guaranteed absolutely through additional oversight on the Government's part? These are all questions we ponder on every day. In terms of safeguarding overall safety, how can the relevant costs and responsibilities be shared out among different groups and stakeholders in order to avoid the so-called moral hazards in economics? This is also a question we must consider carefully.

President, I so submit.

SECRETARY FOR SECURITY (in Cantonese): President, thanks to Members for their speeches. I am going to make a consolidated response to Members' views.

Regarding the combat against technology crimes, I have briefly described the work of the Hong Kong Police Force (HKPF) in combating technology crime in my opening speech earlier. I wish to add that the Cyber Security Centre established under the Commercial Crimes Bureau of the HKPF has started operation in December 2012, and is now working around the clock to enhance the network security of Hong Kong. The four major areas of work of the Centre include:

- (a) Strengthen the HKPF's collaboration with other government departments and local and overseas stakeholders concerning cyber attacks against critical infrastructures;
- (b) In collaboration with relevant stakeholders, monitor the flow of data traffic of major critical infrastructure systems;
- (c) Analyse cyber attacks through the collection of related intelligence, and provide an immediate response where necessary; and
- (d) Undertake research and performing security audits. Furthermore, the Cyber Security Centre will also support the HKPF's daily operations in the prevention and detection of technology crimes.

President, I agree with a Member's view about the importance of the security of personal computers, which I also consider to be very significant. Relevant government departments will continue to appeal to the public to pay attention to the following important issues about network security when using the Internet, which include: avoiding visit to websites that are suspicious of malicious intent; refraining from downloading and installing programs from a dubious source so as to minimize the risk of computer products infected by computer viruses, and taking the following safety procedures, for example, setting and changing the personal password periodically and taking good care of personal data; if there is a need to store information by way of files, the files must be encrypted to minimize the risk of disclosure; installing and enabling the firewall programs; updating the computer's operating systems, files or patches periodically; installing anti-virus software and regularly updating the latest

definition files; scanning the computer with anti-virus software periodically to minimize the risk of computer infected by computer viruses, and be mindful of not using the same set of login password for different Internet accounts.

Network security is the concern of the entire community, thus the Government, the trade and all stakeholders must raise their awareness and adopt the necessary measures to protect network security.

As for crime detection, I would like to respond to the speeches made by Mr LEE Cheuk-yan and Mr CHAN Chi-chuen. I reiterated that the HKPF will not tolerate any cyber attack, and we will do our best to investigate every single case and deal with them fairly and justly.

As for sex crimes and protection for women, in order to prevent sex crimes in transport carriers, in addition to the work mentioned in my opening speech, the Railway Police District will make an analysis of such cases and deploy Task Force officers, in uniform or in plainclothes, to patrol in relevant areas to take arrest actions and prevent such cases. The HKPF will also continue to strengthen enforcement actions against indecent assault offences in the MTR and Light Rail during peak hours. The HKPF will hold anti-crime meetings with the MTR Corporation Limited from time to time in order to work out methods to fight against offences in the railway premises, and to raise public awareness of self-protection.

Concerning the HKPF's capability in handling sexual violence cases, in order to strengthen the capability of front-line police officers in handling sexual violence cases, training related to the handling of sexual violence cases has been incorporated into the training courses for police officers, including the Basic Training Course for new recruits and the Criminal Investigation Course. The HKPF will also organize thematic seminars where appropriate to enhance the professional sensitivities of front-line police officers and update their knowledge with the latest changes in laws and procedures. Procedures for dealing with sexual violence cases are now included in the Force Procedures Manual and the Criminal Investigation Manual for easy reference by front-line officers, and are reviewed regularly. The HKPF will continue to provide regular training for front-line police officers to ensure that victims of sexual violence are treated in a professional manner with sensitivity and empathy.

As for the enhancement of fire safety of old buildings, in order to upgrade the fire safety standards of old buildings, the Fire Safety (Buildings) Ordinance requires that composite and domestic buildings completed on or before 1 March 1987 must upgrade their fire safety standards. Since the Ordinance came into operation, the Buildings Department and the Fire Services Department (FSD) have been conducting joint inspections on target buildings and issued Fire Safety Directions to owners and occupiers, with a view to enhancing their basic fire protection measures. As at the end of May 2013, out of the approximately 9 000 old composite buildings in Hong Kong, the two departments have jointly inspected nearly 70% (that is, 6 200 buildings) and issued more than 110 000 Fire Safety Directions.

Furthermore, the FSD will continue to encourage the public to take part in the Fire Safety Ambassador Scheme and the Building Fire Safety Envoy Scheme. The FSD will provide fire prevention training for members of the public, building owners, residents and caretakers who take part in these schemes; encourage them to report fire hazards to the FSD; assist in enhancing people's fire safety awareness and organize fire drills in their buildings.

The FSD will continue to adopt a multi-pronged approach to enhance the fire safety of buildings through law enforcement, inspection, publicity and community engagement. Meanwhile, the FSD will continue to promote a fire safety culture in collaboration with various sectors in the community, with a view to abating fire hazard.

All in all, the Security Bureau and its departments will continue to do our best to protect the life and property of the people, and maintain Hong Kong's status as one of the safest cities in the world.

Thank you, President.

SECRETARY FOR DEVELOPMENT (in Cantonese): President, I thank Mr CHAN Kin-por for his motion and a few Members for their amendments. Members have just spoken on the issue of building safety and expressed their views on the Government's work in this respect. First of all, I would like to reiterate that in respect of building safety, the Government has done a lot of work since 2011. By adopting a multi-pronged approach, the Government has spared no effort to enhance building safety measures in respect of legislation,

enforcement, support and assistance to owners, as well as publicity and education. My colleagues in the Buildings Department (BD) have demonstrated great devotion in carrying out their duties.

In respect of legislation, the Mandatory Building Inspection Scheme (MBIS) and the Mandatory Window Inspection Scheme (MWIS) have been implemented since June 2012. The BD has started issuing pre-notification letters to the owners and owners' corporation of the first quarterly batch of target buildings selected for the MBIS or the MWIS, so as to alert them that their buildings have been so selected and give them ample time to get prepared for the future inspection that they will be required to arrange. The statutory notices on the MWIS had been issued in the third quarter of 2012 while the statutory notices on the MBIS had been issued in the first quarter of 2013. These two schemes covering tens of thousands of owners are still at the initial stage; we will constantly sum up experience, with a view to further improving the implementation of the schemes.

On enforcement, the BD will continue to vigorously enforce the law. In addition to actively dealing with complaints and reports, it will also carry out large-scale operations targeting unauthorized building works (UBWs), dilapidated buildings and "sub-divided units", so as to address issues related to building safety. It is worth noting that the BD has started conducting a stock-taking exercise of all UBWs on the exteriors of private buildings in Hong Kong in 2012. The BD is compiling the results of this exercise and the work is expected to be completed within this year. I believe that these stock-taking results will help the BD enforce the law more effectively.

Regarding building safety, I agree with the points made by Members that we should plan ahead and should not wait until accidents have occurred to take remedial actions. However, I must point out that we had responded rapidly after the occurrence of unfortunate building safety incidents and we have taken preventive measures to prevent the recurrence of similar accidents. After the Ma Tau Wai Road building collapse incident in 2010, the BD inspected over 4 000 buildings aged 50 years or above throughout the territory that year to ensure the safety of these buildings. In response to the recommendation given by the Coroner's Court, the Government has conducted a comprehensive review on the procedures and mode of operation of building safety enforcement, and the results have also been assessed by the experts appointed by the Development Bureau. As I have commented at the beginning of this motion debate, the DB has

immediately adjusted the criteria for the selection of target buildings under the large-scale operation. Moreover, in the middle of this year, it has launched with the Fire Services Department a large-scale joint action to inspect the public means of escape of around 6 500 old buildings throughout the territory, so as to reduce the risk of fire.

Concerning the assistance to the owners, the Government has jointly launched with the Urban Renewal Authority (URA) and the Hong Kong Housing Society (HKHS) a number of financial and technical assistance schemes, including the Operation Building Bright (OBB), the Building Maintenance Grant Scheme for Elderly Owners and the Integrated Building Maintenance Assistance Scheme, under which the owners can be given appropriate assistance on the basis of different needs. Over the past few years, we have continuously launched new schemes and improved the existing schemes. For instance, in light of the implementation of the MBIS, the Government had launched in mid-2012 the Mandatory Building Inspection Subsidy Scheme to provide financial assistance to eligible owners.

Mr CHAN Hak-kan has just asked if the Government will consider the implementation of a new round of the OBB, I wish to say that building maintenance is basically the responsibility of the owners and requires consistent efforts. The OBB is a one-off special scheme. As the Government's contribution has increased to \$3.5 billion, we do not have any plans to launch a new round of the OBB. Even so, as I have mentioned a while ago, the BD, the HKHS and the URA will continue to provide financial and technical assistance to needy owners through other existing schemes, so as to promote building repair and maintenance.

I have spoken earlier on the legislative work related to "sub-divided units". As at mid-May this year, the BD has received approximately 800 applications under the Minor Works Control System (MWCS) to carry out of works related to sub-divided units. As more owners will carry out works related to "sub-divided" units under the MWCS in the future, we estimate that the safety of "sub-divided" units will be enhanced.

From July 2012 to late April 2013, the BD had applied for court warrants on six occasions for entry into six private premises for investigation and enforcement under the Buildings Legislation (Amendment) Ordinance 2012 enacted last year. In fact, quite a number of owners are willing to co-operate

with the BD when they realize that the BD will apply for court warrant to enter the premises. The legislation greatly facilitates the enforcement work of the BD, especially its work targeting indoor UBWs such as "sub-divided units". The BD will continue to make efforts on enforcement actions to combat unauthorized works in "sub-divided units".

In March this year, the BD launched a six-month publicity programme targeting "sub-divided units in industrial buildings". In particular, the BD has placed advertisements on public transport serving areas where industrial buildings concentrate such as Kwun Tong, San Po Kong and To Kwa Wan. Publicity pamphlets were also distributed to enhance awareness of the public, especially the residents concerned, about the safety of sub-divided units for residential purpose in industrial buildings.

President, Ir Dr LO Wai-kiok has expressed concern about safety of the construction sector and the manpower resources of the industry. I would like to tell him, as far as training is concerned, the Development Bureau is closely monitoring the manpower demands of the construction industry. For many years, the Vocational Training Council has organized related courses under the Craft Apprenticeship Scheme to cultivate new blood for the industry. In the past three years, 120 persons had completed the relevant courses and joined the lift and escalator industry. According to the information provided by the contractors, 45 registered contractors had trained 450 new trainees under the training programme for lift and maintenance workers in the past three years.

To strengthen training of lift industry workers, we have implemented through the Construction Industry Council (CIC) the Contractor Cooperative Training Scheme for the electrical and mechanical engineering workers in the construction industry, including lift and escalator workers. Subsidies are provided to young people who wish to work as electrical and mechanical engineering apprentices after completion of the Basic Craft Training Courses of the Vocational Training Council, in order to increase manpower resources for electrical and mechanical engineering work in the construction industry.

Ir Dr LO Wai-kiok is also concerned about whether the Electrical and Mechanical Services Department (EMSD) has adequate manpower. I would like to tell Members that the EMSD currently has adequate manpower for inspection and enforcement. In particular, we have reviewed the risk-oriented inspections, and will, in the course of inspection, consider the types and age of

lifts, as well as the maintenance service provider's track record to adjust the frequency of inspections. Moreover, we will closely examine the situation and will increase corresponding resources where necessary.

Mr Tony TSE has just mentioned about safety in the construction industry, and we are also very concerned about this issue. It is because, in the past few years and the coming few years, the expenditures on infrastructural investment will remain at high levels and there is a huge demand for construction workers, thus accidents may happen more easily. On 27 May, the CIC and the Development Bureau jointly organized the Construction Safety Week. In the morning on that day, 20 000 to 30 000 workers from construction sites throughout Hong Kong participated in the Zero Accident Declaration Ceremony. This is not simply a slogan but an achievable task. In the past year, 80 completed public works projects had recorded zero accident. Through education and training, we wish to improve the safety awareness of construction workers and appropriate incentives, including the Considerate Contractors Site Award Scheme and other complementary schemes, will be provided to encourage construction workers to pay attention to safety and carry forward the spirit of mutual concern and care, so that all of us would have a safe working environment.

President, the protection of building safety is one of the foci of the work of the Development Bureau. The Government will continue to adopt a multi-pronged approach, to proactively strengthen at different levels the measures to enhance building safety in Hong Kong. The measures we adopted uphold the principles of promoting the "Safe Community" concept, and emphasizing participation by all people. In addition to relying on legislation and enforcement, we also put emphasis on enhancing public awareness of building safety, to help owners to better fulfil their responsibilities for building maintenance and ensuring building safety. With the concerted efforts of the owners, the Government and the partners, we believe that building safety in Hong Kong will be constantly improved.

I so submit, President.

PRESIDENT (in Cantonese): Mr TANG Ka-piu, you may now move your amendment to the motion.

MR TANG KA-PIU (in Cantonese): President, I move that Mr CHAN Kin-por's motion be amended.

Mr TANG Ka-piu moved the following amendment: (Translation)

"To add ", although" after "That"; to delete "but" after "Hong Kong is a safe city,"; to add "such as the frequent occurrence of occupational injury cases," after "one after another"; and to add "including occupational safety legislation and the relevant employees' compensation legislation," after "relating to city safety,"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr TANG Ka-piu to Mr CHAN Kin-por's motion, be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr Charles Peter MOK, as Mr TANG Ka-piu's amendment has been passed, you may now move your revised amendment.

MR CHARLES PETER MOK (in Cantonese): President, I move that Mr CHAN Kin-por's motion as amended by Mr TANG Ka-piu be further amended by my revised amendment.

