

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 3 July 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, G.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, B.B.S., 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, S.B.S., J.P.

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

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

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE CLAUDIA MO

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

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

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

THE HONOURABLE STEVEN HO CHUN-YIN

THE HONOURABLE FRANKIE YICK CHI-MING

THE HONOURABLE WU CHI-WAI, M.H.

THE HONOURABLE YIU SI-WING

THE HONOURABLE GARY FAN KWOK-WAI

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

THE HONOURABLE CHARLES PETER MOK

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN

DR THE HONOURABLE KENNETH CHAN KA-LOK

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

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

THE HONOURABLE KENNETH LEUNG

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

DR THE HONOURABLE KWOK KA-KI

THE HONOURABLE KWOK WAI-KEUNG

THE HONOURABLE DENNIS KWOK

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

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

DR THE HONOURABLE ELIZABETH QUAT, J.P.

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

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

THE HONOURABLE TANG KA-PIU

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

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

THE HONOURABLE CHUNG KWOK-PAN

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

THE HONOURABLE TONY TSE WAI-CHUEN

PUBLIC OFFICERS ATTENDING:

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

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

THE HONOURABLE 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

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

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

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

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

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

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

CLERKS IN ATTENDANCE:

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

MRS JUSTINA LAM CHENG BO-LING, DEPUTY SECRETARY GENERAL

MR ANDY LAU KWOK-CHEONG, ASSISTANT SECRETARY GENERAL

MISS FLORA TAI YIN-PING, ASSISTANT SECRETARY GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

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

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

TABLING OF PAPERS

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

Subsidiary Legislation/Instrument	<i>L.N. No.</i>
Arbitration (Appointment of Arbitrators and Mediators and Decision on Number of Arbitrators) Rules	115/2013

Other Papers

- No. 101 — Construction Industry Council
Annual Report 2012
- No. 102 — Construction Workers Registration Authority
Work Report for 2012/13
(From 1 April 2012 to 31 December 2012)

Report of the Bills Committee on Betting Duty (Amendment) Bill 2013

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Teaching Chinese History in Secondary Schools

1. **MS STARRY LEE** (in Cantonese): *It has been reported that since the reform of the secondary school curriculum in 2001, quite a number of secondary schools have cancelled teaching Chinese history as an independent subject in*

their junior secondary curriculum, resulting in a continuous decline in the number of senior secondary students taking the subject in recent years. This year, only some 7 400 candidates took the examination on the subject of Chinese History of the Hong Kong Diploma of Secondary Education (HKDSE) Examination, representing a sharp drop of over 1 000 candidates from that of last year. In this connection, will the Government inform this Council:

- (a) of the number of secondary schools currently teaching Chinese history as an independent subject in both their junior and senior secondary curricula, the number of those which have a combined subject of Chinese history and World History in their junior secondary curriculum, and the number of those which only teach Chinese history using a thematic approach under the subject of Integrated Humanities in their junior secondary curriculum, and the respective percentages of such numbers in the total number of secondary schools offering mainstream curriculum;*
- (b) of the respective numbers and percentages of Secondary Four (S4) to Secondary Six (S6) students taking the subject of Chinese History each year since the implementation of the new senior secondary (NSS) curriculum; and*
- (c) as some academics have pointed out that knowledge in the history of one's nation is the foundation for his sense of national identity, whether the Education Bureau will consider afresh requiring all secondary schools offering mainstream curriculum to teach Chinese history as an independent and compulsory subject at the junior secondary level; if so, when it will be implemented; if not, of the reasons for that?*

SECRETARY FOR EDUCATION (in Cantonese): President, the Education Bureau has requested all secondary schools offering mainstream curriculum to teach Chinese History at the junior secondary level. In other words, Chinese History is clearly compulsory in junior secondary. I repeat that Chinese History is clearly compulsory in junior secondary.

Regarding senior secondary, Chinese History will continue to be an elective subject as in the past. Under the old academic structure, candidates usually took four to five subjects in addition to Chinese, English and Mathematics

at the Hong Kong Certificate of Education Examination (HKCEE) but now under the NSS Academic Structure, students only take two to three subjects in addition to the core subjects. Therefore, there are fewer students in most elective subjects, and among them Chinese History. It is our view that the above situation is irrelevant to whether Chinese History is an independent subject at the junior secondary level.

Teaching Chinese History as "an independent subject" means dissociating Chinese History from World History and from other humanities subjects, and to teach China's 5 000 years of history by individual dynasties, with the focus placed on political history with all its order and chaos, and changes in regime from the 1911 Revolution to Year 2000. Such Chinese History curriculum approach is considered to be a more traditional one in Hong Kong. But this is not the only way to teach Chinese History. Some academics advocate an integrated subject linking the curricula of Chinese History and World History. This will enable students to have an idea of China's position in the context of world development in different eras, and allow more comprehensive examination of the similarities and differences as well as their experience of interaction between China and beyond in terms of their development. Other academics argue that Chinese History can be organized along certain themes designed in such a way that students will be able to have a grasp of Chinese social, cultural and technological developments in addition to the order and chaos of dynastic rule.

Dozens of schools in Hong Kong have put in practice different curriculum modes in the teaching of Chinese History. Some of the teachers involved won the Chief Executive's Award for Teaching Excellence. The Education Bureau considers that such efforts should be duly recognized and encouraged. Optimizing the learning of Chinese History and making it more interesting is the most effective strategy to increase the number of senior students taking the subject as an elective. The Education Bureau will continue to refine the Chinese History curriculum and optimize the relevant learning and teaching strategies, while providing appropriate support for teachers.

As regards the three-part question, our reply is as follows:

- (a) Out of the 448 secondary schools offering mainstream curriculum at the junior secondary level, 393 are offering Chinese History as an independent subject, representing 87.7% of the total number. Among these 393 schools, 343 schools offer Chinese History as an

independent subject in S1 to S3, 25 secondary schools offer Chinese History in two junior secondary years and another 25 offer the subject for S3 only.

In other words, only 55 schools do not offer Chinese History as an independent subject at the junior secondary level, representing 12.2% of the total number. Of which, 23 schools teach Chinese History and World History as an integrated subject, while another 32 schools adopt a thematic approach and teach Chinese History under the subject of Integrated Humanities.

At the senior secondary level, there are 450 schools offering mainstream curriculum in the current school year. The numbers and percentages of schools offering Chinese History at S4, S5 and S6 levels are 402 (89.5%), 403 (89.6%) and 413 (91.8%) respectively.

- (b) The respective numbers and percentages of S4 to S6 students taking Chinese History each year since the implementation of the NSS curriculum have been set out in the document provided, and I am not going to repeat due to the time constraint. (See Annex)
- (c) The Education Bureau considers that to cultivate a sense of national identity in students, it is important for them to have a command of knowledge in the history of our nation. Before the handover, Chinese History was merely an elective subject in grammar and technical schools. The subject was not an elective in pre-vocational schools at all. After the handover, the Education Bureau has attached greater importance to teaching Chinese History, and stipulates that all secondary schools offering mainstream curriculum teach Chinese History and culture at the junior secondary level. Further, regardless of their mode of teaching, schools are required to assign no fewer than two periods or so per week for the teaching of the subject.

The Education Bureau does not share the view that cultivating a sense of national identity in students can only be achieved through the independent subject approach, that is teaching Chinese History based on the chronological order of dynasties. Though this

curriculum mode has been around for years in Hong Kong and is widely in use among schools, the same cannot be found elsewhere in the world. Even in the Mainland, Taiwan and the Macao SAR, they only have History as one single subject, which is a combination of Chinese History and World History. Given the massive body of knowledge in Chinese history, there are diverse views as to how subject content can be organized in such a way that enables every student to grasp the essentials. Requiring all secondary schools offering mainstream curriculum to adopt only the independent subject approach when teaching Chinese History to junior students means negating the attempts and achievements of schools that have endeavoured to optimize the Chinese History curriculum. This does not bode well for Chinese History education with regard to its long-term development.

Annex

The respective numbers and percentages of S4 to S6 students taking Chinese History each year since the implementation of the NSS curriculum are as follows:

For the first cohort, the number of S4 students (2009-2010 school year) taking the subject was 12 857 (16.4%); the number stood at 10 096 (13.5%) when the cohort progressed to S5; among S6 students, 8 003 took Chinese History in the HKDSE Examination, accounting for 11.7% of the total number of candidates.

For the second cohort, the number of S4 students (2010-2011 school year) taking the subject was 11 872 (15.2%); the number stood at 9 329 (12.7%) when the cohort progressed to S5; among S6 students, 7 434 took Chinese History in the HKDSE Examination, representing 10.8% of the total number of candidates.

For the third cohort, the number of S4 students (2011-2012 school year) taking the subject was 10 349 (14.0%); the number stood at 8 185 (11.8%) when the cohort progressed to S5.

For the fourth cohort, the number of S4 students (2012-2013 school year) taking the subject is 9 364 (13.4%).

MS STARRY LEE (in Cantonese): *President, naturally, Chinese people should study Chinese History. It is the simplest and most direct way for children to understand the Motherland through studying Chinese History. So, it is essential for students at the primary and junior secondary levels to study Chinese History. President, regarding part (a) of the main question, the Secretary said in his reply that there are only 55 secondary schools which do not offer Chinese History as an independent subject at the junior secondary level, accounting for 12.2%, implying that only a small number of secondary schools do not offer the Chinese History subject. However, we worry whether there will be a trend of having an increasing number of schools which do not offer Chinese History as an independent subject, thereby reducing the opportunities for children to learn Chinese History?*

I understand that offering Chinese History as an independent subject means teaching Chinese History for at least two periods per week, that is, 1.5 hours per week; or about 66 hours per year. As 55 secondary schools do not offer Chinese History as an independent subject, Chinese History becomes only part of the subject, which may only be taught for 10-odd hours per year. Is it true that, if schools do not offer Chinese History as an independent subject, the actual school hours for Chinese History will become considerably fewer?

SECRETARY FOR EDUCATION (in Cantonese): President, I would like to thank the Member for her question.