Mr Charles Peter MOK moved the following further amendment to the motion as amended by Mr TANG Ka-piu: (Translation)

"To add "on the other hand, as Hong Kong's infrastructure and the daily operation of the society largely rely on computer systems and the Internet, there will be dire consequences if such systems are under malicious attacks; in this connection, this Council also urges the Government to re-activate the Inter-departmental Working Group on Computer Related Crime, which was established in 2000 but subsequently ceased operation, to conduct a fresh review and implement relevant follow-up work regarding the changed cyber environment and possible information system security threats;" after "enhance city safety;"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Charles Peter MOK's amendment to Mr CHAN Kin-por's motion as amended by Mr TANG Ka-piu be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Ms Claudia MO, as the amendments of Mr TANG Ka-piu and Mr Charles Peter MOK have been passed, you may now move your revised amendment.

MS CLAUDIA MO (in Cantonese): President, I move that Mr CHAN Kin-por's motion as amended by Mr TANG Ka-piu and Mr Charles Peter MOK be further amended by my revised amendment.

Ms Claudia MO moved the following further amendment to the motion as amended by Mr TANG Ka-piu and Mr Charles Peter MOK: (Translation)

"To add "the authorities must also ensure that large-scale infrastructure will not impair the structure of nearby buildings, so as to protect the safety of residents;" after "follow-up work;"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Ms Claudia MO's amendment to Mr CHAN Kin-por's motion as amended by Mr TANG Ka-piu and Mr Charles Peter MOK be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Dr Helena WONG, as the amendments of Mr TANG Ka-piu, Mr Charles Peter MOK and Ms Claudia MO have been passed, you may now move your revised amendment.

DR HELENA WONG (in Cantonese): President, I move that Mr CHAN Kin-por's motion as amended by Mr TANG Ka-piu, Mr Charles Peter MOK and Ms Claudia MO be further amended by my revised amendment.

Dr Helena WONG moved the following further amendment to the motion as amended by Mr TANG Ka-piu, Mr Charles Peter MOK and Ms Claudia MO: (Translation)

"To add "and the effective measures of the United Nations Development Fund for Women for protection of women in cities around the globe to incorporate the issue of women's safety into town planning," after "the concept of the World Health Organization's 'Safe Community' project"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Dr Helena WONG's amendment to Mr CHAN Kin-por's motion as amended by Mr TANG Ka-piu, Mr Charles Peter MOK and Ms Claudia MO be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr CHAN Kin-por, you may now reply and you have two minutes 58 seconds.

MR CHAN KIN-POR (in Cantonese): President, I must thank various Honourable Members who have spoken on the motion. I can hear the great passion about Hong Kong expressed by many Honourable Members in their speeches, and they have put forward many useful suggestions on various issues relating to city safety of Hong Kong.

Although several Members have seized the opportunity to speak about other topics, I particularly want to respond to the views expressed by Mr James TO. I understand what he meant by saying that we have a price to pay in order to minimize risks, but regarding his statement that nobody will take out insurance if there is no risk at all, while I am extremely grateful to Mr TO for his concern about the insurance industry, I very much want him to understand that we are now talking about mega tragedies causing several tens of casualties, as well as incidents that happen each year, resulted in heavy casualties. As the saying goes, human life is priceless, and losing one's family members is the most painful experience in life. I am sure that it is the earnest hope of the insurance industry that Hong Kong can become a safer city with fewer accidents.

The Secretary for Transport and Housing, the Secretary for Security as well as the Secretary for Development have attended this motion debate on behalf of the Government, and it clearly illustrates the importance the Government attaches to this subject matter. I hope the Government will, apart from attaching importance to this motion, also take on board the useful suggestions raised by Honourable Members.

Lastly, I urge Honourable Members to support the motion and join hands to promote the formulation of a safe city policy by the Government. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr CHAN Kin-por, as amended by Mr TANG Ka-piu, Mr Charles Peter MOK, Ms Claudia MO and Dr Helena WONG, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): It is now 9.07 pm, and the meeting will continue until the last item of business on the Agenda be dealt with.

PRESIDENT (in Cantonese): The seventh Member's motion is an adjournment motion.

Under Rule 16(6) of the Rules of Procedure, I have determined that if at the expiration of 75 minutes from the moving of this motion, there are still Members who wish to speak, I will extend the period of the debate until all Members who wish to speak have spoken, and the public officers have given replies.

As regards the speaking time, each Member (including the mover of motion) may speak for up to five minutes. The speaking time limit for the public officers making replies are 15 minutes in total.

It is now 9.08 pm. The debate will now begin.

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

I now call upon Mr Andrew LEUNG to speak and move the motion.

MOTION FOR THE ADJOURNMENT OF THE COUNCIL UNDER RULE 16(4) OF THE RULES OF PROCEDURE

MR ANDREW LEUNG (in Cantonese): President, as Chairman of the House Committee, I move the following motion: "That this Council do now adjourn for the purpose of debating the following issue: cyber security".

At its meeting on 14 June, the House Committee discussed Mr MA Fung-kwok's proposal of asking an urgent oral question at the Council meeting held today regarding allegations of hacking into computers in Hong Kong by the Government of the United States. According to press reports, Edward SNOWDEN, a former technician of the Central Intelligence Agency (CIA) of the United States, disclosed to the media that since 2009, the National Security Agency (NSA) of the United States has been monitoring the computers in both Mainland China and Hong Kong, and the targets included The Chinese University of Hong Kong, government officials, enterprises and students. The relevant allegations have so far not been denied by the relevant authorities of the United States. Members are of the view that these allegations, which are extremely serious in nature, have a bearing on major public interests, such as cyber security and public privacy. Some members of the public are also concerned whether or not the relevant surveillance programmes are still going on.

In view of the gravity and wide implications of this incident, Members consider that there is an urgent need for the Administration to give a prompt response and explain to the public how it will address the concerns caused by the incident and what measures will be taken to prevent the recurrence of a similar incident to protect public privacy and interest. Members agree that the Legislative Council should follow up the relevant matters expeditiously through various platforms.

In addition to supporting Mr MA Fung-kwok in asking an urgent oral question about this incident, Members also agree that I move this adjournment motion in my capacity as Chairman of the House Committee in this Council meeting to give an opportunity to Members to debate the key issue of cyber security and to the Administration to respond to Members' and public concerns.

Next I would like to express my personal opinion.

Since the publication by *The Guardian* of an interview of SNOWDEN, a former employee of the CIA, there has been a query on everyone's mind about cyber security. Early this week, the media made another revelation that the surveillance incidents disclosed by SNOWDEN were just the tip of the iceberg, because the NSA has been monitoring submarine fibre data for a long time. The news have aroused great concern among Internet users in Hong Kong as well as other parts of the world that their communications with their friends, business partners and clients will be monitored and their personal data and commercial secrets will be leaked.

Like many Hong Kong people, I often rely on the Internet and electronic communications in my daily work. Colleagues in my company will communicate internally and externally through emails. The documents issued by the Legislative Council, my daily communication with assistants, and even the script being read out by me are processed and sent through the Internet. As Hong Kong is a city with freedom of information, it is incumbent upon the Administration to safeguard its cyber security and protect the privacy of Internet users. I hope government officials can clearly explain in their responses later how the ordinary masses and enterprises (especially small and medium enterprises (SMEs)) can be protected and whether communications will be intercepted unlawfully by the authorities and relevant organizations.

Members should still recall the hacking of the HKExnews website of the Stock Exchange of Hong Kong Limited in 2011 and the enhanced security of the relevant website afterwards. This incident has, however, revealed that networks in Hong Kong have all along been monitored by overseas intelligence agency. Even big corporations can hardly protect themselves against cyber intrusion at the national or military level, not to mention ordinary masses and SMEs. Given the new situation, it is imperative for the Government to adopt more proactive measures, employ forward-looking strategies to nip problems in the bud, play the defending role, and put in place a net to ensure cyber security and protect the public and enterprises against external intrusion.

Regarding the allegations that major information technology companies have provided information to the Government of the United States, has the Hong Kong Government investigated whether their Hong Kong-based companies have unlawfully handed data on public privacy and enterprises to overseas governments? What infrastructure facilities have we got to protect Hong Kong people? As a former Chairman of the Hong Kong Productivity Council, I know

that the Government has set up the Hong Kong Computer Emergency Response Team Coordination Centre (HKCERT). In view of the rapid and ever-changing technological developments, the Government must offer assistance to the HKCERT by allocating more resources to enable it to keep abreast of technological developments and upgrade its system, so that it can fulfil its responsibility properly to ensure that Hong Kong remains one of the safest cities in the world.

President, I so submit.

Mr Andrew LEUNG moved the following motion: (Translation)

"That this Council do now adjourn for the purpose of debating the following issue: cyber security."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That this Council do now adjourn.

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

MS STARRY LEE (in Cantonese): President, it seems that an espionage drama was being staged in Hong Kong over the past week. According to the revelations made to the media by Edward SNOWDEN, a former employee of the Central Intelligence Agency (CIA), the intelligence agency of the United States has been engaging in covert surveillance of the communications networks around the world, including the Mainland China and Hong Kong, with the computer data of governments and ordinary people being affected all the same. Inside the all-embracing surveillance network put in place by the United States, almost nobody is safe. The Government of the United States possibly knows very well the contents of our daily communications and even the websites we have visited. Many people are indeed outraged and worried that our privacy and freedom of communications are being infringed upon by the Government of the United States in a reckless manner.

The United States has all along been emphasizing democracy, human rights and freedom, and frequently criticizing other countries from a moral high ground.

Last month, in the Annual Report to Congress: Military Power of the People's Republic of China, the United States Department of Defense publicly criticized the cyber attacks launched by China on the United States. However, the affairs of the world are often unexpected. When the President of the United States was making solemn accusations against the acts of hacking committed by China and was even preparing to discuss the issue of cyber security with the President of the People's Republic of China, XI Jinping, during an Estate Summit, a former CIA employee disclosed that the National Security Agency (NSA) of the United States had launched more than 60 000 hacking operations around the world. In particular, the NSA was fond of hacking into huge Internet routers, and the communications records of several hundred thousand computers had been intercepted. China, which has been named and accused by the United States as a hacker, has now turned out to be the biggest victim. One does not really know whether to laugh or cry over this.

Last Saturday, the Democratic Alliance for the Betterment and Progress of Hong Kong petitioned to the United States Consulate to express the concern of Hong Kong people about the intrusion into our networks by the United States, but the Consulate had "made no response, denied no allegations and received no letters". It was only until yesterday that an explanation given by President OBAMA was considered to be a tacit acknowledgement of the hacking acts committed by the United States in the past. Nevertheless, he has not only failed to undertake reviewing the current practice of the United States, but also further sought to divert attention to defend itself by attacking China and criticizing its hackers for intruding into the United States, saying the Sino-United States relationship will thus be jeopardized. Nevertheless, the people are sharp-eyed. According to the findings of a public opinion poll published by the Cable News Network on Monday, OBAMA's popularity had fallen significantly by 8% from the previous month to a mere 45%, a new low in 19 months. This adequately reflects the significance of this political incident.

Hong Kong is just a tiny place. It is small and weak in front of the strong espionage team of the United States. After this incident, however, the SAR Government still has a lot of things to do. First of all, the Government must expeditiously investigate whether any person or organization has contravened the laws of Hong Kong. Second, many people doubt whether Hong Kong has sufficient legal justifications to institute prosecutions if the offender is a foreign government. In this regard, the Government should expeditiously review the loopholes of the existing legislation and introduce timely amendments to protect

the privacy and freedom of communications of Hong Kong people from any infringement.

President, although this incident has caused public indignation, there is something we should be proud of. Have Members thought about the revelation behind the choice made by SNOWDEN to disclose this big secret in Hong Kong? This aptly reflects that he believes in Hong Kong's freedom of speech, Hong Kong's rule of law system, and that Hong Kong people will treat him fairly and reasonably without fear of political persecution. This is actually a significant revelation to us. We often say that Hong Kong's freedom of speech is facing a big challenge and that Hong Kong compares less favourably than other places in terms of freedom of speech or the rule of law system. However, the fact that SNOWDEN, a brave young man who has made good logistic planning, has chosen to make revelations in Hong Kong aptly tells us that we should not always think that the moon in overseas countries shines more brightly. His choice to come to Hong Kong has proved that Hong Kong is a trustworthy place. In the eyes of foreigners, Hong Kong people have all along been taking pride in our freedom of speech and rule of law system. Therefore, beautiful things should always stay with us. We just need to cherish what we have rather than envy others.

President, I so submit.

MR FREDERICK FUNG (in Cantonese): President, insofar as this debate is concerned, I would like to comment from three perspectives, namely the United States Government, LEUNG Chun-ying and Edward SNOWDEN. We can tell from the PRISM programme exposed by SNOWDEN that the United States Government has been engaging in unlawful surveillance, interception and intrusion of communications of the American people as well as people around the world. Nevertheless, there has been no response from the United States Government so far. I believe this is very likely to be the truth. Such acts are in contravention of the laws of the United States because its surveillance laws are enacted for the sake of anti-terrorism operations, and anti-terrorism legislation deals with anti-terrorism or national security. The existing practice of the United States is unlawful and unjust, as if a thief is telling other people to catch a thief. The United States Government must be condemned.

As regards LEUNG Chun-ying, I do not think he is much better. When this incident came to light, he was visiting the United States and had accepted a media interview there. Both Hong Kong people and I expect that he would do something to protect Hong Kong people. What should he do? I think he should pursue the matter with the Government of the United States as to why the telecommunications of Hong Kong people should be monitored and intercepted. Second, he should review Hong Kong's existing information and cyber security. Let me raise one other point, as Members should already know, under the existing relevant legislation, that is, the Interception of Communications and Surveillance Ordinance, only public officers are monitored and regulated. There is no need for non-governmental organizations, individuals, the private sector and even the intelligence agency of foreign and Mainland governments to assume any criminal liability for their wilful surveillance, monitoring and interception of communications of members of the public. Hence, there is a need for a review. Third, he should have said the SAR Government can handle the incident involving SNOWDEN in accordance with the law. President, I think your response to this question is much better than the one given by LEUNG Chun-ying. While he can talk about this incident upon his return to Hong Kong, he had even repeated "no comment" seven times during the entire interview. At the end of the day, he has actually done nothing to protect Hong Kong people.