First, there is no data indicating a reversed trend and schools have not reduced the time for teaching Chinese History as an independent subject. Second, I wish to emphasize again that the Education Bureau had earlier commissioned the experts from the Department of History of The Chinese University of Hong Kong (CUHK) to work in collaboration with front-line teachers to conduct research and development for the establishment of a system of history and culture. Chinese History and World History are integrated with culture, with certain themes of studies set and the syllabuses of the two subjects developed. Some related teaching materials have been compiled as education kit for reference by all secondary school teachers in Hong Kong. Thus, this is an experimental process, with the objective of optimizing the teaching of Chinese History and making it more interesting through various modes.

Concerning the teaching of Chinese History, some people also wonder if it is necessary to include school-based assessment. As a matter of fact, students will have special personal experience in the learning process. For example, they have 30 hours of learning opportunities through preparing papers on special themes, reports on museums visits and visits to individual cities such as Guangzhou and Huizhou. We wish to provide more learning activities under the curriculum.

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

MS STARRY LEE (in Cantonese): *The Secretary has not directly answered my supplementary question. If these 55 schools do not offer Chinese History as an independent subject, will the actual hours of students spent on learning Chinese History be considerably reduced?*

SECRETARY FOR EDUCATION (in Cantonese): President, regardless of the modes of teaching, the schools are still required by the Education Bureau to assign two periods per week for the teaching of the subject.

DR PRISCILLA LEUNG (in Cantonese): *President, teachers of Chinese History had the feeling that at that time, the Liberal Studies subject was introduced glamorously while the Chinese History subject was abandoned rashly. Many people in the education sector also shared the same feeling. Personally, I have all along opposed the cancellation of the Chinese History subject. This is like putting all the eggs in the Liberal Studies subject, and the teaching materials, syllabuses and examination guidelines have caused For example, we are all concerned about the workload of teachers of the Liberal Studies subject and the quality of this compulsory subject.*

In that case, will the Government consider re-introducing a more reasonable proportion in the teaching of the Chinese History and Liberal Studies subjects, and offering both subjects as compulsory subjects, so as to enhance the

quality of learning and teacher training, and lower the workload of teachers? In this way, the curriculum can be more focused and can meet the expectations of the students and the community.

SECRETARY FOR EDUCATION (in Cantonese): President, concerning the reform of the secondary school curriculum, apart from the four core subjects, there are elective subjects, and Chinese History is still a very popular elective subject. Considering the course contents, the Chinese History subject ranked the eighth amongst the most popular subjects in the former A-Level examination and the current HKDSE Examination. This data reflected that the position of the Chinese History subject has not changed. Under this premise, we wish to find out more about the situation leading to a declining number of students taking this subject. As I have just emphasized, the whole curriculum has put more emphasis on improving teaching and learning and making the subject more interesting. Alternative modes of teaching can be adopted. During discussions, there are views and proposals on the fourth five-year development plan of information technology, and some teachers have suggested strengthening the teaching of this subject through the use of information technology.

Under this premise, a new curriculum arrangement had just been launched. As reflected from the current situation, at least within these two years, the Chinese History subject will not drop below the ranking of the eighth most popular subject.

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

DR PRISCILLA LEUNG (in Cantonese): *President, the Secretary has not answered my question. I hope the Secretary would answer again whether the authorities would consider making Chinese History and Liberal Studies compulsory subjects, such that the course content will be more reasonably divided?*

SECRETARY FOR EDUCATION (in Cantonese): As I have mentioned just now, there are four core subjects under the examination system, and the NSS

curriculum has only been implemented for two years. So, we still need some time to observe the effectiveness of the NSS curriculum and the results of the reform. I have also mentioned that we are constantly considering other elective subjects. We will continue to pay attention to the development of this subject and other subjects when we conduct a medium and long-term review of the NSS curriculum.

DR ELIZABETH QUAT (in Cantonese): *President, not long ago, media executives asked Chief Executive LEUNG Chun-ying why Chinese History had not been made a compulsory subject after the reunification, and whether this has run contrary to his emphasis on internal diplomacy and encouraging young people to understand the policy administration of the country better? LEUNG Chun-ying answered that there must be certain justifications at that time for excluding Chinese History as a core subject. However, to date, have the conditions changed that requires a re-examination? He did not want to make hasty changes simply because some people have requested for making Chinese History a compulsory subject. He explained that members of the community who opposed making Chinese History a compulsory subject must have their justifications. They were of the view that if students were forced to study Chinese History but they did not make serious effort in studying and taking the examination, the result would be unsatisfactory and it would be a waste of effort. What are the conditions to be considered by the Government for making Chinese History a compulsory subject?*

SECRETARY FOR EDUCATION (in Cantonese): I thank the Member for her question. Let me reiterate, after the reunification, Chinese History has been a subject in the mainstream secondary school curriculum and Chinese History is a compulsory subject for junior secondary students. Nothing has been changed. In the past, prevocational schools did not offer the Chinese History subject, but they have to teach this subject now. The scope of the course has been expanded but not narrowed, and the subject has not been cancelled. I reiterate that Chinese History is absolutely a compulsory subject for junior secondary students.

MRS REGINA IP (in Cantonese): *President, for students in my generation, Chinese History covered the period from Sui-ren-shi, Shennong-shi to 1939 in chronological order, from which we learnt about the traditional culture and the*

historical changes of our country. Why does the Education Bureau so staunchly oppose the study of history in chronological order? The Secretary has repeatedly said that this is unique in Hong Kong. Let us not compare Hong Kong to the Mainland, Taiwan and Macao. Quite a number of countries, especially the United States, have put great emphasis on national identity. As the United States has a short history, students have to study the history several times from middle school to high school, and they have to make comparisons with World History in the advanced stages of university education.

Secretary, as you have mentioned that the knowledge of Chinese History is vast and voluminous, how then can comparisons be made with World History including the history of the Roman Empire and that of the United Kingdom and the United States at the secondary school level, as well as taking out some eras or themes for comparison, so as to help students understand the development of the nation? Do you think that Hong Kong students are so stupid they are not able to learn, or do teachers think that this teaching method is better?

SECRETARY FOR EDUCATION (in Cantonese): As the Member has mentioned, Chinese History covered the periods from Shennong-shi, Fuxi-shi, Sui-ren-shi to the present, and this learning process is really important. We fully support this argument. Therefore, the rise and fall of various dynasties are covered in the mainstream secondary school curriculum, and this is the direction followed by 87.7% of schools.

As I have just mentioned, some schools have, after considering the research conducted by the CUHK professors, believed that they can try to teach Chinese History through other approaches. So, about 12% of schools teach the subject in other ways and they would examine the students' responses in this connection.

We definitely accept and support the present mainstream mode of teaching and we have never made any changes. Yet, 55 schools are trying to adopt another approach, with a view to using more interesting methods. This is an attempt to enhance the effectiveness of teaching and learning.

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

MRS REGINA IP (in Cantonese): *My question is: what is the basis for the Education Bureau's opposition to teaching Chinese History on the basis of chronological order of dynasties? Is the Bureau's opposition due to practical or theoretical considerations?*

SECRETARY FOR EDUCATION (in Cantonese): I do not disagree with the Member. I actually concur with her. Sometimes, teachers will make arrangements according to the learning capabilities and interests of students. We basically support the whole process.

MR WONG KWOK-KIN (in Cantonese): *President, after the Education Bureau has excluded Chinese History from the core subjects, our impression is that the incompetent officials of the Bureau have forgotten their roots. The Secretary has just expressed his views eloquently but he dares not talk about part (b) of the main reply. For the first cohort, the number of S4, S5 and S6 students taking the Chinese History subject was slightly more than 10%. The Secretary has not faced the reality at all.*

I would like to ask Secretary Eddie NG: Dr Elizabeth QUAT has just asked you under what conditions would the Government reconsider making Chinese History a compulsory subject; your answer is totally irrelevant as you said that it is a compulsory subject at the junior secondary level. I now give you another chance to answer the question: under what conditions would the Education Bureau consider making Chinese History a compulsory subject? We are not asking a question about junior secondary; please do not give an irrelevant answer again.

SECRETARY FOR EDUCATION (in Cantonese): I thank the Member for his question, which gives me another opportunity to make clarification. Over the years from the HKCEE to the current examination, Chinese History has been a compulsory subject. First, it has been a compulsory subject at the junior secondary level, and this arrangement has never been changed. Let me emphasize again, this has never changed as Chinese History is a compulsory subject for S1 to S3 students. As in the past, Chinese History is an elective

subject for S4 to S6 students, as well as S7 students in the past. I wish to tell Members once again that we have never changed our position. Chinese History is an elective subject at the senior secondary level. For the previous A-Level and HKCEE, candidates could elect three to four subjects; whereas for the present HKDSE Examination, candidates can only elect two to three subjects. That is why the number of students taking the Chinese History subject has decreased.

As regards the number of students taking the Chinese History subject, we note that 14% of S4 student take the subject; for S5 students, the percentage is about 14%, and for S6 students, the percentage is 11% or 12%. Hence, the focus of our work is to identify ways to improve teaching and learning and make the subject more interesting, so that more students will regain interest in and take this subject.

As I have just said, in improving teaching and learning and making the subject more interesting, we have to introduce an element of information technology, so that students taking this subject can get more information and find more interest in learning. This is the direction of development that we are considering.

MR IP KIN-YUEN (in Cantonese): *President, I wish to remind the Secretary, he has just mentioned repeatedly that Chinese History is a compulsory subject in junior secondary. This statement is wrong, he can only say that Chinese History will be taught in junior secondary but not as a compulsory subject because many schools do not offer Chinese History as an independent subject. As regards whether Chinese History should be taught in chronological order of dynasties, this approach is certainly acceptable, but this may not be only approach if Chinese History is taught as an independent subject. Many modes of teaching can be adopted if Chinese History is taught as an independent subject.*

President, all of us in this Council wish to express clearly that teaching Chinese History is of great importance. According to the Secretary, the Chinese History subject is the eighth popular subject. But I wish to tell the Secretary, the Chinese History subject was the sixth popular subject in the last HKCEE. In other words, its popularity has declined. The candidate number has also dropped from 23 740 in the last HKCEE to 7 705 in the second HKDSE Examination.

PRESIDENT (in Cantonese): Mr IP, please state your supplementary question.