President, I think SNOWDEN's act is to challenge falsehood and reveal the truth to the American people and the world. His courage is commendable. We highly admire his spirit of challenging injustice without fear of being charged with treason. Here, I appeal to the SAR Government to treat SNOWDEN in a fair, impartial and open manner. In particular, the Government must act in this manner if a trial is warranted. In the meantime, the SAR Government should provide SNOWDEN with reasonable protection.

Thank you, President.

MR ALAN LEONG (in Cantonese): President, the news about the revelation made by Edward SNOWDEN, a former employee of the Central Intelligence Agency of the United States, of the surveillance of the cyber activities of civilians by the United States Government has made international headlines. As Hong Kong has been chosen by this whistleblower to be his refuge, every move taken by Hong Kong would be closely watched. As revealed by SNOWDEN to the public in *The Guardian* chat room, the information exposed by him did not

involve the lawful targets of the United States military operations. Instead, he was concerned about the intrusion by the National Security Agency into civilian facilities, such as universities, hospitals and private commercial organizations, with most of them being the allies of the United States rather than countries on which it has declared war. In fact, the United States Government can hardly use national security as a pretext to conceal its crime of infringing upon public privacy. As SNOWDEN believed he would not be fairly tried should he remain in the United States, he had chosen to come to Hong Kong where judicial independence and freedom of speech prevailed. It is precisely for this reason that the handling by the SAR Government and the Court of the SNOWDEN incident will become a testing case for "one country, two systems" and judicial independence.

According to the extradition agreement concluded between Hong Kong and the United States, generally speaking, unless the case in question is political in nature, both parties are obliged to extradite the suspect for the other party. Hence, in order to extradite SNOWDEN, the United States must first institute criminal prosecution against him, issue an arrest warrant and then make an application to the Department of Justice (DoJ) in Hong Kong for assistance. The DoJ will then have to apply to the Court for an extradition warrant. As regards whether or not the incident is political in nature, the matter must be referred to the Court in Hong Kong for a ruling. The SAR Government only needs to act as stipulated by the procedures, and everything else should be referred to the Court for an independent ruling to be made in accordance with the law and facts.

President, from time to time, some people in Hong Kong who are anxious to see the world in disorder will make up excuses to attack the democrats. In dealing with the SNOWDEN incident, they resort to the same trick by accusing the democrats of remaining silent for fear of offending the United States. Such accusations are, however, totally unfounded. On 15 June, the Civic Party joined a procession staged by 27 groups and political organizations in Hong Kong to criticize the United States Government for monitoring the public and hacking into the computer systems in Hong Kong on numerous occasions. We also called on the Hong Kong Government to handle the SNOWDEN incident in accordance with legal procedures and international practices. On 17 June, Mr Dennis KWOK of the Civic Party requested the Subcommittee to Examine the Implementation in Hong Kong of Resolutions of the United Nations Security Council in relation to Sanctions to convene a meeting expeditiously to discuss the

disclosure of information by the SAR Government to foreign governments. On the same day, the pan-democrats also wrote to the Chairman of the Panel on Security calling for a special meeting to be convened to discuss information security issues. At the meeting held by the House Committee last Friday, the Civic Party also expressed support for this adjournment meeting to be held. I have also been interviewed many times inside and outside this Council and, in my response to the incident, I have emphasized that the SAR Government must act in accordance with the law and the extradition agreement concluded between Hong Kong and the United States. Moreover, the Court must be allowed to hear, without pressure, the application possibly lodged by the United States for an extradition warrant.

The Civic Party has not been muted. Our handling of the SNOWDEN incident is no different from handling other matters involving human rights and freedom. Our focus is on freedom of speech, personal liberty, freedom of information, rule of law, human rights, and judicial justice. Here, I would like to appeal to my pro-establishment friends, when they deal with other incidents involving human rights and freedom in the future, in particular when the incidents involve the suppression of some Mainland human right activists, I hope that they would also be duty-bound to make their voices heard, as what they did today,

I so submit.

MR LEE CHEUK-YAN (in Cantonese): First of all, the Hong Kong Confederation of Trade Unions (HKCTU) would like to salute Edward SNOWDEN, who has acted bravely in revealing the government's infringement of personal privacy and human rights. He is an international citizen welcomed by the whole world. If such bold whistleblower can be found in all places, we believe the world would turn better.

Of course, the whistleblower must be protected after blowing the whistle. Hence, we hope that courts in Hong Kong can effectively protect the personal safety and freedom of SNOWDEN as he, being a whistleblower, should be safeguarded. However, the problems disclosed by SNOWDEN made us feel disappointed and angry with the United States Government. How can the OBAMA's Government monitor its citizens and the whole world in such a way. In fact, apart from intercepting the networks and telephone lines of citizens of the United States, many people all over the world have also been affected. The

scene depicted in the novel *1984* written by George ORWELL: "Big Brother is watching you", has come true.

When George ORWELL wrote the novel, I guess he had never thought of how terrible global technological development has become. Technology is a two-edged sword. While it brings us convenience in allowing a wide dissemination of information, it can also be easily manipulated by the government to monitor the acts of each individual, such as who you are calling by phone, who gets your email, as well as the contents of the emails you sent. The Government gets hold of everything and that is alarming. Supposedly, the government should protect the privacy of its citizens, but all governments in the world act alike, they infringe upon the privacy rights of the people.

The HKCTU believes that people's privacy and human rights should be protected. I am also one of the victims. I often receive alerts from my Gmail account, warning me that my account may have been hacked by state intelligence agencies and all my information might have been read. This situation happens all the time, particularly when some sensitive incidents have occurred. I recall that I had received such alert throughout the week when LI Wangyang incident came to light. Who monitors the emails or telephone calls of Hong Kong people? No one knows.

It is widely known that apart from the Government of the United States, the Chinese Government also infringes upon human rights and privacy. At present, stability preservation expenses in China are even higher than military expenses. The Chinese Government certainly has the technology to monitor the emails of its people; it also monitors the emails and telephone calls of Hong Kong people. No one knows the extent of the infringement. We need more whistleblowers to expose the evil deeds of the governments over the world in infringing the privacy of citizens.

Regarding the protection of privacy right of Hong Kong people, we think the Government is weak and incompetent. Take this incident as an example. Although SNOWDEN has pointed out that the United States Government has hacked into Hong Kong's network systems and infringed upon the privacy of Hong Kong people, the Hong Kong Government simply said that the matter could not be disclosed. I do not understand what it means, is it true that the authorities have done nothing? Since someone has disclosed that the United States Government has infringed upon the privacy of Hong Kong people, can the

Administration request the United States Government to make public clarifications? Why can't the two governments communicate and discuss the issue? Why can't we request the United States Government to provide information in this respect? I think the HKSAR Government is absolutely duty-bound to seek information from the United States Government. It is disappointing that so far, I have not learnt of anything done by the SAR Government to protect the privacy of Hong Kong people.

Thank you, President.

DR HELENA WONG (in Cantonese): President, according to Edward SNOWDEN, the Government of the United States, including the Central Intelligence Agency and the National Security Agency, has since 2009 kept the Internet under surveillance and collected information from it in the name of combating terrorism. It has stolen intelligence more than 61 000 times, and its targets include several hundreds of people from the political, business and academic sectors in Hong Kong and the Mainland China. As the targets include both individuals and organizations, I wonder if Members of the Legislative Council are also on the list. According to SNOWDEN, the organizations being hacked include the Hong Kong Internet Exchange (HKIX) of The Chinese University of Hong Kong (CUHK), located in Pi Ch'iu Building. Although the persons in charge of the HKIX and other CUHK personnel claimed that they had not detected any unusual hacking activities, given that the HKIX handles about 90% of the local Internet data, involving the information of several million people in Hong Kong, the privacy, telephone communications, as well as all electronic footprints and data that everyone has on the Internet and email system may have already been collected and stolen without their consent.

Although CUHK said that it had not discovered any signs that the system had been hacked, we worry that the system can be hacked undetected. Everyone is now scared. As we have not broken the law, theoretically there is nothing to worry about, but our personal data should not be stolen without our authorization. Therefore, the public should request a full investigation to be conducted by CUHK and the Government on the validity of SNOWDEN's allegation; and if so, how much information has been leaked. If Internet users all over Hong Kong are connected to the digital systems in Pi Ch'iu Building and there are no effective security measures in place to ease our mind, how can we not worry that these systems will be hacked in the future?

President, for those being alleged of unlawful interception of intelligence, be they individuals or the governments of different countries, they cannot, without our consent or authorization, use some grand excuses to intercept information of Hong Kong people in the Internet system. Regarding the many queries Hong Kong people have on their mind, I think the Security Bureau's answer was very disappointing.

In my view, the Hong Kong Government is duty-bound to seek clarification of these matters. First of all, it should find out whether the systems in HKIX had been hacked and whether all or some information had been stolen. Second, the Hong Kong Government should investigate into the incident and hold the United States Government responsible; it should request the United States Government to give an account of how they intercepted information in Hong Kong. The United States Government owes all Hong Kong people an explanation. President, the United States is still the superpower in terms of economic, military and cultural powers. Its monitoring of the Internet has extended from its own soil to the whole world, including Hong Kong and China. The United States is playing the role of the world police and disregarding whether we need its monitoring and control, it is extending its grip towards the whole world.

President, I think that the Government should make a commitment today that it would pursue the matter with the United States, which is now charged as the bandit of Internet information, so that people of Hong Kong can take control of their own information again. In today's world, we have to access the Internet all the time and it is ridiculous that our footprints in the Internet are completely exposed and all our data can be taken by anyone at any time. Since our weakness has been exposed, we hope that the Security Bureau can show us that it will take more proactive actions.

MS CLAUDIA MO (in Cantonese): President, according to Edward SNOWDEN, he chose to come to Hong Kong because Hong Kong is renowned for its freedom and rule of law. Hearing that, as a Hong Kong citizen, I found it very ironic. He is right that Hong Kong people have freedom as Hong Kong is dubbed the City of Protests. However, no matter how many demonstrations Hong Kong people stage, either in the form of hunger strikes, sit-ins, protests or even jumping into the sea, the Government still acts in its own way. That is because, quoting the remarks of LEUNG Chun-ying, the executive authorities and

the legislature "have perfect co-operation". We all have an idea what our rule of law is like. We are faced with many political challenges; just the League of Social Democrats alone has to face countless political prosecutions.

SNOWDEN said that the Court and people of Hong Kong could decide his fate. Whether the Court is able to do so is not yet known as there is not a case law for our reference. However, the people of Hong Kong still owe him a response. He wants to know what "one country, two systems" is. Although we have "high degree of autonomy" — I reiterate we have "high degree of autonomy" but not "autonomy" — is the final decision in our hands or in some other people's? Beijing has the final say on the so-called "high degree of autonomy". Beijing can, at any one time, say that this incident involves defence or foreign affairs and then Hong Kong will have to shut up and stand aside. In what position can the Legislative Council discuss an incident that involves defence and foreign affairs? If that is the case, we are not in a position to discuss it any further. Fortunately, Beijing has not yet declared its stance. Therefore, LEUNG Chun-ying dares not make any comments. Someone has made a count, when LEUNG Chun-ying was in the United States, he said "no comments" nine times not seven in response to questions about this case. The officials have not made any comments this morning and I do not blame them. Their boss has told them not to comment, what else can they do?

We have to tell the United States, the SNOWDEN incident may be the biggest scandal concerning exposure of state security secrets in the modern history of the United States; moreover, totalitarian and autocratic countries, the People's Republic of China included, may cite this incident as a precedent, the most dangerous precedent in human history. In the future, every country can say, even the United States, the so-called World Police, which claims to be the "champion of democracy", can act willfully in the Internet world in the name of anti-terrorism or national security. This is indeed very frightening.

This incident is just like what George ORWELL described in his novel, *1984*, "Big Brother is watching you". Everyone is elated when they say that we should hold the United States Government responsible, and it is reasonable to do so. The Chinese University of Hong Kong said that everything was fine but was everything fine? Most importantly, the United States has not denied SNOWDEN's accusation that it has kept Hong Kong and the Mainland China under surveillance. Has someone from Washington come out and denied that

this accusation is bullshit? The United States has not denied it while the Hong Kong Government dares not seek further information or discuss about this issue.

Someone says that if you ask the families of the victims of the 911 Incident, they would say that the surveillance for anti-terrorism purposes is needed. However, one has to make a choice and weigh the matter carefully in modern society. If one values national security over anything else, would rather sacrifice his privacy for stability and give up his freedom for the sake of national security, in the end he will lose all his freedom. We might as well live in a prison or a zoo as these are for sure the safest places.

If the pro-establishment camp sincerely wish to safeguard human rights and their privacy, will they please ask themselves honestly why LIU Xiaobo, the Nobel Lauriat of the peace prize, is still in prison and why his wife, LIU Xia, has been under house arrest all this time? And why LIU Xia's brother has been sentenced to 11 years' imprisonment? Is it "punishing all members of the nine related clans"? I hope that Members will speak their conscience. Thank you.

DR KWOK KA-KI (in Cantonese): President, the SNOWDEN case is like a demon detector, and this former employee of the Central Intelligence Agency or contract information technology staff of the National Security Agency has turned the United States, China and even Hong Kong upside down in just a couple of weeks.

SNOWDEN has disclosed some secrets that the United States Government does not want anyone to know. In fact, the Hong Kong Government pretends that it has not heard such secrets. At the question session held earlier this morning, the Secretary for Security was like a human recorder, only answering "no comments" or not replying to our questions about how the authorities were to handle this incident. Seeing that the major United States network companies such as Google, Yahoo, Facebook and Microsoft have all turned tens of thousands of data over to the United States Government voluntarily and the SAR Government still keeps quiet, we are certainly very disappointed.

However, on second thoughts, the matter is actually no big deal because over 1.4 billion compatriots in our Motherland are subject to network surveillance every day. When do they ever have a sense of freedom? No matter you send your messages through Tengxun, Sohu or China Telecom, all well-known

Internet companies in the Mainland, your messages will all be under surveillance. If you ask 10 people in the Mainland, I believe all of them will tell you that they expect this would happen. In the Mainland, there are all kinds of spying and monitoring software and also tens of thousands of so-called "Internet policemen", engaged in preserving national stability by intercepting people's communications. It happens in the United States and our Motherland is just the same.