MR IP KIN-YUEN (in Cantonese): *only around one third is left*

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

MR IP KIN-YUEN (in Cantonese): *The statistics have illustrated that fewer students are taking the subject. Has the Bureau examined the reasons why fewer students have taken the subject, is it because fewer schools are teaching the subject, or are students not so interested in taking the subject, or are there other reasons? It is very difficult for us to take appropriate actions if we cannot find the reasons.*

SECRETARY FOR EDUCATION (in Cantonese): I thank the Member for his question. Let me reiterate, we have noted the trend that fewer candidates are taking the Chinese History subject. Nevertheless, I believe it is more reasonable to consider the number of candidates in light of the actual situation. A Member has just mentioned that there are only 7 400 candidates taking the Chinese History subject in the HKDSE Examination this year. I can provide similar data. In the A-Level Examination in 2012, more than 4 000 candidates took the Chinese History subject. Thus, we will get different results when we compare the figures of the A-Level Examination and the HKDSE Examination.

Yet, the fact is that the number of candidates taking the Chinese History subject has decreased, which may have something to do with the reduction in the overall number of students. More importantly; first, Chinese History is important; second, having realized the students' preference, we have to strengthen the effectiveness in teaching and make the subject more interesting, so that students can regain interest and start learning Chinese History again.

(Mr IP Kin-yuen stood up and he wished to ask the Secretary for Education a further question)

PRESIDENT (in Cantonese): Mr IP, you may not be satisfied with the Secretary's reply but we have spent over 25 minutes on this question, far beyond the time limit. Members who are still waiting for their turns have to follow up this issue on other occasions. Second question.

Increasing Retail Facilities and Floor Area

2. **MR VINCENT FANG** (in Cantonese): *President, it is learnt that the number of Mainland visitors to Hong Kong under the Individual Visit Scheme (IVS) has been on the rise over the past decade, and the places where they go shopping concentrate in shopping malls, shops and traditional shopping areas along the railway lines. According to the statistics of the Census and Statistics Department, the gross proceeds of the retail industry had grown by 1.3 times between 2002 and 2011 but the retail floor area had increased only by 30% during the same period. As the demand far exceeds the supply, rents of shops in traditional tourist shopping areas have surged continuously and caused the rise in commodity prices, thereby giving rise to discontent among members of the public towards Mainland visitors. On the other hand, the Chief Executive said when he took office that he would take measures to increase retail floor area and ancillary facilities. However, relevant measures have not yet been taken so far, and as a result, the development of the retail industry still faces serious constraints. In this connection, will the Government inform this Council:*

- (a) *given that although the Secretary for Development told this Council on 6 February this year that more retail floor area would be provided in Kowloon East, Kai Tak Development Area, as well as in the new development areas in the North East New Territories and Hung Shui Kiu under planning, he did not reveal the number of large shopping malls to be developed in such development areas, nor the estimated retail floor area to be provided and the completion time, whether the Government has plans to increase retail floor area and ancillary facilities in the short term, build large shopping malls at places near the boundary or along the railway lines, and increase the retail floor area in traditional shopping areas (for example, by building an underground shopping centre in Causeway Bay, and so on) so as to meet the pressing demand for shopping facilities arising from the increase in the number of visitors at present, and to ease*

the conflicts between local consumers and Mainland visitors; if it has, of the details; if not, the reasons for that;

- (b) whether, in the medium to long term, the Government has any plan to increase the proportion of retail floor area for the sites scheduled for sale; of the estimated retail floor area to be provided by the sites to be put up for auction by the Government in this financial year, and the percentage of retail floor area in the total floor area to be provided by those sites; and*
- (c) if it knows, the proportion of retail floor area to residential floor area in the development projects under the Urban Renewal Authority (URA) which are in progress or will soon be launched, whether URA will consider increasing the retail floor area in those projects to meet market demand given that those development projects are all located in densely populated districts, and whether URA will consider leasing the former Central Market on short-term tenancies for retail purpose before the commencement of the revitalization project for the Market; if URA will, of the details; if not, the reasons for that?*

SECRETARY FOR DEVELOPMENT (in Cantonese): Good morning, President and Honourable Members. Retail is one the major economic activities of Hong Kong. Since the number of Mainland visitors to Hong Kong has been on the rise in recent years, the retail market remains vibrant, and the market demand for commercial floor space, especially retail floor space, has also increased. The HKSAR Government noted the situation and has been progressively providing suitable land, and ensuring flexibility in land planning and land use, so that the market can respond effectively to the ever-changing needs of the retail industry as well as other commercial activities.

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

- (a) and (b)

As set out in the 2013 Policy Address, the Government will continue to adopt a multi-pronged approach to increase the supply of housing land, while at the same time supplying more commercial land and

facilities to facilitate the further development of different economic activities including the retail industry. Examples include the development of Kowloon East, which has the potential to provide an additional commercial floor space of about 4 million sq m, into another core business district of Hong Kong; the Kai Tak Development Area, which has 14 sites with a total area of about 14 hectares zoned "Commercial"; the New Central Harbourfront, which is expected to make available more than 260 000 sq m of commercial floor space. Over the past two years, the Government has sold a total of nine commercial/business sites, providing about 400 000 sq m of gross floor area (GFA). The 2013-2014 Land Sale Programme also offers nine commercial/business sites which are capable of providing about 330 000 sq m of the GFA. As the details of these measures were provided during the discussion of the motion on "Increasing the business floor areas of the retail industry" at a Legislative Council meeting on 6 February, and also in the written reply to Mr James TIEN's question on "Demand and supply of commercial sites" today, I shall not repeat here.

The various economic activities in society, including retail, require commercial land and floor space. The Government's role is to increase the supply of appropriate sites, space and hardware. It would be for the market and the operators to decide how to develop such sites and what types of commercial uses should take up the floor space. Operators, be they small and medium enterprises or big businesses, are most knowledgeable about the market conditions and are best placed to respond to the situation and the changing needs flexibly and timely. The Government's role is to maintain a fair and open business environment, and continuously provide land and supporting hardware, so as to enable various commercial activities (including retail) to develop sustainably.

There is sufficient flexibility under the current land planning and land use to allow the market to respond to the changing demand for land and facilities for various commercial (including retail) purposes. For example, apart from offices, "retail shops" is an always permitted use on the land zoned "Commercial" in the Central Business District and major shopping areas. In the "Residential (Group A)" zones, retail commercial use in the lower three storeys of

the concerned buildings is also always permitted. Furthermore, "mixed uses" zones have in recent years been introduced into the Kai Tak Development Area and the West Kowloon Cultural District, and so on, so as to enhance the flexibility of non-residential uses in the buildings there. Developers can also continue to propose suitable change of land use for retail business developments or other commercial activities via planning applications. The demand for floor space from various commercial activities (including retail) changes at all times, and operators' modes of business are also quite dynamic. As such, while the Government continues to increase the supply of commercial floor space, the Government in general will not mandate floor space for a specified commercial use, or require a particular proportion of commercial floor space for retail use.

- (c) The residential and commercial floor areas of the redevelopment projects of the URA are subject to the provisions of the respective Outline Zoning Plans, the Buildings Ordinance and the land leases concerned. In general, the maximum plot ratio for commercial use is 1.5 times of the net site area. As the development projects have to comply with the requirements of various fire safety regulations, other relevant ordinances and the sustainable building design guidelines, the actual commercial floor area made available upon completion may be less than the maximum floor area permitted. To ensure the optimal use of urban land, the URA will provide the most appropriate retail floor area in its urban renewal projects in accordance with the proposed uses of the development and subject to the town planning requirements and other relevant stipulations.

In May this year, the URA submitted a planning application on the Central Market revitalization project to the Town Planning Board (TPB). Subject to the approval of the TPB, the project will provide space for commercial, cultural and/or community uses. The revitalized Central Market building will be able to provide about 22 000 sq m of the GFA, of which, after deducting the floor area required for the necessary fire service and electrical and mechanical installations, about half will be used for amenity and greening facilities, and the rest will be for retail purposes.

At present, the Central Market building is a government property. Part of the area along the second floor passageway of the building has been rented to the URA by way of short-term tenancy for operation as the "Oasis Gallery". As regards the remaining portion of the area along the passageway, it is currently leased out to eight commercial tenants for temporary operation on a monthly basis. Before officially handing over the market building to the URA, the Lands Department will give timely notifications to the tenants to move out in accordance with the terms of the tenancy agreements. In view of the dilapidated state of the other parts of the market building, it is considered not suitable for renting out for other uses.

MR VINCENT FANG (in Cantonese): *President, since the new Government assumed office, a lot has been done to address Hong Kong's housing problem, for example, continuously identify new land or even convert the use of land to build public rental housing. I understand that tackling housing problems are amongst the top priorities of the current-term Government, but the supply of retail floor area also has significant impact on society because insufficient supply will cause inflation, as Members can see, and deepen the conflicts between Hong Kong and the Mainland.*

In the main reply, the Secretary has mentioned a lot of measures, which include providing 4 million sq m of commercial floor space and designating 14 hectares in the Kai Tak Development Area as "Commercial" zone. And yet, these are long-term initiatives and will not be completed within the next few years. Has the Secretary considered any short-term measures that can help the retail industry? I have suggested, for example, converting industrial buildings for commercial use, or converting some car parks in urban housing estates managed by the Housing Authority (HA) into retail premises. In fact, this is precisely what the Government has been doing and some NGOs have rented such premises as temporary offices. Has the Secretary considered implementing this kind of short-term measures? This is very important because if the problem cannot be resolved in the short run, there will not be any long-term effect.

SECRETARY FOR DEVELOPMENT (in Cantonese): I thank Mr FANG for his supplementary question. We totally recognize the importance and urgency of increasing the commercial and retail floor areas, and this is why Members may

notice that nine sites have been included in the 2012-2013 Application List for land sale, providing about 330 000 sq m of commercial floor area in total. Over the past two years, we have sold nine sites, providing about 400 000 sq m of commercial floor area. From this, we can see that the Government has already stepped up its effort. In this year's Application List for land sale, a number of land need to be rezoned and progress has been made in this regard. However, as Members may be aware, we do realize the problems and are working on some short-term measures.

Regarding Mr FANG's proposal to convert the industrial buildings, the initiative to revitalize industrial buildings has been implemented for a period of time and the deadline for submission of applications has already been extended to March 2016. Over the past period of time, we have received and approved a number of applications. In the short run, as the revitalization initiative previously put in place has been adequate, significant adjustment is therefore not warranted even if changes have to be made. And yet, even if significant adjustment has to be made, it would not be a conversion of the industrial buildings for commercial use or redevelopment of the entire building because this would only lead to speculation in industrial buildings, thereby driving up their prices. Therefore, with respect to the revitalization of industrial buildings, no new or important initiatives would be introduced. Nonetheless, I would like to call on the relevant property owners to take this opportunity and apply to convert or redevelop the entire building before March 2016.

For the car parks managed by the HA, we will work with the Transport and Housing Bureau to consider the possible measures to be put in place.

MR CHAN HAK-KAN (in Cantonese): *President, I want to follow up on the supply of retail properties. Secretary, I believe you are also aware that the North District has long been plagued by the problems brought by visitors and parallel traders, who mainly compete for daily necessities along the East Rail Line. This has driven up shop rentals and commodity prices, and affected the living of local residents.*

May I ask the Secretary if the Government will introduce any measure to separate the economic activities of parallel traders and local residents? For example, whether shopping malls will be strategically built in Shenzhen or the borders of Hong Kong to cater for Mainland customers, such that Hong Kong

people do not have to compete with the large number of parallel traders for train services and daily necessities?

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

SECRETARY FOR DEVELOPMENT (in Cantonese): President, concerning the development of retail space in New Territories North, we are looking at the issue from different perspectives. Firstly, as we all know, we currently have the Man Kam To and Lok Ma Chau crossings, whereas the Liantang/Heung Yuen Wai Boundary Control Point is also under construction. Consideration has been made to reserve some space in these crossings for the development of the retail industry, so that Mainland customers coming to Hong Kong for shopping do not need to go to the urban area.

Secondly, certain area in the new development areas, including North East New Territories and Hung Shui Kiu, has been designated for commercial use. As for the Lantau Island, we are exploring the feasibility of developing commercial floor space on the artificial island of the Hong Kong section of the Hong Kong-Zhuhai-Macao Bridge, with a view to satisfying some demands of Mainland shoppers. Furthermore, we are examining with the Hong Kong Airport Authority the space available for commercial development on the north of the Airport Island.

MR TONY TSE (in Cantonese): *Regarding the increase in retail floor area, apart from the size, the location is also very important. As we all know, while some shops have yet to be rented out, some have been rented at an astronomical price.*

Noting that the Secretary has just mentioned the Central Market, I also want to follow up on this. President, as Members may be aware, the Central Market has been left idle for a decade and the Secretary said earlier that part of the building is pretty dilapidated. Will the authorities make good use of this premise and what will be done? Since the Central Market has been left idle for the past decade, I trust that it will certainly yield very high return if it is leased after rehabilitation. May I ask how much longer will the Central Market have to

be left idle? Given that it has been left idle for so long, will the Government consider leasing it on short-term tenancies for shop operators?

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the development of the Central Market has been delayed mainly because of the judicial review on the Central District Outline Zoning Plan, which has paralysed not only the Central Market project, but also the Murray Road Multi-storey Carpark Building project. Since the judicial review has completed, we have included the Murray Road Multi-storey Carpark Building in this year's Application List for sale for hotel use.

On the other hand, the URA has restarted the Central Market project and accelerated the pace of the ongoing town planning processes. According to our current estimation, the relevant processes would proceed at a faster pace. If dilapidated buildings are rehabilitated within a short period for leasing, the buildings may have to be resumed for redevelopment not long afterwards, which is pretty inappropriate.

MR TOMMY CHEUNG (in Cantonese): *President, after The Link acquired a number of public rental housing (PRH) shopping malls, the rents of shops have soared and many small shop operators were forced to move out, which has caused a rise in commodity prices. Recently, the Development Bureau has announced a number of projects relating to urban PRH estates. May I ask the Secretary if these projects have set aside a certain amount or proportion of space for retail purposes? Furthermore, will a larger space be set aside specifically in the urban PRH estates for small shop operators or micro-enterprises to operate traditional or local businesses?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the planning and development of PRH estates actually falls under the purview of the Transport and Housing Bureau. As far as I know, relevant retail and ancillary facilities will be provided in the development of PRH so long as the size of the construction site permits. As for the actual figure, please allow me to relay Member's supplementary question to the Transport and Housing Bureau after the meeting for a written reply. (Appendix I)

MR WONG TING-KWONG (in Cantonese): *In Mr Vincent FANG's main question, he mentioned the increase in the retail floor area in traditional shopping areas by, for example, building an underground shopping centre in Causeway Bay. May I ask the Secretary if the authorities have considered the development of an underground shopping centre? If so, what is the progress?*

SECRETARY FOR DEVELOPMENT (in Cantonese): President, the Chief Executive has mentioned in the 2013 Policy Address that Hong Kong can examine the development of underground spaces because land is very precious in Hong Kong, and land supply is particularly critical in the urban area. The Government has started off the relevant process and laid down a few targets. Apart from increasing underground space for commercial and other purposes, we will also see if certain facilities can be moved underground in order to release some ground spaces.

Furthermore, we will also develop underground spaces to enhance, *inter alia*, the pedestrian links of the district. President, this issue has an extensive coverage and also involves legal matters, we will therefore engage consultants to carry out a more comprehensive and in-depth study, and will revert to and update the Legislative Council once the outcome is available.

MR ANDREW LEUNG (in Cantonese): *I would like to follow up on the underground shopping centre. Take a popular tourist destination, Tokyo, as an example. It has a lot of large-scale underground shopping centres for small and medium enterprises to operate businesses. Will the authorities consider building an underground shopping centre under public facilities to link up the popular districts? Take the Victoria Park as an example, we may link it up with the shopping centres in Causeway Bay and utilize the underground space to build a shopping centre. I hope that the Secretary will answer this question and tell us if a proposal will be put forward five years after the study?*

SECRETARY FOR DEVELOPMENT (in Cantonese): I would like to thank Mr Andrew LEUNG for his supplementary question. The examples cited by Mr LEUNG just now, such as making use of the underground space under Victoria Park, have actually been included in our study. I therefore concur with Mr LEUNG's proposal, except that we have to prioritize the study of underground

space development because different property rights are involved. We are aware of Members' concern and will take on board their opinions, with a view to updating Members of the progress by stages as early as possible.

DR LAM TAI-FAI (in Cantonese): *President, the Chief Executive has repeatedly stressed the need to first tackle problems relating to people's livelihood and the economy before commencing the consultation on political reform. President, the development and integration of the economies of Hong Kong and China will definitely affect Hong Kong people's livelihood and economic development, especially the retail industry, and the IVS has also brought significant impact on Hong Kong's economy and the conflicts between the two places.*

President, my supplementary question is as follows. Recently, many people from the retail industry told me that the number of Mainland visitors coming to Hong Kong for shopping has decreased, thereby adversely affecting their businesses. I wonder if this is the after-effect of the "harsh stamp duty measures" and the "the formula milk rationing order". Anyway, may I ask if the Government has assessed if there is a decreasing trend in the number of IVS visitors? If so, what is its implication on Hong Kong's retail floor area?

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

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, we have not observed a decreasing trend in the number of IVS visitors. As Members may be aware, the total retail sales published yesterday had indicated an increase. For the first five months of 2013, the sales volume had increased by 14.5% whereas the sales value had increased by 15%. Therefore, the overall consumption had increased rather than decreased. In May, for example, the value had increased by about 12.8%, indicating that no downward trend had been observed in respect of consumption. Notwithstanding that, consideration should also be made to the retail floor area. Apart from IVS visitors, local consumption is also of vital importance. At present, about 70% of the total retail sales value comes from local consumption.

PRESIDENT (in Cantonese): This Council has spent nearly 24 minutes on this question. Third question.

Energy Saving as One of the Directions of Interim Review of Scheme of Control Agreements

3. **DR ELIZABETH QUAT** (in Cantonese): *President, it is learnt that the Secretary for the Environment has indicated that energy saving is one of the directions of the interim review of the Scheme of Control Agreements (SCAs) entered into by the Government and the two power companies. Under SCAs, the Government will assess the performance of the two power companies based on the number of energy audits they perform for customers and the actual energy saved (energy saving targets), and a maximum award of 0.02 percentage point in permitted return will be given as an incentive. It has been reported that the actual energy to be saved by customers as specified under SCAs accounts for only about 0.03% to 0.04% of the annual local electricity sales of the two power companies, and the two power companies provide such service only to commercial customers. In this connection, will the Government inform this Council:*

- (a) *of the respective annual number of energy audits performed by the two power companies for their customers, the actual energy thus saved, and the amount as well as the ratios of the bonus return so earned, since the implementation of SCAs; whether the Government and the two power companies had set energy saving targets in the past based on any scientific criteria, and whether they had ascertained that such targets were appropriate and feasible based on any standards or researches;*
- (b) *whether the authorities have assessed if the aforesaid terms of SCAs are operating effectively; if they have, of the outcome; whether the interim review of SCAs being conducted includes a review of the aforesaid terms; if so, whether they have demanded the two power companies to raise the targets for the energy to be saved for their customers to at least 1% of their annual electricity sales, required the two power companies to provide energy audit service to domestic customers, and prescribed penalties for failure to meet the energy*

saving targets, and so on, so as to improve the relevant terms; if they have, of the responses of the two power companies so far; and

- (c) *whether it has made reference to relevant overseas experience before drawing up the aforesaid terms; if it has, how the mainstream terms adopted by overseas countries compare with the aforesaid terms; if there are differences between them, of the main reasons for that and the impact of such differences on the customers of the two power companies?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, the Administration has been attaching great importance to the work on environmental protection and energy conservation. Over the past five years (2008-2012), the Gross Domestic Product of Hong Kong has increased by about 19.6%, and the increase in electricity consumption over the same period was about 5.1%. Comparing with 8.1% over the first five years (2000-2004) in 2000s, the growth rate of electricity consumption has shown a decelerating trend significantly. In respect of energy saving target, as a member of the Asia-Pacific Economic Cooperation (APEC), Hong Kong has committed to striving to meet the target of reducing energy intensity by at least 45% by 2035, using 2005 as a base year, and has been promoting demand side management and enhancing energy efficiency through various measures.