I find it hard to accept the recent remarks of some Executive Council Members. They said that SNOWDEN chose to come to Hong Kong because of Hong Kong people enjoy democracy and freedom. I wonder if they really understand the real situation. Actually, SNOWDEN explained very clearly in an interview with *The Guardian* why he chose to come to Hong Kong, he said that it was a tragedy because the level of freedom in Hong Kong was inferior to many places. Everyone knows that, he came because he has no other choices. He came to Hong Kong to flee from the United States Government for fear of being arrested or even subjected to adverse treatments. He could not go to other places in Asia, not Japan, Taiwan or Korea because they all have close ties with the United States. Only Hong Kong could be reached by direct flight from Hawaii, and hence a relatively safe place. That was all. It was by no means that Hong Kong was freer than other places. Of course, he also said that his reason for choosing Hong Kong was that Hong Kong had a strong tradition of free speech and hundreds of thousands of people had taken to the streets in protest. Seeing so many Hong Kong people participating in the 1 July march, I believe he would think that Hong Kong might be freer. Obviously, that was an illusion.

It has been reported a couple of days ago that the pro-establishment camp came up with a stupid idea of launching incentive shopping measures with the industrial and trade unions of various districts in Hong Kong in an attempt of luring people away from the 1 July march. I wonder what SNOWDEN would think after hearing this. As a matter of fact, Hong Kong's freedom is hard earned. We do not know when someone would propose to legislate for Article 23 of the Basic Law again. With our freedom and human rights kept under a tight grip, we can hardly make any move. As regards democratization, neither the SAR Government nor the Central People's Government has the intention to implement it, which is clear to most people in Hong Kong. Therefore, we cannot and should not deceive ourselves, feeling complacent when we hear other's compliments. There is still a long way to go before Hong Kong

and our Motherland have real freedom and democracy. SNOWDEN is a demon detector, revealing all the monsters of every description.

I so submit. Thank you, President.

MR WONG KWOK-HING (in Cantonese): President, first of all, I want to express my dissatisfaction and disappointment to the reply of the Secretary for Security to my question this morning. I have the text of the Secretary's reply in hand, and I want to criticize the Government for playing the ostrich, trying to gloss over and water down this incident.

Why do I say so? In his reply, the Secretary for Security confined this incident to the policy areas of the Security Bureau and the Commerce and Economic Development Bureau, setting restrictions on it at the onset. Then, as regards the development of this incident and its final impact, he says, "Everything is under normal operation and the police did not receive any report from the relevant stakeholders on any sign of their information systems being hacked." In other words, everything is fine and no one needs to worry. Is it true that nothing has happened? How can he say so?

As a matter of fact, many facts disclosed are gradually emerging. I do not intend to spend my precious time to repeat as many colleagues have already talked about them.

Regarding the hacking into the network of Hong Kong people, the infringement of our personal data and privacy and the practice of the Government of the United States, I think the SAR Government is duty-bound to safeguard the network security of Hong Kong people and ensure that their privacy right is not violated. As such, the HKSAR Government should strongly protest to the United States Government, pursue the matter with it and demand it to give us an account of the whole incident. This is what a responsible government should do. We have not seen any such actions taken by the Government, and we do not think that the Government is inclined to do so. Is it disappointing? This is the first point.

The second point is that judging from the nature of this incident, we can all conclude that the matter is within the scope of defence and foreign affairs, and the Basic Law has very clear provisions about that. Article 13 of the Basic Law

states, "The Central People's Government shall be responsible for the foreign affairs relating to the Hong Kong Special Administrative Region," and in Article 14, it states, "The Central People's Government shall be responsible for the defence of the Hong Kong Special Administrative Region." (End of quote)

As such, in the face of such a complicated issue, should the HKSAR Government promptly liaise and communicate with the Central Government on how the incident should be handled? I do not know whether it has done so. But at least the Government should have actively considered doing so. In fact, today, the Government, including the Secretary for Security, has responded by repeating the same words over and over again, which are, "The HKSAR Government will handle this case strictly in accordance with the law and procedures of Hong Kong." There is nothing wrong with these remarks but it has missed out the Basic Law. Why should the Government not consider handling the incident in accordance with the Basic Law and the law of Hong Kong? Why should it leave out the Basic Law?

In my view, this approach is not quite right. As a responsible government, the HKSAR Government should handle the SNOWDEN incident strictly in accordance with the Basic Law and the law and procedures of Hong Kong. To the SAR Government, this case is unprecedented and it is also a case law.

I hope that the HKSAR Government will strictly adhere to the Basic Law and the law and procedures of Hong Kong in handling this incident and let the people see that the Government can truly handle this case impartially, safeguarding the people's interest and at the same time safeguarding our country's interests.

MS CYD HO (in Cantonese): President, the SAR Government and banks teach people to cover their hands when they key in their password to withdraw money from the automatic teller machines. In this way, other people would not see their password, and cannot use their password to steal all their money on the network banking system.

In fact, nowadays many banking transactions and payments are made on the Internet but the magnetic tape on the credit card can be faked. Hence, if a state agency or criminal syndicate can invade our computers at will and obtain

our personal information, it will pose a serious threat to us. Our privacy should not be infringed. However, it turns out that many state agencies have used advanced technologies to hack into the computer systems of Hong Kong people. We are extremely worried and infuriated. The SAR Government is duty-bound to find out from the United States Government the extent of its intrusion, how the intrusion is done and why we are the target of intrusion. Most importantly, the intrusion must stop. However, the SAR Government does not have a very clear position.

I agree with Mr WONG Kwok-hing that this incident may be under the scope of defence and foreign affairs. Like the hostage-taking incident in the Philippines some years ago, its nature was later escalated to the level of foreign affairs and thus the SAR Government was told not to handle it. How about now? As the Central Government has not made its stance known, our Chief Executive dared not make any comments when he was asked seven or eight times while he was in the United States. He even dared not make a basic response, like what the President had said in the United Kingdom. To put it simply, if any senior officials are asked such questions, they can answer, "We will act in accordance with the law of Hong Kong," or even "We will act in accordance with the requirements concerning the relation between China and Hong Kong as stipulated in the Basic Law." But the Chief Executive did not even dare to give such an answer. That is extremely embarrassing.

President, let me borrow the explanation on modern warfare given by Dr Eric HOBSBAWM, a historian who passed away a few months ago, to interpret the United States' hacking into the computer systems in Hong Kong. In modern warfare, countries need not declare war on each other, and terrorist attack is a case in point. The two countries involved would not announce, before the attack, that "Now we are at war." Casualties do not only happen in the battleground, but also in places where civilians gather. People do not die or injured during the war, instead as infrastructures are destroyed and cannot be restored within a short time, people die from hunger or get sick because of the lack of clean water.

As a matter of fact, hacking into the computer systems serve the same purpose. At a time when public administration and many other businesses have to be operated through computer systems, how can the computer systems be hacked into so easily without being detected; it is a perfect setting for Internet warfare. Sometime ago, the banking system in South Korea shuddered to a halt, leading to speculation that North Korea had used the Internet warfare to disrupt

South Korea's national and economic systems. From this perspective, we can and should conditionally escalate this incident to the level of defence and foreign affairs. However, the Central Government and the SAR Government should determine the nature of this incident and make their stances known as soon as possible.

However, earlier today, we asked the Secretary how to handle Article 19 of the Basic Law, that is, whether the Courts of the HKSAR have jurisdiction over this incident if it is escalated to the level of defence and foreign affairs. If the Court does not have jurisdiction over this incident, how should the proceedings be initiated? Should the one who files the lawsuit, the respondent, the Judge himself or the Central Government initiate the proceedings? Can the Chief Executive or the Attorney General interfere? But the Secretary said "no comment". As a matter of fact, the spirit of the rule of law should be clearly stated and the procedures clearly stipulated, but the Secretary refused to give any comments. Therefore, when Ms Starry LEE said SNOWDEN believed in the spirit of our rule of law, I am sorry, he has mistakenly given us the undeserved love; and as for us, we are only deceiving ourselves.

President, if the time could be turned back to 5 June, I hope that Members could support my proposal to study the enactment of a Whistleblower Protection Law to safeguard public interest today. I hope we will not only love SNOWDEN dearly but treat our fellow people of Hong Kong poorly. Thank you, President.

MR DENNIS KWOK: President, is Mr Edward SNOWDEN wise or unwise to have chosen Hong Kong as his refuge? Is Mr SNOWDEN's basic rights going to be protected under the Hong Kong system? Who will ultimately decide his fate? These are the questions which are posted here tonight. I am not sure whether Mr Edward SNOWDEN is listening to these debates. I hope he is. What I am sure is that the international community and the international media will be listening, and I really do hope that this House will provide clear and certain answers to these questions which I have just posted to show where Hong Kong stands on these issues.

Mr SNOWDEN has said time and again that "I have had many opportunities to flee Hong Kong, but I would rather stay and fight the American Government in the Courts because I have faith in Hong Kong's rule of law."

Now, many have speculated on how the Hong Kong Government would react to a request for extradition from the United States Government. What many of these commentators have missed though is the crucial point that, even if the Hong Kong SAR Government would succumb to political pressure at home or from abroad, Mr SNOWDEN himself is no doubt firmly aware of the fact that his fate would ultimately and should ultimately be decided by our Courts here in Hong Kong.

If and when the United States Government makes a request for extradition or surrender, the Chief Executive, of course, has a legal obligation under the extradition treaty with the United States to consider whether to proceed with the extradition proceedings. The Chief Executive would then, having made a decision, bring before a Court an arrest warrant in relation to Mr SNOWDEN. From then onwards, it becomes entirely a judicial process and Mr SNOWDEN would no doubt be offered full legal representation. I can say right here that plenty of members of the legal profession will be willing to represent Mr SNOWDEN in the Courts here in Hong Kong.

In Court, Mr SNOWDEN may well argue that the charges that he faced will be considered as political offences under the relevant extradition treaty, but that is a matter for the Court to decide. He may well argue that the underlining evidence of the offenses that he faced are not up to par, but that is for a Court in Hong Kong to decide. He may well argue that he should not be extradited to the United States, but that is for the Court to decide. The Judges — our Judges — are supposed to and will certainly decide these cases based on the merits and legal principles. This is something that we as Hong Kong people should all be proud of, that we have a legal system based on due process and the rule of law.

President, moving on, we know that under section 3 of the United Nations Sanctions Ordinance, the Chief Executive can make regulations to give effect to an instruction given by the Central Government to implement in Hong Kong a measure decided on by the United Nations Security Council on anti-terrorism measures and other espionage activities. Section 12D of the United Nations (Anti-terrorism Measures) Ordinance also allows the Government to disclose evidence, information and other materials to the legal enforcement authorities of foreign governments. Such authorities may well include the United States National Security Agency and the Central Intelligence Agency. My point, President, is that I do not dispute that the Administration has to honour its duty

under various international treaties and anti-terrorism measures, but it must be done under the sunlight of the rule of law.

I have already written to the Honourable Ms Cyd HO, the chairperson of the Subcommittee to Examine the Implementation in Hong Kong of Resolutions of the United Nations Security Council in relation to Sanctions, requesting a special meeting so that we can understand more what sorts of information are being given to foreign governments, who are requesting this information, and how frequent are these requests coming from foreign governments. It also represents a challenge to our core values in Hong Kong. Mr SNOWDEN's case will bring to international spotlight the quality of our judicial independence and our respect for human rights under the Basic Law, including the right to privacy. These are challenges that Hong Kong must stand up to. But these are also challenges facing the international community in the 21st century.

Thank you, President.

MR RONNY TONG (in Cantonese): Mr SNOWDEN's coming to Hong Kong is like tossing a stone in the water and raising a thousand ripples. I cannot agree to the responses of many people in Hong Kong and even of some Members to this incident.

President, one of their responses is to try to force or demand the SAR Government to respond to this incident. In fact, I think it is useless to force the SAR Government to do anything as the Basic Law provides that defence and foreign affairs are the jurisdiction of Beijing which is also within the power of a sovereign state. The Fugitive Offenders Ordinance also clearly provides that Beijing can direct the Chief Executive to extradite or not a person. The only point that I am more concerned about is that if Beijing is to make a decision, I hope that it will make the decision before the judicial process commences, rather than take the "bad-loser" tactic after the judicial process and make a decision that is contrary to the judgment of the Court, thus eroding Hong Kong's judicial independence and damaging the rule of law.

The second point that baffles me is that many colleagues condemned the acts of the United States in the first instance. President, the acts of the United States have shown its arrogance, overbearingness and disrespect for others' rights and interests as always, which certainly should be condemned. However, what

we condemn are the acts of the United States but not the country itself, meaning that if the United Kingdom takes such actions in Hong Kong, we also condemn those acts; if France takes such actions, we also condemn those acts; and if the Mainland public security authorities take such actions, we condemn them as well.

We not only condemn the infringement acts of our basic privacy but also condemn the SAR Government. Why do I say so? President, that is because Article 30 of the Basic Law provides that the freedom and privacy of communication of Hong Kong residents are protected by law.

The SAR Government has always ignored its constitutional duties while our Honourable colleagues of this Council also suffer from selective amnesia. They seem to have forgotten that when the SAR Government requested this Council to pass the Interception of Communications and Surveillance Bill, we strongly demanded it to extend the scope of the Bill to non-law enforcement departments. However, the SAR Government said that there was no need to do so and the colleagues of the pro-establishment camp supported the Government's stance and said that there was no such need.

Since they think there is no such need, other people can come to Hong Kong to take whatever they want. The Americans can come and so can people of other nationalities. Then everyone cries foul, making noisy condemnations and demanding the SAR Government for guarantees. Actually the best guarantee is to legislate to criminalize such acts. Is this a more proper way to handle the case?

President, some colleagues and other people have asked me if the current Interception of Communications and Surveillance Ordinance is sufficient to regulate the relevant acts. The answer is: it is not. The Ordinance only covers two similar offences, namely first, interference with the means of communication and second, access to computer with dishonest intent. However, with today's advanced technologies, there is no need to interfere with the communication equipment or access others' computer to intercept the contents of the communications, especially the content of telephone communications.