To effectively promote energy conservation, Government's effort alone is not enough. Only by the collaboration of the community at large can the goal be achieved, and power companies have a certain role to play.

My reply to Dr Elizabeth QUAT's question is as follows:

- (a) and (b)

The current SCAs signed between the Government and the two power companies provide the two power companies with financial incentives in respect of energy saving and energy audits, in order to incentivize them to enhance energy efficiency performance. Regarding energy audits, if the number of energy audits completed in a year by the power companies for their customers meets the target, they can obtain an incentive of 0.01% on the average net

fixed assets value for that year. The energy audit target for CLP Power Hong Kong Limited (CLP) is 150 cases or above per annum and for Hongkong Electric Company Limited (HKE) 50 cases or above. As regards energy saving, if the amount of energy saving for a year by the power companies meets the target, they can obtain an incentive of 0.01% on the average net fixed assets value for that year. The energy saving target for CLP is 12 GWh or above per annum and HKE 3GWh or above. These energy saving targets have been drawn up after discussion with the two power companies in the past, striking a balance among various objective considerations including power companies' forecast, market reaction and cost effectiveness.

The Government reviews the energy efficiency performance of the power companies in accordance with the SCAs. Over the past four years since the current SCAs came into effect in 2008-2009, the two power companies have completed over 850 cases of energy audits and received incentive of about \$55 million in total. Furthermore, CLP has saved over 60 GWh of electricity and received incentive of about \$35 million.

I would like to stress that there are strict requirements in the SCAs that the energy saving performance of the two power companies must be assessed in accordance with the aggregate energy saving attributable to the improvement works carried out by customers based on the energy audits conducted by the power companies for them. This is to ensure that the power companies' energy saving performance is supported by objective data before they can receive the financial incentive.

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 rights during 2013 to request modification of any part of the current SCAs for a review, and mutual agreement is needed before implementing any proposed modification. The Government has engaged relevant 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. We understand that the public are highly concerned about the energy efficiency performance of the power companies and have included this as part of the scope of the mid-term review. We are currently carrying out the review with the two power companies. We expect to complete the review by end-2013 and will brief the Legislative Council and the public on the outcome.

- (c) The Hong Kong electricity market is mainly regulated by the SCAs, which stipulate the rights and obligations of the power companies, as well as the Government's role in monitoring the power companies' financial and technical performance, and so on. There is no relevant overseas experience in respect of the provisions in the SCAs concerning the power companies' energy audits and energy saving performance for direct reference.

We are aware that different regions formulate different energy saving measures by adopting different methods having regard to their local circumstances and objectives. In Hong Kong, we promote energy efficiency and conservation mainly through various aspects including legislation, policy and public participation. For instance, the Buildings Energy Efficiency Ordinance was fully implemented in September last year to improve energy efficiency of major building services installations, such as air-conditioning, lifts and lighting. We are also constructing a first-of-its-kind district cooling system in Hong Kong to provide more energy efficient air-conditioning system to the non-domestic developments at Kai Tak Development.

To strengthen co-ordination among bureaux and departments, the Government has earlier set up an inter-departmental Steering Committee for the Promotion of Green Building under my chairmanship to formulate environmental implementation strategies and action plans for government buildings and private buildings in Hong Kong. The Government has also led by example by setting in 2009 the target of achieving 5% saving in the total electricity consumption in Government buildings from 2009-2010 to 2013-2014, using the electricity consumption in 2007-2008 as the baseline and under comparable operating conditions. In

2011-2012, the saving in electricity consumption in Government buildings on this basis reached 8.3%, which exceeded the original target.

We have also been promoting community-wide participation in energy saving through various activities. For instance, we have recently launched the Energy Saving Charter on Indoor Temperature and the Energy Saving Charter on "No Incandescent Light Bulbs", to encourage the community to reduce electricity consumption through air-conditioning and lighting. Furthermore, to encourage individual consumers to select more energy efficient products, we have implemented the Energy Efficiency Labelling Schemes, and are considering expanding the schemes to cover more products.

DR ELIZABETH QUAT (in Cantonese): *President, the Secretary has in fact not specifically answered many parts of my question.*

President, energy saving is in fact a major trend around the world. In the European Union and the United States, power companies are mandatorily required to meet specific energy targets through services provided to the customers. Generally speaking, an energy saving target of about 1% to 2.5% can be achieved in those places. In comparison, there is still much room for improvement in terms of the progress of energy saving in Hong Kong.

The Administration once indicated that — and as just mentioned by the Secretary — energy saving is one of the directions of the interim review of the SCAs. May I ask the Government what the specific targets and contents of energy saving are? Moreover, although the Government indicated that it had respectively proposed the energy saving targets of 0.03% and 0.04% to the two power companies, the result was unsatisfactory. Just now, the Secretary mentioned that CLP had received a bonus for meeting the target, but he has said nothing about HKE not meeting the target. I would like to ask the Government: Is there any room for upward adjustment of the current energy saving targets, and whether the Administration will introduce sanctions such as fine in the context of the interim review, in order to push the two power companies to meet the energy saving targets? If there is just award without any sanction, it seems that we are unable to promote energy saving in Hong Kong.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I thank Dr QUAT for her supplementary question. It is inappropriate to directly compare the energy saving targets in Hong Kong with those in other places. Hong Kong's energy saving measures are formulated to dovetail our own situation. We will promote energy saving through legislation, social mobilization and the relevant contracts signed with the two power companies.

I think Members are most concerned that the Administration should take the opportunity of the upcoming interim review of the SCAs to review the current mechanism, in order to promote energy saving with carrot and stick. I would like to give a brief response here.

For instance, the customers can install energy saving devices by following the energy saving suggestions made by the two power companies, in order to change their energy consumption habit, which not only can cut down on their expenditure for electricity each year, but also save energy and reduce carbon emissions and meet with the aspiration of environmental protection in society. Of course, we understand that the two power companies are now enhancing their energy saving performance under the SCAs, and the two power companies are working jointly with the customers to promote energy saving, for example, allowing the customers to undertake improvement works in accordance with the recommendations of carbon audits. In this connection, we have formulated a stringent system to provide incentives according to energy-saving efficiency. Notwithstanding the different performances of the two power companies, their performance indicators have been drawn up according to the SCAs.

As far as I understand, the public are concerned about whether the performances of the two power companies in terms of energy efficiency can be improved. In this connection, the Administration has, after listening to Members' views in the Legislative Council and on other different occasions, included the relevant matter as part of the scope of this interim review. We are now negotiating with the two power companies. The review is expected to be completed by the end of this year, and we will report the outcome to Members then. Simply put, we will fully take into account Members' views, and include the matter as an agenda item for discussion with the two power companies. We will announce the outcome in due course.

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

DR ELIZABETH QUAT (in Cantonese): *The Secretary has not replied as to whether the Government will consider our proposal of an energy saving target of 1% of the electricity sales?*

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

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President and Dr QUAT, basically, different groups and stakeholders in society — including some Members — have suggested that the energy saving target be raised to 1%, and some even proposed the introduction of a new measure in the form of a merit and demerit system. We will fully take into consideration the suggestions made by various stakeholders, and suitably include the relevant matter in the agenda of the interim review of the SCAs. We will proactively and positively consider Members' views, and include them in the agenda of the interim review.

MR STEVEN HO (in Cantonese): *President, I think the Secretary has still not answered Dr Elizabeth QUAT's supplementary question just now. Let me ask him once again. While the energy saving targets in foreign countries can be 1% to 2.5%, those in Hong Kong are only 0.03% and 0.04%, why do we have such a huge difference? Has the Government put in place any review mechanism to study the matter? Just now, Dr Elizabeth QUAT suggested that the energy saving target should be 1%, which I think is not really too far-fetched. I hope the Secretary can give us a response.*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I thank Mr HO for the supplementary question. Basically, given the different levels of development in different places, we cannot directly compare the percentages of energy saving in other countries, which are set on the basis of their own respective baseline. For example, as European countries are in a relatively more mature stage of development, we cannot directly compare their capacity in emission reduction with that of Hong Kong. That is something we should not do.

Besides, if we are talking about emission reduction targets, should they only apply to the two power companies or to Hong Kong society as a whole? The two should not be muddled together for the energy saving targets of Hong Kong and the two power companies should be formulated separately. As I just mentioned, Hong Kong, as a member of APEC, has committed to striving to meet the target of reducing energy intensity by 45% by 2035, using 2005 as a base year. This is already a very aggressive target. Hence, we cannot compare with other places for different approaches should be adopted by different places.

Regarding the Member's question just now as to whether the Administration will include the 1% energy saving target in the scope of the mid-term review, I dare say this is a relatively clear demand in society, and we will strive to include it in the scope of the mid-term review. Nonetheless, Members must understand that in the course of our discussion with the two power companies on the mid-term review, certain matters should not be made public prematurely. I call on Members' understanding in this regard.

MR TANG KA-PIU (in Cantonese): *President, it is of course natural for both the Environment Bureau and the two power companies to claim that they have been promoting energy saving. Given the high cost of natural gas, we must save energy in order to avoid having to import more natural gas due to increased electricity consumption. Nonetheless, I am concerned that apart from the energy saving target, there are in fact also criticisms in relation to the method of tariff calculation of the two power companies, especially CLP. Take CLP as an example. CLP adopts a regressive tariff structure for non-domestic customers, that is, they can enjoy more savings on tariff with greater electricity consumption, which is effectively encouraging a larger number of shopping malls not to switch off their lighting and air-conditioning at night. May I ask the Secretary whether the Administration will, in the course of the mid-term review with the two power companies, ask CLP to reform or abolish the regressive tariff structure?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I thank Mr TANG for the supplementary question. Basically, we have already heard the different views in society. Regarding the energy saving target and the relevant question from the Member, we will fully listen to all views and include them in the agenda of the mid-term review.

MR GARY FAN (in Cantonese): *My supplementary question is about sanctions. As we all know, the energy saving targets under the existing SCAs are too low, and as other Members have mentioned, the current mechanism is all carrot and no stick. The current energy saving targets are too low because HKE and CLP can meet these targets by saving 0.03% to 0.04% of electricity sales respectively. That is why we consider the standard too low. Besides, President, I would like to stress that HKE has never achieved the energy saving target of 0.03%. I would like to ask the Government whether consideration will be given to introducing sanctions in the mid-term review to bring about more concrete results in energy saving?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I thank Mr Gary FAN for the supplementary question. I think society widely holds that on the one hand, the energy saving targets should be raised, and on the other, a mechanism with clear incentives and sanctions should be established taking into account the views in the community. As I have just said, we have heard similar suggestions on different occasions and at different times, and have suitably included them in the scope of the mid-term review. We will discuss them with the two power companies, in the hope of responding to the demands in society.

MR PAUL TSE (in Cantonese): *President, as far as I understand, the authorities' energy saving programme only applies to commercial customers, and not domestic customers. What is the reason? Is it because electricity consumption of domestic customers are insignificant? Can the authorities extend the energy saving programme to all households in residential buildings, for example, the owners' corporations, in order to encourage the participation of domestic customers so that they can save energy and reduce their electricity bills?*

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President, I thank Mr TSE for the supplementary question. Mr TSE is very correct in saying that commercial buildings are of course the heavy users of electricity consumption in Hong Kong as a whole. Hence, if we want to strive to promote energy saving and emission reduction, we must target high consumption customers, which will be most effective. As we all know, electricity consumption of domestic customers is relatively small; even for public space in residential premises, lighting and air-conditioning only incur little electricity consumption. In

general, electricity consumption of residential buildings is relatively low. Hence, I think there is a good reason why the authorities have previously targeted the programme to premises with a larger scope for electricity saving, that is, non-domestic premises. Nonetheless, I think we can also review this matter in the future. If society holds that the programme should cover commercial and domestic customers alike, we can also include it in the scope of review.

PRESIDENT (in Cantonese): Fourth oral question.

Appointment and Post-service Advancement of ICAC Commissioner

4. **MR KENNETH LEUNG** (in Cantonese): *President, it has been reported that recently the way in which a former Commissioner of the Independent Commission Against Corruption (the Commissioner) handled expenses on official entertainment, bestowal of gifts and duty visits during his term of office has aroused public concern and has seriously damaged the image and reputation of the Independent Commission Against Corruption (ICAC). Quite a number of members of the public have pointed out that it was likely that the former Commissioner had adopted such practices for the purpose of building a social network that was conducive to his post-service advancement. In this connection, will the Government inform this Council:*

- (a) *whether it has established guidelines for the appointment of the Commissioner, to assist the Chief Executive in identifying a suitable candidate for appointment as the Commissioner; whether the authorities have objective criteria for determining the suitability of candidates for the post of the Commissioner; whether it will consider conducting open recruitment for the post of the Commissioner and establishing a selection board to select the suitable candidate;*
- (b) *whether it will review the mechanism for appointing the Commissioner, and give priority to retired judges or retired public officers with good reputation in considering candidates for the post of the Commissioner, so as to prevent the occurrence of the situation of the Commissioner utilizing his official capacity during his term of office to build a social network that is conducive to his post-service advancement; and*

- (c) *whether it has formulated guidelines to govern the Commissioner's post-service employment and business arrangements; whether the authorities have in place measures to prevent the Commissioner's discharge of duties from being affected by his concerns about the chance of being appointed to certain public offices after leaving the office; if there are such measures, of the details?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, the question of Mr Kenneth LEUNG mentions that the way in which the former Commissioner handled expenses on official entertainment, bestowal of gifts and duty visits during his term of office has given rise to community concerns. I wish to take this opportunity to reiterate that ICAC has, since its establishment, devoted itself to anti-corruption work and it has successfully upheld Hong Kong's core value of fairness and probity. We understand that the public attaches great importance to the work of ICAC and has a very high expectation of the personal integrity of the ICAC personnel, in particular that of the senior management. To this end, the Administration attaches great importance to the incident and handles it seriously in order to maintain public confidence in ICAC.

The Chief Executive announced on 2 May this year the establishment of an Independent Review Committee (IRC) to review ICAC's regulatory systems and procedures for handling expenses on official entertainment, gifts and duty visits, including arrangements for application, reimbursement and approval; review the compliance of ICAC staff of all ranks during the term of the former Commissioner with the regulatory systems and procedures; and make recommendations on any measure conducive to improving the above systems and procedures. The IRC will submit its report to Chief Executive within four months. The report of the IRC will be released to the public, except any parts which may need to be dealt with separately for legal reasons.

My response to the three parts of the question raised by Mr LEUNG is as follows:

- (a) Pursuant to Article 57 of the Basic Law, a Commission Against Corruption shall be established in the Hong Kong Special Administrative Region (HKSAR). It shall function independently and be accountable to the Chief Executive.

Pursuant to Article 48 of the Basic Law, Chief Executive nominates and reports to the Central People's Government (CPG) for

appointment all principal officials, including the Commissioner of ICAC. Article 61 of the Basic Law stipulates that the principal officials of HKSAR shall be Chinese citizens who are permanent residents of the Region with no right of abode in any foreign country and have ordinarily resided in Hong Kong for a continuous period of not less than 15 years. We consider that it is not necessary to have other requirements in addition to those set out under the Basic Law.

- (b) Consistent with the appointment of other principal officials, Chief Executive handles the appointment of the Commissioner by strictly adhering to the requirements under the Basic Law; and credentials, experiences and abilities as well as personal integrity are also the bases for appointing a Commissioner, so that ICAC can exercise its statutory functions effectively and uphold Hong Kong's core value of probity and fairness. Giving priority to retired judges or retired public officers in the appointment of the Commissioner will, on the contrary, confine the inclusion of different talents. We therefore do not consider it appropriate.
- (c) There are specific requirements on the employment and business arrangements of the Commissioner upon leaving his office. By virtue of his employment contract, the regulatory post-office employment and business arrangements of the incumbent Commissioner are comparable to those applicable to politically appointed officials. For instance,
 - (i) within the control period of one year after stepping down from office, the Commissioner is prohibited from representing any person in connection with any claim, action, demand, proceedings, transaction or negotiation against or with the Government, and from engaging in any lobbying activities on matters relating to the Government; and
 - (ii) within the control period of one year after stepping down from office, the Commissioner shall first seek advice from a committee, the members of which shall be determined by Chief Executive, before commencing any employment, becoming a director or a partner in any business or profession or starting any business or profession on his own account or with others. According to the employment contract, the

committee will, in tendering its advice, consider, among other factors:

- (1) whether the proposed employment or appointment and any consequential associations necessarily and directly incidental thereto has adversely affected or compromised, or will adversely affect or compromise the Government's performance of its functions;
- (2) whether the proposed employment or appointment would give rise to any reasonable belief, concern or public perception that the Government's performance of its functions during the term of office of the officer concerned and within one year thereafter could have been or could be adversely affected or compromised;
- (3) whether the proposed employment or appointment would or is likely to cause reasonable negative public perception;
- (4) whether the proposed employment or appointment would enable the prospective employer or business to gain any unfair advantage over competitors by making use of privileged information obtained by the officer concerned while in office; and
- (5) whether his right to work and to exploit his technical skills and experience would be unreasonably restricted.

MR KENNETH LEUNG (in Cantonese): *President, I have anticipated that the Secretary will read out the relevant provisions in the Basic Law word by word. Regarding part (a) of my question, the Secretary said in the main reply, "We consider that it is not necessary to have other requirements in addition to those set out under the Basic Law." Since the Basic Law is a legal document forming the legal framework, may I ask the Secretary why the authorities cannot draw up some more specific guidelines in accordance with the Basic Law or set up a selection board to screen the candidates for the Commissioner?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, as I have already said, as the Chief Executive nominates and reports to the CPG for the appointment of all principal officials in accordance with the requirements of the Basic Law, it is not appropriate to establish a selection board. As regards part (a) of Mr LEUNG's main question, I have already answered in part (b) of the main reply. The reason why we do not establish other requirements is that in so doing, it will confine the inclusion of different talents.

MR WONG YUK-MAN (in Cantonese): *President, because of the scandal caused by Timothy TONG, the former Commissioner, the Legislative Council has set up a select committee and the Public Accounts Committee also has commenced an investigation. According to Mr WONG Kwok-hing, a huge amount of public money will be wasted if the work is calculated on a man-hour basis. Of course I do not agree with him. Chief Secretary, we suspect that during his tenure as the Commissioner, Timothy TONG had already accepted the appointment as a delegate to the Chinese People's Political Consultative Conference (CPPCC), so no sooner had he left the office, he assumed the office as a CPPCC delegate. During his tenure, he socialized with many people from the so-called non-public prosecution judicial departments when he was in the Mainland, and when he was in Hong Kong, he always had drinks with people from the Liaison Office of the CPG in the Hong Kong Special Administrative Region, did he not? I would like to ask the Chief Secretary whether the Commissioner could assume the office of a CPPCC delegate as soon as he left his service. The other day I asked him if he knew what the CPPCC was. I told him that the full name should be the National Committee of the Chinese People's Political Consultative Conference and he could not answer. I also asked him what the CPPCC did, he did not know either*

PRESIDENT (in Cantonese): Mr WONG, you have asked your supplementary question. Please sit down and let the Chief Secretary reply.

MR WONG YUK-MAN (in Cantonese): *My supplementary question is very clear, that is, why could he assume the office of CPPCC delegate as soon as he left his service?*

PRESIDENT (in Cantonese): Please sit down and let the Chief Secretary reply.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, the post-service employment arrangements for the former Commissioner was no different from those for all directorate civil servants in general. According to the post-service work control of directorate civil servants, there is an arrangement called "blanket permission", which stipulates the circumstances under which an out-going directorate civil servant is normally allowed to apply for employment or accept a certain appointment within the control period, which include serving as a CPPCC delegate as it is not of a commercial nature or a new job.