The acts are certainly condemnable. Why? If a law-enforcement agency engages in such acts, we can still assume that it has legitimate purposes, such as to prevent crime. But when ordinary people engage in such acts, their objectives are certainly inappropriate and illegitimate, and are definitely disrespectful of

others' interests. Why should we not legislate to handle and control such acts but cry foul and make noisy condemnation afterwards?

I hope that the SAR Government will tell us in its response when it will legislate to protect Hong Kong people's privacy and their fundamental rights and interests provided by the Basic Law.

MRS REGINA IP (in Cantonese): President, the whistle-blowing incident of Edward SNOWDEN has shocked the world, making Hong Kong the focus of media concern around the world. Many international media organizations have especially sent their staff to fly to Hong Kong from Beijing or Tokyo to keep watch on this incident on all fronts.

Today a weekly magazine reports that SNOWDEN has got nothing of substance. I totally disagree with the analysis of that magazine because I think SNOWDEN absolutely has got something of substance. In reply to the queries, James CLAPPER, the Director of National Intelligence of the United States Government, has already admitted that the PRISM programme mentioned by SNOWDEN really exists.

Before the interview with *The Guardian* on 6 June, SNOWDEN had provided *The Guardian* with a set of 41 PowerPoint slides alleged to be information about the training of American intelligence agents in the use of the PRISM program. *The Guardian* and the *Washington Post* have published four of the slides. Those slides show that the United States Government has direct access to nine Internet companies, including Microsoft, Facebook, Yahoo and Google which we often use, and it can obtain the information there anytime. These companies have thus become its target not for the sake of anti-terrorism. All such acts are indeed appalling.

I agree with what the Honourable colleagues have said earlier, that any country which commits the above act should be denounced. However, a point worth our particular attention is that the United States is the biggest information technology superpower in the world, and products of the nine information technology companies mentioned just now are widely used by us. It is only in such a situation that SNOWDEN decided to "blow the whistle", since he considered that the act of the United States Government had lost the consent of

the governed. The United States is a democratic country, but since its act has lost the consent of the people it governs, it should be denounced.

Just now I heard the speeches of a number of Honourable colleagues. Being Members, of course we will make use of the subject under discussion to put forward other ideas. For example, just now Ms Cyd HO took the opportunity to make a pitch for the Whistleblower Protection Law which she intends to propose next week and solicits the Honourable colleagues' support. All these are understandable. Among the various speeches delivered by the Honourable colleagues, I concurred with Mr Dennis KWOK's more. He has left the Chamber. In his view, if SNOWDEN continues to stay in Hong Kong, his fate will be decided by the Court in Hong Kong. I agree with what he said — if SNOWDEN continues to stay in Hong Kong.

Of course, SNOWDEN's incident involves various issues such as diplomacy, national defence, privacy and independence of Hong Kong's judiciary. If SNOWDEN goes into the consulate of North Korea, Russia or Sweden in Hong Kong to seek asylum, as we all know, under the international law, he has in effect entered another country. As a result, he may be beyond the reach of the bilateral agreement on surrender of fugitive offenders signed between Hong Kong and the United States, thereby turning this incident into a diplomatic issue in the end.

Nevertheless, I do not think he will do so. I have read the contents of his interview in detail. Two days ago, I even stayed awake in midnight in order to read his web chat. I found that he is not a traitor. On the contrary, he is absolutely a patriot. Given that he is a patriot, if he goes into the consulate of China or an office of the Chinese Government to request entry to the Mainland, or if he seeks asylum from countries which are not on good terms with the United States, he will be regarded as a traitor by the United States and fail to carry through the principle in his whistle-blowing, as well as lose the moral high ground.

This young man has a pattern of leaking secret information once a week. In my opinion, this incident is something good for Hong Kong because it highlights the preciousness of the system in Hong Kong. May I advise the Honourable colleagues not to belittle ourselves unduly. Do not take this opportunity to speak ill of Hong Kong either. We should not speak ill of Hong Kong because SNOWDEN has clearly pointed out his reason for choosing Hong

Kong: "..... Hong Kong has a reputation for freedom in spite of the People's Republic of China. It has a strong tradition of free speech."

Two days ago, SNOWDEN further pointed out to *The Guardian* his reason for choosing Hong Kong rather than directly going to Iceland. He considers that Hong Kong has a "..... cultural and legal framework to allow me to work without being immediately detained. Hong Kong provided that. Iceland could be pushed harder, quicker" Hence, I believe that he will stay in Hong Kong to "blow the whistle" until he has to leave when he is not safe.

MR JAMES TIEN (in Cantonese): President, the "whistle-blowing" incident of Edward SNOWDEN, a former employee of the Central Intelligence Agency of the United States Government, has not only aroused worldwide concern over Internet safety but also caused increasing discontent of many people with the behaviour of the United States Government.

If this incident was only a local issue in the United States or an international dispute, at most the Special Administrative Region (SAR) Government and the Legislative Council could only act as bystanders and should not get involved. However, according to SNOWDEN, the United States Government has engaged in surveillance over the cyber networks in China and Hong Kong since 2009. The targets include The Chinese University of Hong Kong, government officials, commercial organizations and even students. Moreover, the success rate of hacking into the computers in Hong Kong is more than 75%. If this is true, interests of the general public in Hong Kong are involved, so the SAR Government cannot just sit by and watch.

The protection of freedom, human rights and privacy has always been a core value highly regarded by Hong Kong people. If what SNOWDEN said is true, the United States Government has obviously conducted large-scale intrusion into the computer systems in Hong Kong in an organized and premeditated manner, thereby infringing upon Hong Kong people's human rights and privacy.

In fact, so far the United States Government has not denied the information provided by SNOWDEN. It merely keeps accusing him of treason, spying for China, so and so forth. Such an attempt of the United States Government to divert the attention has made us even more suspicious that what SNOWDEN said may really be true. In that case, the SAR Government cannot simply deal with

the matter by saying "No comment". Instead, it should make representations to the Consul General of the United States of America in Hong Kong or directly to the United States Government, requesting the United States Government to expeditiously give a clear explanation on the allegations of hacking into the cyber networks in Hong Kong and infringing upon Hong Kong people's human rights, as well as shoulder the responsibility.

Although the United States Government swears that the relevant surveillance project aims at anti-terrorism and protection of American people's safety, it must clearly explain why it conducted large-scale cyber intrusion in other countries without their prior consent, thereby ignoring their sovereignty and human rights. Does such high-handed behaviour mean that the interests of American people are far above other people's interests? Furthermore, Hong Kong has never been a base of terrorists. As such, how does the large-scale intrusion into Hong Kong's computer systems by the United States Government has anything to do with anti-terrorism? The United States Government must provide a clear explanation.

President, the Liberal Party considers that before the United States Government gives a clear account, even if it requests the SAR Government to assist in arresting or extraditing SNOWDEN, the SAR Government should not accede to its request and hand him over. Instead, it should continue to pursue the matter seriously until the United States Government provides a reasonable explanation.

President, I so submit.

MR CHARLES PETER MOK: President, because this adjournment motion relating to cyber security and Mr SNOWDEN's affair is a matter of global interest, I will make my comments in English.

President, you may recall that last year, I submitted a written question asking our Government to disclose the number of data requests from different Hong Kong government departments to local Internet service providers. The number of these data requests in the last three years totalled almost 15 000, led by the police and the Customs and Excise Department in number. You may also notice that since the recent disclosure of the United States Government's PRISM project, many United States Internet companies have requested the United States

Government to allow them to disclose the number of these data requests, including those related to crime investigation and prevention, as well as national security. So, I hope our Government will continue to report the number of data requests that it makes to our Internet service providers every year in future, otherwise, I am prepared to ask every year for this data, as long as I am here in this Council.

My second request was made in my amendment to the last motion which the Council debated, asking for the reactivation of the Inter-departmental Working Group on Computer Related Crime, the carrying out of an up-to-date review and the implementation of policy reform as necessary for the new cyber-crime and even surveillance environment for our networks today. That amendment was passed a couple of hours ago. I hope our Government will take note and act on it and I urge it to do so.

Third, we need to review our current Interception of Communications and Surveillance Ordinance and its relatively limited scope covering only government organizations, and how other organizations, governmental or not, including intelligence operations by other countries or any other governments outside of Hong Kong, may have engaged in surveillance activities on our networks in Hong Kong against our citizens without the knowledge of our people.

Fourth, our Government must be more forthcoming in letting our citizens know what actions it may have taken to demand that the United States Government tell us what networks it has invaded, what data it has taken away from us and what it will be doing with these data, what our Government has done and what it may be planning to do. Our people in Hong Kong deserve at the very least to learn these from our Government, otherwise, just by saying that no comments can be made on individual cases is failing the people of Hong Kong.

The fifth and final request is that our Government must give Mr SNOWDEN any and all rights he is entitled to under Hong Kong law, safeguard our judicial independence, and not give in to any political pressure from any governments, be it Beijing or Washington. On this matter, I heard some of our pro-establishment colleagues calling for consultation with Beijing while saying in almost the same breath that our Government should follow Hong Kong laws. I cannot follow that logic which is totally illogical and self-contradicting to me. All they are trying to do is to invite Beijing to interfere in Hong Kong affairs at

the expense of our "one country, two systems", and undermining the two systems part of this system in particular.

President, I am afraid that although the disclosure made by Mr SNOWDEN remains piecemeal and to be proven, totalitarian governments no doubt will seek to justify their widespread surveillance and censorship on their own citizens and people. Internet users and Internet freedom have the most to lose. Being in Hong Kong, we must not forget that north of our border with the Mainland is the land with the severest censorship in the world against its own people. That is the difference between the Internet in China and the rest of the world. The Internet is not just for everyone, and in the end, the Internet's core values are also for every one of us to defend.

So, it is now the time for Hong Kong to show the world whether Hong Kong can live up to Mr SNOWDEN's confidence in us as a city of free Internet, free expression, tolerance of dissent and rule of law. If Hong Kong can take advantage of this attention on cyber security to improve our self-protection and defend our core values, one hopes that Hong Kong will see a silver lining in all these.

Thank you, President.

MR CHAN HAN-PAN (in Cantonese): President, while hiding in Hong Kong after fleeing the United States, Mr Edward SNOWDEN disclosed the large-scale telephone interception and computer hacking by the United States Government in places all over the world. Their targets include the Hong Kong Internet Exchange (HKIX) operated by The Chinese University of Hong Kong, meaning that our daily emails have been intercepted. And systems such as Facebook also have to turn over the information of their users to the United States Government. No one is safe.

After this secret has been revealed, a United States official even turned his shame into anger and accused Mr SNOWDEN of spying for China, citing that he had learned Chinese and travelled to China. He also argued that hacking into the computers and tapping the telephones of ordinary people in Hong Kong thousands of miles away from the United States was for anti-terrorism purposes and thanks to this plan, many terrorist attacks had been prevented. Was he

implying that people of Hong Kong were terrorists? All these remarks show that such a great country as the United States is at its wits' end.

Earlier, countries all over the world have announced that Hong Kong is not a city that would be hit by terrorism, meaning that Hong Kong never poses a threat to the security of the United States in whatever way. Hence, the purpose of keeping Hong Kong people under surveillance is not to combat terrorism but for some other hidden purposes. It is suspected that while keeping Hong Kong's Internet and telephone network under surveillance, the United States also uses Hong Kong as a platform, to obtain the intelligence of many other countries. In this process, Hong Kong people are victimized. The United States has repeatedly tried to explain and offer many excuses but we are fed up with its refusal to admit its mistakes, the American way.

In today's question session, the Government replied that the HKIX had not recorded any unusual network traffic and hence it concluded that the "system was normal". This conclusion is absurd because, as we can see, the Government's logic is that unusual network traffic only appears when there is a malicious attack, and if there is no unusual traffic, the system has not been invaded. Does the Government have any understanding about computer systems? What is more worrisome is whether the Government has the ability to safeguard our computer systems against any sudden hacking activities.

Some people point out that if someone does invade the network system in Hong Kong, the success rate can be as high as 75%. The Government can take this chance to proactively examine our networks to find out in the event of a large-scale network war, whether the security systems of important infrastructure facilities, such as the finance, water, electricity and aviation systems, are sufficient and effective. The Government should also assess in depth if there are any loopholes in the security system of our networks, so as to eliminate any potential threat, for example if any country attempts to hack into Hong Kong's network systems. For example, when the United States attempts to invade Hong Kong's network system, can the Government plug the loopholes in time? Regrettably, the Government's replies to the urgent question raised at today's meeting are very disappointing. The Government has not made good use of this chance to step up measures to protect the people of Hong Kong.

After Mr SNOWDEN had exposed the secret in Hong Kong, there have been many banners urging the United States Government to let him off the hook, not to extradite him, not to assassinate him and not to smear him. All these are the heartfelt feelings of the people. I think the people of Hong Kong have a sense of justice and the Government should, within the scope of its governance and in accordance with the law, convey Hong Kong people's thoughts to the United States Government. We demand that the United States Government should stop keeping Hong Kong people under surveillance, destroy any information obtained illegally, let Mr SNOWDEN off the hook and apologize to the people of Hong Kong.

President, I so submit.

DR PRISCILLA LEUNG (in Cantonese): President, the SNOWDEN incident has awakened the people of Hong Kong to the fact that Internet security in Hong Kong is like the King's New Clothes, that is, there are no privacy at all in the cyber world.

Apart from shocking the people of Hong Kong in respect of Internet security and privacy, the SNOWDEN incident has also prompted the community to discuss whether Hong Kong should surrender SNOWDEN to the United States if such request is made. The main issue for discussion is that Hong Kong and the United States signed the Agreement on Mutual Legal Assistance, the Agreement for the Surrender of Fugitive Offender and the agreement for the transfer of sentenced persons in 1997. These three agreements mainly deal with tendering of mutual legal assistance between two signatories in respect of offenders who have committed criminal offences recognized by both countries, such as rape, drug trafficking, homicide, corruption and even hijacking. In fact, even though Taiwan and the Mainland are in a tense relationship politically, they would also sign agreements similar to the mutual legal assistance agreement.