MR WONG YUK-MAN (in Cantonese): *President, has this been written in the relevant provisions of the post-service requirements? Is it expressly provided that a civil servant can serve as a CPPCC delegate? Have the provisions expressly stipulated that he can accept the appointment as a CPPCC delegate during the control period? Has it been provided in the relevant provisions that a civil servant can serve as a deputy to the National People's Congress or has it been provided that he can serve as a CPPCC delegate? The Chief Secretary's remarks are all sophistry.*

PRESIDENT (in Cantonese): Mr WONG, please sit down. Chief Secretary, do you have anything to add?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): The simple answer is that the provisions have made clear stipulations. A more comprehensive answer is that according to the Control Regime on Post-service Outside Work by Directorate Civil Servants, directorate civil servants are allowed to take up unpaid work with specified non-commercial organizations during the control period. These organizations are (a) charitable, academic or other non-profit making organizations not primarily engaged in commercial operations; (b) non-commercial regional or international organizations; and (c) the Central Authorities of the People's Republic of China.

MR LEUNG CHE-CHEUNG (in Cantonese): *President, the former Commissioner's official entertainment and drinking did arouse people's suspicion. Therefore, I would like to ask the Secretary if there are guidelines in the Civil Service Code stipulating that officials cannot drink during the office hours or cannot have drinks with certain visiting officials. Are there any regulations in this respect, such as no strong alcoholic drinks are allowed or no expensive alcoholic drinks are allowed? Are there such specific regulations? As more and more other departments such as the Hong Kong Police Force and the Hong Kong Customs and Excise Department have revealed that they have stocked up large quantities of wines, I would like to know if specific regulations have been put in place in this respect.*

PRESIDENT (in Cantonese): Mr LEUNG, this supplementary question is not related to the main question.

MR LEUNG CHE-CHEUNG (in Cantonese): *As Mr Kenneth LEUNG's question mentions the bestowal of gifts and official entertainment, that is why I raise this supplementary question. President, if possible, I hope the Chief Secretary can answer my question.*

PRESIDENT (in Cantonese): Mr Kenneth LEUNG's main question concerns the appointment system of the Commissioner. Mr LEUNG, please think about how you can relate your supplementary question to the main question. By the way, the proper pronunciation of the character "酢" in the term "酬酢" is not "zaa6" but "zok6".

MR LEUNG CHE-CHEUNG (in Cantonese): *Sorry, President, for my wrong pronunciation.*

PRESIDENT (in Cantonese): Please think again. I will give you the chance to ask again.

MR STEVEN HO (in Cantonese): *President, the Government has insisted on appointing the principal officials, including the Commissioner, on merit but owing to the higher expectations of society and the public, people have different views and even strong feelings about the personal conduct and hobbies of the officials or the Commissioner. The incident concerning Mr Timothy TONG is a case in point. Therefore, I would like to ask the Chief Secretary whether the authorities will, when considering a candidate, first learn about his habits and hobbies, for example, for example whether he likes to drink, in order to decide whether he is suitable for the relevant post.*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): When appointing a principal official, the most important factors for consideration of the Chief Executive are the virtue and competence of the candidate. The Chief Executive also has a high expectation of the candidate's personal conduct. Hence before appointing a senior official, the candidate has to go through a thorough integrity check. During the check, the everyday personal conduct of the candidate will also be taken into consideration to see if he is susceptible to external influences and will thus engage in activities that are against the rules.

PRESIDENT (in Cantonese): Mr LEUNG Che-cheung, do you want to raise a supplementary question?

MR LEUNG CHE-CHEUNG (in Cantonese): *President, if a civil servant takes advantage of the official entertainments or bestowal of gifts during his tenure to secure a better job position or honour after retirement, does the Government have any control over that?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): We all remember another case in which the post-service appointment of a civil servant aroused great concern in society. The Government had conducted a comprehensive review of the relevant practice. At present, when vetting the post-service employment application of a directorate civil servant, the authorities have to consider eight criteria, one of which being whether approval of the application to take up the work concerned will give rise to reasonable

apprehension of deferred reward or benefit. Therefore this point has been included as one of the criteria.

MR LEUNG CHE-CHEUNG (in Cantonese): *The Chief Secretary has not answered my question on the restriction to attain honour. Are there any such restrictions?*

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

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I do not have anything to add.

MR RONNY TONG (in Cantonese): *President, since the reunification, there have been many cases involving the SAR Government appointing or employing the wrong people but such examples abound in this term of the Government. President, I would like to ask the Chief Secretary if she would consider advising the Chief Executive to delegate an independent committee for appointment of principal officials to department/bureau, for example to the ICAC, which is the cornerstone of this society. If the officials are appointed by the Chief Executive alone, given that the system is not transparent, people very often have the impression that the Chief Executive is nepotistic and the result will very likely be unsatisfactory and unacceptable, as in this case. Therefore, may I ask the Secretary whether she would consider changing the system by making the appointment by a committee?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I have already pointed out in my main reply that we do not consider it necessary to have other requirements or appointment mechanism in addition to those set out under the Basic Law.

DR ELIZABETH QUAT (in Cantonese): *The political activities in Hong Kong are increasingly diversified. At present, the deferred benefits are not of commercial and monetary nature alone, as political interests are sometimes involved. However, roughly speaking, there is only one provision in the current*

Code for Principal Officials under the Accountability System for the prevention of officials engaging in activities that gives rise to conflict of political interest after they leave the office. That provision is Item 5.17 which states, "Within one year after stepping down from office, principal officials shall not engage in any lobbying activities on matters relating to the Government." May I ask whether the authorities would impose more specific control over the possible political interest gained by principal officials, including the Commissioner, after leaving the service?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): As compared with the directorate civil servants, the principal officials may only serve one term for five years. Hence, in formulating the post-service employment arrangements for principal officials, we have to strike a balance between their employment right and public concern. We consider that the current regulatory system applicable to principal officials has struck a balance and is also appropriate.

DR ELIZABETH QUAT (in Cantonese): *I mentioned political interest rather than appointments just now. Can the Chief Secretary be more specific?*

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

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I think it is hard to interpret what constitutes political interest here. However, as I have mentioned in the main reply, when we or the committee identify a candidate, various factors will be taken into consideration.

DR KWOK KA-KI (in Cantonese): *President, the case about Timothy TONG, the former Commissioner, has jeopardized all the credibility of the work of the ICAC. In her main reply, the Chief Secretary has almost said no to each question raised by Mr LEUNG. In my supplementary question, I would like to know whether the Chief Secretary implied that the Government would not review the appointment system, the selection and post-service employment arrangements. Given that the appointment to the CPPCC has aroused a big controversy, has the*

Government considered stipulating that post-service appointment to CPPCC is not allowed?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): In the past few years, whenever there are cases of public concern, the Government has been very willing to conduct suitable reviews afterwards, including the comprehensive review on the post-service employment of retired directorate and senior civil servants in 2011, and some rules have been added as the vetting criteria. The Independent Review Committee for the Prevention and Handling of Potential Conflicts of Interests chaired by Justice Andrew LI was established last year and we are now following up the recommendations of the Committee. At present, as far as I know, four different investigations on the case about the former Commissioner are underway. After the completion of these investigations, the authorities will of course take appropriate follow-up actions and review the situation if necessary.

DR KWOK KA-KI (in Cantonese): *My supplementary question was about the appointment to the CPPCC. Will the Chief Secretary directly answer me whether principal officials will be restricted from being appointed as delegate to the CPPCC or engaging in political work after leaving office?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): We have no such intention at the moment. As indicated in the information that I just read out, the CPPCC is a CPG agency and serving in it is equal to having a position of non-commercial or unpaid nature which receives the blanket permission specified in the relevant section and I do not see any reason why the appointment to CPG agencies should be excluded.

MR PAUL TSE (in Cantonese): *President, according to part (c) (ii) of the main reply, it seems that the relevant restriction is limited to business or professional services. However, according to community wisdom, these appointments are very popular in the Mainland which may even have indirect commercial conveniences. In this respect, if the relevant public service is related to such kind of indirect benefits, will the Chief Secretary consider including the service in the scope of restriction under part (c) (ii), where the appointment to it needs the*

approval of the authorities or committees rather than being automatically accepted without any questions?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): At present, whether the post-service or post-retirement employment is approved or not depends on whether the job is of "commercial or non-commercial" nature and is "paid or unpaid". However, as I have said, the case about the former Commissioner is under four different investigations and if the public have strong views about the investigation results, thinking that the criteria should be further tightened, the authorities will certainly consider them seriously.

MR KENNETH LEUNG (in Cantonese): *President, I hope that the Chief Secretary will explain once again why, apart from the requirements under the Basic Law, we cannot put in place specific requirements under the framework set by the Basic Law concerning the application for commercial or non-commercial positions by out-going officials or the Commissioner. These positions may not involve monetary interests but may offer benefits or interests in terms of social status, employment positions or even political functions, which should not be overlooked. We cannot bury our head in the sand and ignore this problem.*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Mr LEUNG's main question is about appointment and hence I made it clear in my reply that regarding the appointment of principal officials, including the Commissioner, we consider that it is neither necessary nor appropriate to have other additional requirements. However, Mr LEUNG's supplementary question just now seems to be about officials' post-service matters. Concerning the supplementary question on post-service matters, I have replied twice that we already have a mechanism in place and that mechanism can be amended according to social changes and public concerns. However, regarding the concerns aroused by this case, as the case is now under investigation by four different channels, for the time being it is not suitable to make any amendments concerning the matters arising from this case.

PRESIDENT (in Cantonese): Fifth question.