However, the signing of the Agreement on Mutual Legal Assistance does not necessarily mean that the requested party has to voluntarily surrender the person to the requesting party which claims that the person has committed a criminal offence of that country or place. For example, according to international practice, a political offender or an offender likely to be subjected to a death penalty will normally not be repatriated.

In 1988, a British special agent Peter WRIGHT published his memoirs in another Commonwealth country exposing some confidential British intelligence. The British Government was furious and took action against all Commonwealth countries or places, including Hong Kong, who had published the memoirs. The British Government even took action against *South China Morning Post*, barring it from publishing the contents or extracts of the memoirs. However the other Commonwealth countries or places would not listen to the United Kingdom, neither would they repatriate Peter WRIGHT. In 1990, the former Director of the Hong Kong Branch of the Xinhua News Agency also fled to the United States after publishing his memoirs exposing state secrets of China. Such incidents of exposure of state secrets are actually quite common in the international community and obviously exposing state secrets is a political offence. What is a political offence? It is an offence to the country concerned but not an offence to another country. The other countries may even welcome that these persons would expose more information.

Therefore, under such circumstances, let us re-examine the SNOWDEN incident. The United States will certainly try every means to prove SNOWDEN's guilt. For example, it stated recently that it had almost established 36 counts of crime committed by SNOWDEN, including illegal access to the computer to obtain information. But we cannot look at the true nature of the SNOWDEN incident in such a partial manner, that is, because he worked for an intelligence agency, he had a special identity and was thus able to access the information. From the information that he accessed and the impact of the whole incident on the international community and Hong Kong, we can see that the nature of this incident is that he has exposed the state secrets of the United States. It is like a killer stealing a car with an aim to kill a person. We cannot just prosecute him for stealing a car but we have to examine the whole case.

Under such circumstances, especially after the former United States Vice President Dick CHENEY purposely accused SNOWDEN as a spy for China, I think that apart from trying to diverting people's attention, he also wanted to discredit SNOWDEN and smear his image among his compatriots. However, this makes it even more obvious that in the mind of the Americans or the United States Government, the crime committed by SNOWDEN was indeed a political offence in his country. Therefore, even though Hong Kong and the United States had signed the Agreement on Mutual Legal Assistance, according to international practice, the SNOWDEN case is outside the scope of rendition

arrangements. Hence I think the Hong Kong Government should also bear the international obligation to (*The buzzer sounded*)

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

DR PRISCILLA LEUNG (in Cantonese): protect him until he arrives in a third country.

MR JEFFREY LAM (in Cantonese): President, the recent reports about Edward SNOWDEN have aroused great concern in society. If his allegations are found to be substantiated, many major strategic resources facilities in Hong Kong, including the Hong Kong Internet Exchange (HKIX) and Satellite Remote Sensing Receiving Station, might have been hacked by the National Security Agency of the United States. In other words, our emails, Facebook and all computer data might have been unlawfully intercepted unwittingly.

Despite the United States authorities claimed that their intelligence agency would only monitor communications suspected of involving terrorism, Hong Kong's cyber security has already sounded an alarm. After the September 11 terrorist attack, it is acceptable for the United States to heighten alertness to guard against persons suspected of jeopardizing national security. However, a country must also take into consideration the human rights and freedom enjoyed by people in other places while safeguarding its own national security. Recognized as one of the world's safest cities, Hong Kong has never been hit by terrorism. What is more, terrorists are not active here. How then can the United States authorities regard our network system as having no control at all and hack into it indiscriminately to unlawfully intercept our data?

President, I would like to highlight here the business sector's concern about this incident. After the disclosure of the incident, many people in the sector have relayed to me their grave concern. How can they do business if the business data of a company can be unlawfully intercepted unwittingly? What is more, if some major facilities in Hong Kong, such as financial institutions, were being hacked, it might result in catastrophic consequences, or even undermine Hong Kong's status as an international financial centre.

In the past, similar incidents have occurred in Hong Kong. For instance, the hacking of the HKExnews website of the Hong Kong Exchanges and Clearing Limited (HKEx) on 10 August 2011 had led to the suspension of trading of stocks, such as HSBC Holdings, Cathay Pacific Airway, the HKEx, and so on. As a result, a number of investors had sustained losses. I think the SAR Government should step up its effort in safeguarding cyber security to protect personal privacy and business data.

The SAR Government should handle SNOWDEN in accordance with the law. If he has contravened the law of Hong Kong, he should be dealt with according to Hong Kong law and the judicial procedure. However, if the incident involves diplomacy, it should be handled by the Central Authorities at the diplomatic level because, under the "one country, two systems", the Central Authorities are in charge of all foreign affairs. We also hope that the SAR Government can relay the views of Hong Kong people through a proper channel to call on the United States Government to give us a comprehensive and detailed account of its intrusion into the computers in Hong Kong. If the allegations are found to be substantiated, the United States Government should be requested to halt the relevant acts immediately and destroy all the intercepted data.

President, SNOWDEN has pointed out that he has chosen to "unveil the secrets" in Hong Kong because there is freedom of speech in Hong Kong and the interest of dissidents can be safeguarded here. In fact, freedom of speech has all along been Hong Kong's core value that Hong Kong people take pride in. However, some people in society have persistently criticized that freedom of speech in Hong Kong has been stifled after the reunification and compared the practices of the western world with that of Hong Kong in order to create political disputes. This incident, if substantiated, will indeed teach us a valuable lesson on understanding afresh the international political environment.

In fact, under the "one country, two systems", Hong Kong is indeed a blessed land. I hope Members can treasure our advantages, which are not easy to come by, as well as our core values. Most importantly, we should boost the economy and improve people's livelihood. The moon in overseas countries does not necessarily shine more brightly. President, I so submit.

MR MA FUNG-KWOK (in Cantonese): President, the main reason for an adjournment debate to be proposed today is the revelation by Edward

SNOWDEN, a former employee of the Central Intelligence Agency, of the massive surveillance programme conducted by the National Security Agency (NSA) of the United States on the Internet. It is like the scene depicting "Big Brother is watching you" in George ORWELL's novel *1984* is brought right before our eyes. The fact that the United States Government has still not dismissed the allegations days after the incident very probably proves that the revelations made by SNOWDEN are precisely what the NSA has been doing.

With the prevalence of the Internet and smart phones, our work, social life and even entertainment are closely intertwined with the Internet. The digital footprint left on the Internet is key privacy. The great repercussions in society triggered off by an incident related to the Octopus Card and the infringement of privacy by Google and Facebook do reflect that members of the public do not tolerate acts of privacy infringement.

President, the offence committed this time around is much more serious than those committed by business bodies. Our privacy has not been infringed upon by an enterprise, but by the United States Government, which has always been hoisting the banner of human rights. The places under surveillance include Hong Kong which has been working closely with the United States in anti-terrorism efforts. Moreover, the targets under surveillance are public officers, institutions, university staff members and students rather than terrorists. This is a meaningless surveillance programme that has extended continuously for a long period of time. In this surveillance scandal, the United States has, for some unknown reasons, unjustly monitored the cyber world of some incomprehensible targets in a place which has all along been co-operative for an unbearably long period of time.

After the September 11 incident, Hong Kong people, like people in other parts of the world, strongly condemn terrorist acts aiming to kill civilians. At the request of the Central Government, the SAR Government has strived to put into effect the resolution of the United Nations Security Council by enacting the United Nations (Anti-Terrorism Measures) Ordinance in 2002 and revising it in 2012.

On the issue of anti-terrorism, Hong Kong has all along been working closely with the United States. In the *Country Reports on Terrorism 2012* submitted to the Congress in May, the United States Department of State highly recognized Hong Kong's anti-terrorism efforts, including the amendment of legislation, the detection of money-laundering activities, the curbing of source of

funds for terrorists, the implementation of the Container Security Initiative by the Customs and Excise Department, and the police's anti-terrorism efforts. Even the command ship of the United States Seventh Fleet, USS Blue Ridge, which visited Hong Kong in March this year, had co-operated with the Marine Police in an anti-terrorism drill.

President, it is evident that Hong Kong has maintained a close and good collaboration with the United States in anti-terrorism efforts, and Hong Kong will fully complement the United States by offering support and assistance.

Nevertheless, the United States has completely ignored such a co-operative relationship and put unspecified targets in Hong Kong under surveillance, thereby turning everyone into a surveillance target of the NSA. Obviously, such acts have exceeded the extent required for anti-terrorism purpose. What is more, they have infringed upon the privacy of the public in their daily life. The fact that business information of private enterprises and organizations and confidential information of public institutions have been unknowingly scrutinized will leave behind an enormous room for people to guess the underlying motive.

President, surveillance and interception of communications are very often excellent subjects for movies. Certainly, I can hardly imagine the surveillance staff in the United States would speculate on stocks through collecting sensitive information, like the chief character in the movie *Overheard*. It is even harder to imagine how a surveillance agent can fall in love with and even protect his target surreptitiously, as in the German movie *The Lives Of Others*. However, after discovering the secret private lives of public officers, surveillance agents might threaten or blackmail them in an attempt to influence the stance of certain people in their public roles. I very much believe that this is not only a movie plot, but can also be found in the world of intelligence in reality.

When President OBAMA of the United States met with XI Jinping, President of the People's Republic of China last week, he accused China of hacking activities. This is the best example of "a thief crying thief".

President, in my view, the Legislative Council should, through this motion debate today, clearly express to the United States Government our dissatisfaction about network surveillance, and request the United States Government to give a detailed account of the information intercepted from individuals and institutions, immediately destroy such information, apologize to the persons or institutions

concerned and undertake not to intercept and steal any information in the future. The SAR Government should take relevant measures, including through the Ministry of Foreign Affairs of the Central Government, further reflect the abovementioned views and requests, and it should also adopt all other possible measures to upgrade our defence measures, so as to safeguard Internet safety.

Thank you President, I so submit.

MR IP KWOK-HIM (in Cantonese): President, the SNOWDEN incident has caused a great stir in the international community because the United States, which has always been an advocate of democracy, freedom and human rights, is alleged to have engaged in mass interception of telephone communications among civilians and network monitoring over the years. As a result, traditional values such as respect for personal privacy, protection of human rights and safeguard of freedom of speech, which the Americans have always been proud of, are greatly compromised. The OBAMA Government is even facing an integrity crisis for saying one thing and doing another. If the targets of interception of communications and network monitoring are confined to the civilians of the United States, I believe it is purely an internal affair of the United States. Hong Kong people are not in the position to make any comments, and there is no need for them to do so. However, as unveiled by SNOWDEN, the computer networks in Hong Kong, among others, have been hacked by the United States Government, too. Hence, Hong Kong people can no longer keep their mouths shut. Instead, they must raise strong protest and condemn the United States Government.

The PRISM programme as disclosed by SNOWDEN indicated that the extensive scale of the network monitoring programme of the United States Government has far exceeded national security needs and seriously infringed upon human rights. Hong Kong has never been a terrorism base, why did the United States Government extend its counter-terrorism operations to the computer networks in Hong Kong? Most outrageous still, all the computer networks hacked in Hong Kong belong to the civilians. It is really hard to imagine that the people of Hong Kong will have anything to do with international terrorism. Hence, one of the reasonable explanations is that the hacking of the networks in Hong Kong by the United States is to collect data on personal privacy, and the ultimate purpose is muckraking, dealing a blow to individuals and interfering with Hong Kong's politics. This is not a conspiracy theory but a

reasonable doubt. The United States Government must immediately halt all hacking operations into the computer systems in Hong Kong and explain this incident clearly to the people of Hong Kong.

The fact that Hong Kong people's privacy is monitored by overseas governments and their human rights infringed is a serious matter of concern. Nevertheless, after the incident came to light, some Members such as Mr Gary FAN even said that he would write to OBAMA, President of the United States, requesting him not to hold SNOWDEN responsible. He seemed to think that SNOWDEN, not the United States Government, was at fault. What is more, Mr FAN said that he perfectly understood the need for the United States to monitor the telephones of its citizens or the data of Internet users for safeguarding national security. His remarks are very offensive. I believe even Hong Kong people would find them unacceptable as well. The speeches delivered by Dr KWOK Ka-ki and Ms Claudia MO are even more stunning. They ignored the fact that SNOWDEN has faith in Hong Kong's rule of law, and they have made use of the incident to recklessly attack the Mainland and SAR Governments, in an attempt to play down the misdeed of the United States Government. I believe Hong Kong people watching such a despicable act of diverting attention will keep it in mind.

As regards the handling of the SNOWDEN incident, the Chief Executive has made it clear that it will be dealt with in accordance with Hong Kong's existing law and mechanism. In fact, an agreement on the surrender of fugitive offenders had been concluded between Hong Kong and the United States. Should the United States Government make a request for the surrender of SNOWDEN, the SAR Government can only act according to the agreement. But on the other hand, Hong Kong is governed by the rule of law. If it receives a request from the United States Government for the extradition of SNOWDEN, I think SNOWDEN can absolutely file a lawsuit in the Court of Hong Kong in accordance with Hong Kong's judicial system against the United States' request for his extradition to the country. As regards the final outcome, I fully agree with Mr Dennis KWOK that it depends entirely on court decision.

From the legal aspect, the handling of the SNOWDEN incident is entirely Hong Kong's internal affair. However, this incident will involve Sino-United States relations. If there are diplomatic contacts between the Chinese and United States Governments over this incident, they will fall within the scope of the authority of the Central Government in accordance with the Basic Law.

However, I am very confident that any foreign affairs will be handled by the Central Government based on Hong Kong's legal system.

President, I so submit.

MS EMILY LAU (in Cantonese): President, just when many Hong Kong people think that Hong Kong would disappear from the radar of the international community, SNOWDEN suddenly fell from the sky, turning Hong Kong into the focus of the international community. As some people regarded this whistleblower a hero, they held a rally, urging Hong Kong people to offer him protection. Some people, including me, even hope that some whistleblowers in Hong Kong would step forward to disclose any acts done by the Government which will undermine public interest.

During a recent conversation with a directorate grade official, I was told that the Government dared not do anything at the moment, especially after the incident involving Timothy TONG because anything done would make headlines in the *Apple Daily* on the following day. Does it imply that a lot of information can be disclosed and the SAR Government can be monitored without the need for a whistleblower? I certainly hope this is the case. People obtaining these sensitive data should let the public know if they think that Hong Kong's interest has been undermined by people with power and influence.

SNOWDEN is neither a secret agent nor a spy. He is merely a technician. Members who care to watch the news reports would know how he could have obtained so much data. President, his only tool is a USB memory stick. When I discussed this issue with different persons, they are puzzled, saying even the SAR Government or other persons would not allow someone to insert a USB memory stick into their computers to steal so much data. I really have no idea what the United States Government has been doing. Certainly, the SAR Government is reluctant to disclose anything in this respect. Do Members agree that this incident is odd? As the United States is the world's most advanced and remarkable country, how could a technician steal so much data with just one USB memory stick?

Anyhow, President, I agree with colleagues that the SAR Government is duty-bound to investigate what has happened and then hold the United States Government responsible. Regarding the suggestion that the United States

should be requested to stop doing so, it is certainly the best solution if this can be done. Even many Americans do not want their Government to pursue, but the United States Government still insists that this has to be done. Although it was pointed out by a colleague just now that Hong Kong is not a terrorism centre, the United States still insists that anti-terrorism operations have to be launched. But why should such operations be extended to Hong Kong? It is incumbent upon the SAR Government to pursue the matter and conduct thorough investigation.

Nevertheless, when foreign media interviewed me, they were most interested to know the role played by the Central Government in this incident and whether the "one country, two systems" would be challenged as a result of this incident. My answer was absolutely in the affirmative. As regards the role played by the Central Government, the Secretary was reluctant to make any comments. I would like to thank the Legislative Council Secretariat for preparing an information note for us. In paragraph 2.11, Members are reminded that the Fugitive Offenders Ordinance requires the Chief Executive to notify the Central People's Government of any surrender proceedings in Hong Kong. In addition, the Central People's Government may issue an instruction to the Chief Executive, on the basis that if the instruction was not complied with, the interests of the People's Republic of China in matters of defence or foreign affairs would be significantly affected. The law requires the Chief Executive to comply with that instruction. However, no such instruction shall operate to affect the responsibilities that the Chief Executive shall discharge in accordance with the law in dealing with any case. President, has enormous room been provided for the Central Government to interfere in the incident? I believe the international community and Hong Kong people have been watching closely to see if the SAR Government and the Court in Hong Kong have really acted in accordance with the law and procedures, and whether or not the Central Government will really refrain from interfering. President, if the Central Authorities really intervene in the matter, Hong Kong people will lose their trust in the "one country, two systems" and the independence of the Court, not to mention SNOWDEN's loss of faith in Hong Kong.

Hence, I do not care about the comments made by the royalists. This incident is in the process of fermentation and development. Let us wait and see if SNOWDEN can endure such a daunting challenge.

MR LEUNG YIU-CHUNG (in Cantonese): President, Edward SNOWDEN's disclosure of the infringement of worldwide Internet users' privacy by the National Security Agency of the United States has attracted global attention. It can be said his disclosure has the effect of whipping up rolling waves by throwing a rock. In fact, many community organizations and members of the public marched to the United States Consulate last Saturday to protest against the infringement of privacy by the United States Government, while calling for the safeguarding and protecting of SNOWDEN's personal safety.

The SNOWDEN incident has aroused our concern about whether the privacy of everyone in the cyber world is protected. In particular, under the national machinery in such a powerful nation as the United States or other countries, the Government may make up many special reasons to infringe upon our privacy. Worse still, the United States, the self-proclaimed World Police, has justified its infringement of our privacy on the pretext of anti-terrorist attacks. However, the United States is not the only country to have such acts, some dictatorial countries have also infringed upon our rights for the sake of stability preservation. Hence, this incident fully demonstrates that many countries have very often used various pretexts to infringe upon or deprive their people of their basic entitled rights, including right of speech, assembly, procession and demonstration.

Hence, while we speak on the infringement of privacy in connection with this incident, I hope Members would also say "thank you" to SNOWDEN. After hearing the speeches delivered by many Members, I find that no Member has thanked him. If not for SNOWDEN, we could not have known so much. Although we might smell a rat, we are not too certain. But today, not only do we know, but we are also certain. How can we know if SNOWDEN had not disclosed so much information? I hope Members can thank him for producing a lot of concrete evidence.

Nevertheless, not only should we thank him, we should also safeguard his safety. It is now suggested that this incident should be dealt with through legal and diplomatic channels. During our discussion, Members also mentioned our confidence in Hong Kong's rule of law and the Court. Whether or not Members have confidence, the crucial point is do we consider that SNOWDEN is justified in his act and should he take such action? Today, Members seem to be very frightened as the networks of small enterprises are under surveillance, and the data of The Chinese University of Hong Kong have been under surveillance.

But who has exposed the truth that threw Members into a panic? The person is SNOWDEN. But why do Members not care about his safety? This is the key point.

Similarly, like SNOWDEN, many of our friends in the Mainland have also exposed various malpractices of the country. We only acknowledge their disclosure without showing any appreciation and worse still, without safeguarding their rights, and leaving them to be arrested or segregated. I think we should reflect on our conduct. Very often, we complain that members of the public refuse to step forward and fight for their rights and they only enjoy the fruits that we have fought for on their behalf. Likewise, we are doing the same thing. While we keep criticizing the United States for infringement of privacy, we have done nothing to safeguard the whistleblower. How can Members act this way? What purpose does it serve for Members to deliver grand speeches? Members should have a clear conscience when delivering speeches because if we do nothing to safeguard SNOWDEN's personal safety, our privacy and other rights will also be infringed or violated in the future. This is the most crucial point. Hence, I hope that Members can refrain from merely enjoying the fruits of success of others and, most importantly, pay more attention to every effort made by others.

President, I so submit.

MR SIN CHUNG-KAI (in Cantonese): First of all, President, I would like to thank you for approving the urgent question and adjournment debate today. After the urgent question was raised, I received phone calls from my friends, asking me to criticize the Secretary for Security for misleading the people of Hong Kong because he said in today's urgent question session that "there is no sign of irregular network traffic or systems being hacked and everything is under normal operation". The Secretary is implying that Hong Kong's network is very safe.

Although Edward SNOWDEN has clearly pointed out that the National Security Agency (NSA) of the United States is capable of hacking into any system and get whatever information it wants, the Secretary still paints a rosy picture of cyber security. I have no intention to criticize the Secretary, I am only speaking on behalf of my friend as I have promised him to voice his views and I concur with him. Secretary, I hope you would take this matter seriously. First

of all, you should review our cyber security and examine the several requests made by Mr Charles Peter MOK.

In fact, I believe Hong Kong is no match for the NSA in terms of capability and technology. If the Secretary tells us frankly that they have not noticed anything unusual, they have no such knowledge, they have not identified any abnormality, they do not know what NSA has done, or they cannot detect their moves, it is better for he is candid. The NSA has clearly admitted, in a hearing held yesterday in the United States, its surveillance of overseas emails, networks, telephones, and so on. It has also explained very clearly in the hearing how further tracking was pursued after relevant information was found. Our network is already unsafe. I hope the Secretary and the other two Secretaries can, in their future replies, enhance the sense of crisis of cyber security among Hong Kong people.

Honestly, I was "hit" last night because my emails were also hacked. I have to apologize to many friends of mine for the trouble caused. There are serious problems with the network because a lot of data is now being stored on the "cloud". However, the "cloud" might be in the United States, not necessarily in Hong Kong. Hence, people outside Hong Kong can also gain access to our data. For this reason, I hope the Secretary can clearly explain the real situation to us.

I would also like to respond to the remarks made by Mr LEUNG Yiu-chung just now. In fact, are the disclosures of SNOWDEN something new? I like to see Hollywood movies, and in fact, many movies have scenes similar to what was mentioned by SNOWDEN. But the difference is that the disclosure was made by a former employee of the Central Intelligence Agency, or a contract staff member of the NSA, confirming the validity of some of the scenes probably seen in movies.

President, this incident has aroused global concern for cyber security. More embarrassing still, this incident has proved that not only the United States according to SNOWDEN, even the United Kingdom has taken the same move by monitoring government officials responsible for financial and monetary affairs in other countries at the G20 summit held in 2009. In fact, I believe many countries have also done the same. The point is how the Hong Kong Government can protect Hong Kong people's cyber security. This is our

key mission. How can we upgrade our own self-defense and detection capabilities?

Of course, we need to review if these countries have contravened the laws of Hong Kong. I recall that several years ago, probably in 2007 or 2008, the Government intended to introduce extra-territorial effect to the offence of "access to computer with dishonest intent" in section 161 of the Crimes Ordinance. Subsequently, a consultation was conducted for some time but no follow-up action was taken. After four years, the matter was left unsettled. Insofar as this issue is concerned, it is actually time for us to examine the legislation to see if this subject has to be brought up again for discussion.

President, this incident has exposed Hong Kong's cyber loopholes and cyber security problems. Other countries can do anything to protect their nationals. I am not saying whatever they do is right. However, when the people in Hong Kong are being affected, the SAR Government should stand forward rather than bury its head in the sand and mislead the public again by saying that Hong Kong's network is perfectly safe. I so submit.

DR KENNETH CHAN (in Cantonese): Regarding this incident, the top concern of Legislative Council Members is actually the performance of the HKSAR Government, in particular, the performance of the Chief Executive. It is because we were told by Edward SNOWDEN, who came to Hong Kong, that our cyber security has been undermined and our communications and privacy have been infringed.

Upon learning this, a logical and direct response, which should also be the demand of the general public and the focus of the adjournment debate held today in this Council, was to ask: What would our Government do? What would the Chief Executive, who was at that time visiting New York, the United States, say and do?

Under normal circumstances, when an international scandal has come to light, the governments will generally express concern, follow up or enquire with the matter, and even negotiate with the relevant parties. However, the response we received was "no comment on individual cases" seven times or, according to some people, nine times.

When the urgent question was raised this morning, the Secretary for Security still refused to respond in nine out of 10 times, without indicating his attitude or showing his concern, not to mention his stance. So, whom can we count on to pay attention to and safeguard the privacy of Hong Kong people and cyber security?

Even if we debate until dawn, we still cannot make the SAR Government undertake its responsibility. Actually, this incident is not purely about the United States "saying one thing and doing another"; advocating democracy and freedom on the one hand, but actually using anti-terrorism as a pretext to commit unusual and disproportionate acts of surveillance and eavesdropping on the other.

Honourable colleagues, I have been teaching international political relations in a university for quite some time. Actually, these are all common sense. These countries have been collecting intelligence in various parts of the world and making various efforts to protect the interest or security deemed necessary. Many places and cities around the world will also complement or co-operate with such efforts proactively or passively. This is not a secret at all. Neither do we need to ask why there is a need to collect our data or monitor our communications. There is nothing I can do if the Secretary refuses to answer these questions.

However, as we already know that we are being monitored and our cyber security is affected, we should at least ask what our Government has said and done. There is no need for the Government to worry that our response and views will cause a lot of trouble. When various governments and cities in the world encounter such situations, their normal response is to raise questions, express concern, follow up the matters, and even raise queries.

Of course, at the diplomatic level, higher-level and more targeted negotiations must be conducted between the Chinese and United States Governments. It is also incumbent upon a Government to do so.

President, many colleagues have mentioned George ORWELL's novel *1984* and the interception of communications by the "Big Brother". Actually, the way of interception of communications and brainwashing by the "Big Brother" on all fronts as described in *1984* can be found in all countries, not only in the United States. I strongly agree that legislation must be enacted in Hong Kong to protect whistleblowers. In the absence of such protection, we are

worried that people who know the actual situation and truth would, for fear of being taken revenge of, continue to collude with governments and officials to engage in surveillance and infringement of our freedom and human rights.

President, I express my extreme disappointment with the Government's performance. I so submit.

MR LEUNG KWOK-HUNG (in Cantonese): President, many Members have mentioned George ORWELL's novel *1984* just now. Certainly he had 1948 in mind when he wrote the novel, though the year was changed to 1984 in the end. Why did he feel pessimistic? It was because he saw that people had not learnt a lesson from World War II. Despite his fierce attack on the autocracy of the Communist Party of China (CPC), people who have read this book should realize that he was actually referring to another country: the United States. He already envisaged that the United States would become a super nation with extensive influence one day.

What did Edward SNOWDEN do? It is reported that he learnt about something serious — I have no idea what it is — and could not help exposing what he knew. He must be a prisoner of conscience, right? Since the United States Government has called on the CPC to release LIU Xiaobo, I cannot see any reasons why SNOWDEN should be extradited to the United States.

Many people also say that the Yankees are really wicked and vicious. President, the CPC would also do all sorts of evil things, but its hands and legs are not long enough, and there is an organ called Central Intelligence Agency in the United States. At present, it is still impossible for an organ of such a scale to be set up in our Motherland. However, arrests have been made by our Motherland through Internet surveillance. For instance, SHI Tao — not SZETO as in SZETO Wah — has been sentenced to 10 years' imprisonment. Even Google has to make compensation.

President, this Council must make it clear that SNOWDEN should not be extradited to the United States. This Council must make this very clear to the United States Government. This Council must also tell the Mainland Government that it must exercise military and diplomatic power in Hong Kong and disallow the extradition of SNOWDEN. These two issues must be stated clearly. As for LEUNG Chun-ying, he naturally has nothing to say, right?

What can he say? It is also very sad indeed. Even if we are not empowered to do so, we still must make our voices heard, right? LEUNG Chun-ying is a politician, not a government official. Should his comments be considered by the CPC to be incorrect, he may even erase them as though they are merely chalk-written words, right? Since he is tasked with governing a Special Administrative Region, he should fulfil his responsibility and speak out.

The SNOWDEN incident illustrates that the Internet service provider should be condemned. If the service provider has not aided and abetted the wrongdoer — President, you must understand that he put my stuff into his backpack and promised me that he would act justly and served me so long as I paid him. But then, he handed everything inside his backpack to the villain and let him put the stuff into his pocket freely. Hence, all Internet service providers around the world should be condemned. In the incident involving Mr Daniel ASSANGE of WikiLeaks, those people at least make some efforts to charge him with rape. In the SNOWDEN incident, he was not even charged. Hence, the truth is already pretty obvious.

In my opinion, if Hong Kong people do not care about SNOWDEN, we will suffer as a result. First, how can we be certain that the United States, as a super nation, will not attack Hong Kong's financial sector? This is merely an information battle. Members should still recall that the HSBC Bank and Standard Chartered Bank were given a severe penalty for money laundering in the United States — usually for clients from Mainland China or the Middle East. This illustrates that the act of interception of communications around the world is to serve major financial institutions and giant consortia. It is absolutely incumbent upon us, as ordinary people, to express condemnation of this incident, even though the Mainland still insists on doing so. The Mainland will lose the spirit of a nation if it keeps dragging its feet. In my opinion, the Central Government should clearly define SNOWDEN as a prisoner of conscience. Since LIU Xiaobo is also a prisoner of conscience, condemnation should be expressed in unequivocal terms (*The buzzer sounded*) I will stop here as I can only speak for five minutes.

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

MR JAMES TO (in Cantonese): President, I would like to make some comments after hearing a lot of opinions expressed by many colleagues. It must be a backbreaking task for the Secretary for Security to sit here from morning till night today. Nevertheless, I still think when Members ask — in particular, I also asked the same question this afternoon — whether the Government has expressed concern, as what the heads of other countries or places have done. For the sake of protecting the rights of their nationals, the United States should at least be asked to clarify certainly, this is what the Government should do, though no one can tell whether the United States Government will give a reply, for it might refuse to answer the question or even play with you.

However, it is inexcusable for the Chief Executive, as the head of Hong Kong representing the interest of Hong Kong people, not to raise any questions and not to express concern. Specifically, to express concern does not merely mean examining if the network has been hacked. Honestly, normal defensive measures might not be able to defend hacking of this level. I do not mean that there are no better means of security in the world, it is just that they can hardly be bought because some encryption or defensive devices, for instance, are already classified as strategic commodities. What is more, no countries or places will sell them because military or cyber security advantages might be involved.

Does the Central Government have national security devices? I believe it has. However, even if the SAR Government makes a request, the Central Government might not entertain in consideration of the interest of the entire country. In the eyes of the Central Government, security devices of this level might not be required for the communications of the Hong Kong Government in terms of sensitivity or confidentiality involved. If the SAR Government has used the key strategic or military defensive devices of the Central Government, it might easily become the leaking channel. The relevant defensive devices might even be dismantled, which I believe might go against the interest of the entire country. Hence, sometimes, it is not that the SAR Government, which is trapped in the middle, does not wish to beef up security but it cannot do so even if it wants to. As a result, we will become completely exposed because of the level of cyber attacks of others. However, I think that it is inexcusable for the SAR Government to avoid putting questions to the United States.

The second point I wish to make is, since this guy I wonder if he has really exposed many secrets, but I do not think so. I have studied this subject for 10 to 20 years. A book written by James BENFORD in 2001 can be easily found on the bookshelf in my office. The entire book is about the National

Security Agency. I remember I have finished only three quarters of the book. In fact, SNOWDEN has not exposed too many secrets. However, if he says that what he knows is, first, more updated; and second, what he knows is more than what he has revealed, then both the Government and this Council should invite him for a meeting from the perspective of protecting the interest of Hong Kong people, as he is already in Hong Kong. As regards whether he will agree to attend the meeting, answer questions or give any consideration to his interest, these matters should be up to him to decide. Nevertheless, some people might think that we do not want to know even if he is willing to talk, or he had better not to say so much. Some Members even suggest that he had better leave Hong Kong. However, I do not think that doing so is in the best interest of Hong Kong, at least for now. I think he should be invited to appear before the Legislative Council to testify.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Members have already spoken. I now call upon government officials to reply.

SECRETARY FOR SECURITY (in Cantonese): President and Members, just now, I have listened to all your speeches carefully, and I am grateful to your valuable opinions on the motion on "Cyber security". Members' concerns include the measures to safeguard cyber and information security, and the follow-up to the SNOWDEN incident.

Regarding the measures to safeguard cyber and information security, as some of them fall within the purview of the Commerce and Economic Development Bureau, Secretary Gregory SO will later also respond to this issue. I will first talk about the work done by the Security Bureau.

The application of Internet and the rise of computers and portable electronic products have undoubtedly brought people with convenience. However, individuals and organizations must pay careful attention to cyber and information security. In recent years, it has been increasingly common for law breakers to commit crimes or obtain data by exploiting loopholes in computer

security. We have noted an upward trend in technology crimes. Among various technology crimes, computer hacking is the one with the greatest increase in number. For example, there are suspected cases of system attack, abuse of Internet or online account, email scam, and so on. The community must face up to cyber security. Individuals and organizations must stay more alert and take necessary measures to enhance computer security and avoid being hacked.

The Office of the Government Chief Information Officer (OGCIO) and the Hong Kong Police Force (HKPF) have been monitoring closely the technological development and changes in *modus operandi* of law breakers. They are particularly concerned about cyber security and the security of information systems of critical infrastructures. They will update their strategies in regulation, enforcement and publicity where necessary.

In order to take a more focused approach and effectively combat technology crimes as they show an upward trend, the HKPF have included combating technology crimes as one of the 2013 Operational Priorities and adopted the following three strategies:

- (a) staying professional and advanced in investigating technology crimes, electronic data identification and training; and providing training to front-line officers to improve their knowledge and skills for investigating technology crimes;
- (b) closely co-operating with overseas law-enforcement agencies (LEAs), other government departments and major industry stakeholders to, among others, enhance their co-operation mechanism with overseas LEAs in combating cross-boundary technology crimes and build partnership with overseas public and private bodies in science research and experience sharing; and
- (c) joining hands with the OGCIO in raising public awareness of the prevention of technology crimes through public education and community efforts.

On the investigation of technology crimes, the HKPF currently adopt a three-tier investigation framework under which the investigation duties are assigned to task forces at the levels of Police Districts, Regions and the Headquarters based on the complexity and seriousness of relevant crimes. This

is to ensure optimal utilization of resources for effective and efficient investigation of technology crimes.

In view of the hidden nature and the cross-boundary characteristic of technology crimes, international co-operation is of the foremost importance in investigating technology crimes, and the HKPF always take it seriously. At present, Senior Superintendent of the HKPF (Technology Crime) chairs the Interpol Asia-South Pacific Working Party on Information Technology Crime. Apart from that, the HKPF will send instant notifications to technology crime investigation teams in other places or countries and co-operate with them under their co-operation mechanisms whenever necessary.

Regarding international co-operation, I would like to point out that it is a cross-boundary crime for anyone to hack into Hong Kong's computer systems overseas. As these crimes involve overseas hacking, it will take a longer time for the HKPF to obtain relevant information from overseas organizations in their investigation. Also, as cross-boundary crimes involve different jurisdictions, it is more difficult to take law-enforcement action.

To further strengthen Hong Kong's defence against various types of cyber attacks, the HKPF set up the Cyber Security Centre (CSC) in December 2012. Through strengthening communication and co-ordination between the HKPF and relevant stakeholders, conducting thematic researches and auditing network security measures, the CSC aims to prevent and enhance the response to possible attacks against the information system network of critical infrastructures.

It is true that cyber attacks are increasing. In order to meet the challenges brought by cyber crimes, particularly the cyber attacks against the systems of critical infrastructures, we set up the CSC as we believe it can step up our response to and defence against cyber attacks.

Regarding Members' concern over the information security of the Hong Kong Internet Exchange (HKIX) of The Chinese University of Hong Kong, I have already responded to it when answering the urgent question of Mr MA Fung-kwok. I am not going to repeat my reply here.

To conclude, network security is a matter which the whole community should be concerned with. The Government, the industry as well as all stakeholders should stay highly alert and adopt necessary measures to ensure network security.

The HKPF and the OGCIO will continue to closely co-operate and co-ordinate with stakeholders and the industry so as to safeguard the information system network of critical infrastructures and combat different kinds of technology crimes.

As for the SNOWDEN incident just mentioned by Members, the authorities are very concerned about the media reports which alleged that the local computer systems had been hacked. We will continue to monitor and ascertain the facts in relation to network security in Hong Kong, and will actively follow up on any incidents related to intrusion of the rights of institutions or individuals in Hong Kong. Here, I would like to repeat once again: As this case is highly complicated, I hope Members can understand that the Government cannot disclose or discuss our stance or the details of the operations that we have taken or will be taking. The SAR Government will handle this case strictly in accordance with the law and established procedures of Hong Kong.

Thank you, President.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, just like other places in the world, Hong Kong has to face countless threats in the cyber world. As we all know, once our computers or networks are connected to the open Internet, our information security will immediately be at risk and we may be hacked anytime. Therefore, we attach great importance to information security within the Government, and we are highly concerned if the public are aware of information security. Owing to this incident, the public are now concerned about information security, including the confidentiality of information within the Government, the security of network infrastructures, as well as the possibility of their personal computer being hacked into and their privacy being violated.

Regarding the confidentiality of information within the Government, we have formulated policies and measures to protect sensitive information. We have asked all Policy Bureaux and government departments to use digital certificates to encrypt confidential papers, and only allow authorized persons to access our application systems and data so as to ensure that our data are protected. Besides, we provide regular security training to make sure our staff are aware of the Government's information security policies and enhance their security awareness.

On the protection against potential attacks on information security and cyber hacking, the Government has adopted a systematic approach based on the guiding principle of "Prevent, Detect, Respond and Recover". Under this approach, various measures and prevention systems were developed to protect the Government's information systems and networks. To guard against potential attacks on information security and cyber hacking, we have asked all Policy Bureaux and government departments to install firewalls and intrusion detection/prevention systems on Internet gateways; make timely updates; encrypt confidential data during transmission; and conduct regular security risk assessment, and commission a third party to conduct audit.

The Chinese University of Hong Kong has been managing and operating the Hong Kong Internet Exchange (HKIX) for more than 17 years since 1995. Being the major Internet exchange in Hong Kong, it is widely recognized by our local Internet industry and other international and regional Internet exchanges as a neutral organization which provides reliable and efficient Internet exchange services.

On raising the public awareness of information security, as the news reports this time have reminded people of the risk of being hacked, we suggest that they should follow the best practice to protect their computers by installing and enabling anti-virus software; using the latest virus signatures; using strong password and changing it periodically; and applying the latest security patches or updates from product vendors to their operating systems and the applications installed in their computers.

The Government will continue to co-operate with the industry and professional bodies in organizing activities for enhancing public awareness and knowledge of computer and information security. The Government has made use of different channels, such as websites, seminars, promotion leaflets, online videos and radio announcements, to raise the awareness of information security of the business sector and the general public. Meanwhile, we disclose local and overseas news on information security through the one-stop INFOSEC website <www.infosec.gov.hk> to keep the public informed of the latest security problems which may have impacts on them.

The Hong Kong Computer Emergency Response Team Co-ordination Centre (HKCERT), established with the funding support from the Government, is responsible for receiving security incident reports, and offering assistance to the community by providing technical support in case of security incidents. It keeps

regular contact with international security organizations. If it receives any information suggesting that local computers are controlled by the "Botnet", it will try to inform users of the infected computers through their network service providers and ask them to remove the malware. Every year, the HKCERT carries out drills with relevant stakeholders to make sure they are able to respond to emergency in case of cyber attack.

The Office of the Government Chief Information Officer (OGCIO) has collaborated with the Hong Kong Police Force and the HKCERT since 2005 to organize activities on selected theme each year. These themes are usually the prevailing issues of concern in respect of information security. Due to the importance of cyber security, "Build a Secure Cyberspace" has been selected to be the theme since 2012. The key objective is to raise public awareness of cyber security so that the people can take appropriate measures to tackle cyber attacks and seek assistance when necessary.

Given that the Internet is open and global in nature, the Government, industry stakeholders, security experts and the entire community must work together to develop and maintain a safe cyber environment.

President, the Government will continue to implement information security measures to protect the Government's information systems and data, as well as promoting public awareness of information security.

I so submit. Thank you, President.

PRESIDENT (in Cantonese): As this motion has been debated for more than one and a half hours, according to Rule 16(7) of the Rules of Procedure, there is no need for it to be put to vote.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the meeting until 11 am on Wednesday, 26 June 2013.

Adjourned accordingly at twenty-seven minutes past Eleven o'clock.

Appendix I

WRITTEN ANSWER

Written answer by the Government Chief Information Officer to Dr Kenneth CHAN's supplementary question to Urgent Question

As regards the number of suspected intrusion incidents into government networks, the government Central Internet Services (CIS)⁽¹⁾ has strictly complied with government security regulations, policies and guidelines. To protect government networks and systems against security threats, the CIS's information security measures and operations adopt advanced technologies and best practices of the Internet and the information security industry, including multiple layers of firewalls using different solutions and technologies, as well as intrusion detection, prevention, identification and response systems. Besides, intrusions into or attacks on end user's computer facilities through emails or malicious codes are among the most common security threats. The government CIS is also equipped with multiple layers of anti-virus systems using different technologies, and systems for real-time detection of malicious codes and network traffic.

In the previous five years, suspected security threats, including distributed denial-of-service (DDoS) attacks, virus infected emails, intrusion or defacement attempts on website, and so on, were blocked by the multiple layers of different security systems and technologies. We have conducted continuous surveillance and analysis on the bulk of system data recorded but found that the actual number of suspected intrusion attempts could not be ascertained from the system data. Hence, we do not have a figure on the number of suspected intrusion incidents.

(1) CIS provides a range of centrally managed Internet services to over 60 government bureaux/departments, including hosting of and access to e-government services and websites, and providing Internet access and email services to government users.

Appendix II**WRITTEN ANSWER****Written answer by the Secretary for Transport and Housing to Mr Paul TSE's supplementary question to Question 3**

As explained by the MTR Corporation Limited, Octopus fares after the addition of \$0.1 per journey are still in general lower than Single Journey Ticket fares. As well, since adjustments to Octopus fares are in units of \$0.1, and adjustments to Single Journey Ticket fares are in units of \$0.5, there are operational difficulties to collect \$0.1 from passengers using Single Journey Tickets.