Protection of Freedom and Privacy of Communication of Hong Kong Residents

5. **MR FREDERICK FUNG** (in Cantonese): *President, Article 30 of the Basic Law stipulates that "the freedom and privacy of communication of Hong Kong residents shall be protected by law. No department or individual may, on any grounds, infringe upon the freedom and privacy of communication of residents except that the relevant authorities may inspect communication in accordance with legal procedures to meet the needs of public security or of investigation into criminal offences." At present, the interception of communications and specified kinds of covert surveillance operations by public officers are regulated by the Interception of Communications and Surveillance Ordinance (ICSO). In order to obtain authorization, the investigation operations concerned must be carried out for the purpose of preventing or detecting serious crime or protecting public security. At the same time, the two vetting and approval criteria of proportionality and necessity must also be met. However, the ICSO only governs the interception of communications and covert surveillance operations by law-enforcement agencies (LEAs), and is not applicable to non-government parties, individuals or countries. In this connection, will the Government inform this Council:*

- (a) *whether the authorities have examined and assessed the collection of confidential information in the communication of residents and infringement upon the privacy of residents in Hong Kong by bodies or individuals outside local LEAs (including non-government parties or individuals, private organizations, government intelligence services of foreign countries and the Mainland, and so on); if they have, of the outcome; whether they have detected any interception of communications and covert surveillance operations carried out by such organizations in Hong Kong; if they have, of the details; whether the Government or individual LEAs have obtained through such organizations relevant information or intelligence which clearly involved infringement upon the privacy of communication of Hong Kong residents; if so, of the details;*
- (b) *of the regulation under existing legislation of the operations carried out in Hong Kong by bodies or individuals outside local LEAs (including non-government parties or individuals, private organizations, government intelligence services of foreign countries*

and the Mainland, and so on) which infringe upon the freedom and privacy of communication of residents; whether it has assessed if such legislation has been enacted to counter such kind of operations; and

- (c) *given that private organizations and organizations outside Hong Kong are not governed by the ICSO, and the authorities had stated clearly when the ICSO was enacted that the relevant conduct of non-government parties or individuals would not be dealt with at that stage, whether the authorities will now consider introducing legislation to regulate such matters, with a view to further implementing the requirement under Article 30 of the Basic Law on the protection of the freedom and privacy of communication of Hong Kong residents by law; if they will not, of the reasons for that?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, the Member's queries relate to the policy areas of various government departments, including the Security Bureau, the Commerce and Economic Development Bureau, and the Constitutional and Mainland Affairs Bureau. I give below a reply as consolidated from information provided by the Bureaux concerned.

Article 30 of the Basic Law specifies that the freedom and privacy of communication of Hong Kong residents shall be protected by law. No department or individual may, on any grounds, infringe upon the freedom and privacy of communication of residents except that the relevant authorities may inspect communication in accordance with legal procedures to meet the needs of public security or of investigation into criminal offences.

Between 1996 and 2006, the Law Reform Commission (LRC) published five reports relating to different aspects of privacy, including the following two reports on intercepting or interfering intentionally with communications in progress, and obtaining personal information through intrusion into private premises or by means of a surveillance device:

- (a) The report on "Regulating the Interception of Communications" was published in December 1996. This report recommended that it should be an offence to intercept or interfere intentionally with communications (that is, a telecommunication, a sealed postal packet

or a transmission by radio on frequencies which were not licensed for broadcast), unless the interception was carried out pursuant to a warrant granted by the Court; and

- (b) The report on "The Regulation of Covert Surveillance" was published in March 2006. This report recommended the creation of two new criminal offences: (i) entering or remaining on private premises as a trespasser with intent to observe, overhear or obtain personal information; and (ii) placing, using, servicing or removing a sense-enhancing, transmitting or recording device (whether inside or outside private premises) with the intention of obtaining personal information relating to individuals inside the private premises in circumstances where those individuals would be considered to have a reasonable expectation of privacy.

In the light of the recommendations relating to public officers in the above two reports, the Government enacted the ICSO in 2006 to regulate the interception of communications and covert surveillance operations conducted by the LEAs with a stringent statutory regime.

The purpose and designated scope of the ICSO is to regulate LEAs' lawful interception of communications and covert surveillance operations for the prevention and detection of serious crimes and the protection of public security. The ICSO is not applicable to non-public officers, and cannot be used to apply to non-governmental bodies and individuals. LEAs are required by the ICSO to obtain an authorization from a panel judge or a designated authorizing officer prior to any interception of communications and covert surveillance operations. In accordance with sections 4 and 5 of the ICSO, no LEA shall, directly or indirectly (whether through any person or otherwise), conduct any interception and covert surveillance, except for any interception or covert surveillance carried out pursuant to a prescribed authorization.

There are several pieces of legislation which regulate the interception of communications in Hong Kong:

- (a) Section 24 of the Telecommunications Ordinance (Cap. 106) does not allow a telecommunications officer, or any person who, though not a telecommunications officer, has official duties in connection with a telecommunications service to wilfully intercept any message;

- (b) Section 27 of the Telecommunications Ordinance imposes prohibition on any person who damages, removes or interferes with a telecommunications installation with intent to intercept or discover the contents of a message;
- (c) Section 29 of the Post Office Ordinance (Cap. 98) states that no person shall open any postal packet or take any of the contents out of any postal packet or have in his possession any postal packet or mail bag or any of the contents of any postal packet or mail bag or delay any postal packet or mail bag;
- (d) If such activities involve the collection of personal data, they are subject to the provisions of the Personal Data (Privacy) Ordinance.

The hacking of the computer system is dealt with mainly by section 161 of the Crimes Ordinance (Cap. 200) (obtains access to a computer with intent to commit an offence or with a dishonest intent) and section 27A of the Telecommunications Ordinance (Cap. 106) (by telecommunications, obtains unauthorized access to any computer).

As for the regulation on non-public officers, the Government has examined the LRC reports of "Regulating the Interception of Communications" and "The Regulation of Covert Surveillance". We need to carefully consider whether the conduct of non-public officers in this respect should be regulated, given that when the reports were published, the Hong Kong media sector and journalists expressed their worry that the recommendations might compromise press freedom. Accordingly, the Government will consider very carefully views from all parties concerned and ensure different interests are properly safeguarded, and will not take action lightly.

As a matter of fact, the recommendations in these five LRC reports all touch on the sensitive and controversial issue of how to strike a balance between protection of individual privacy rights and freedom of the media. There have been mixed responses and divergent views from different sectors of the community. The Government has to reconcile the differences and balance the legitimate interests of all parties, with a view to forging a consensus within the community on the way forward.

Given the complexity and sensitivity of the issues involved, we are handling the five reports by stages and will determine the way forward after

discussions with the parties concerned. We consider the report on "Stalking" to be comparatively less controversial than the other reports and so will deal with it first. A public consultation exercise was conducted between December 2011 and March 2012 to gauge public views on the recommendations but a consensus was not reached. The public, the media and other sectors had grave concerns about the likely impact of the recommendations on the freedom of the press and freedom of expression. The Administration attaches great importance to concerns on the protection of press freedom. We are studying the views collected and related issues, and have commissioned a study by a consultant in this regard in order to map out the way forward. Likewise, on the question of regulating non-public officers in interception activities, the SAR government will consider the need for further protection on the basis of the existing laws, while at the same time bearing in mind the need to take into account other policies considerations such as upholding press freedom.

MR FREDERICK FUNG (in Cantonese): *President, the Secretary has not answered part (a) of my main question. I asked whether the Government had obtained any intelligence or confidential information from the communications of Hong Kong people through other governments or organizations. Yet, the Secretary has not answered this question. Does it imply the answer is in the affirmative?*

The question just raised is a follow-up to the part of the main question which has left unanswered. I now ask my supplementary question. Regarding the controversy over legislation, the main reply has explained that it is because of considerations like the freedom of speech and of the press that the Government has not expanded the scope of relevant rules. However, from the SNOWDEN incident, we know that various intelligence services of foreign countries are carrying out surveillance on Hong Kong people by means of interception. In this situation, will the Government consider responding to the SNOWDEN incident by enacting legislation so as to criminalize the interception activities conducted by foreign and Mainland governments in Hong Kong? I do not think this suggestion has anything to do with the freedom of the press and of speech.

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Constitutional and Mainland Affairs, please.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, in fact, we have stated in one of the paragraphs in the main reply that, in accordance with sections 4 and 5 of the ICSO, no LEA shall, directly or indirectly (whether through any person or otherwise), conduct any interception and covert surveillance, except for any interception or covert surveillance carried out pursuant to a prescribed authorization. I think it is the answer to the follow-up question first raised by Mr FUNG.

As for the second question of Mr FUNG, that is, his supplementary question, my reply is that the SAR Government will continue to listen to Members' views and consider the need for further protection on the basis of the existing laws which I have just mentioned. However, we must also take account of the aforesaid considerations, such as the upholding of press freedom. We will continue to listen to Members' views on this issue.

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

MR FREDERICK FUNG (in Cantonese): *President, the Secretary has not answered my supplementary question. I have already pointed out that the regulation on the intelligence services of foreign and Mainland governments has nothing to do with the freedom of the press and of speech. His answer is completely irrelevant to my question.*

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

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, the interception activities of non-public officers are regulated by our existing ordinances to a certain extent. According to a news report of today, a network hacking case which involves an outsider organization has been referred to the Commercial Crime Bureau (CCB) of the Hong Kong Police Force (HKPF) and the Office of the Privacy Commissioner for Personal Data for follow up. This reflects that there is a certain degree of regulation under the existing legal framework, but we will surely continue to consider the need for further protection.

MR MARTIN LIAO (in Cantonese): *President, the SNOWDEN incident has uncovered that our computer networks are exposed to high risk of intrusion. Many people have told me that they are deeply worried about this risk; and they request the Government to make sure the relevant authorities have sufficient manpower and resources to fight against computer hacking.*

From what I know, the Technology Crime Division (TCD) of the HKPF's CCB is tasked to investigate hacking cases. Will the authorities consider upgrading the TCD to a Technology Crime Bureau so as to provide it with more resources and enhance its capabilities? If they will, is there a timetable for our reference?

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Constitutional and Mainland Affairs, please.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, I thank Mr LIAO for his supplementary question. I am sorry that the information in hand has not shown whether the Security Bureau will consider this view or suggestion. However, generally speaking, the Government always takes into account the actual circumstances when devising new measures. Regarding the recent incident, if there is a need to upgrade the TCD for a better staffing arrangement or structure, the Security Bureau and the Government will redeploy their resources as appropriate. I think Mr LIAO may also follow up this issue with my colleagues in the Security Bureau on other occasions.

MR WONG TING-KWONG (in Cantonese): *President, the offence of network hacking is regulated by the ICSO. My supplementary question is: As these criminal activities are often cross-boundary and involve public officers, private companies and individuals, how will the authorities enforce the law against this kind of cross-boundary offences?*

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

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Regarding these activities, we definitely have to consider the facts of each case. Yet, above all, computer users must take proper preventive measures by installing firewall, encrypting their computer data, and so on, for protection.

As for law enforcement, if hacking activities are carried out in Hong Kong, they will be regulated by the existing ordinances as listed in the main reply. If they involve actions taken overseas, the collection of evidence will become considerably difficult. However, I believe our LEAs will co-operate with their overseas counterparts to deal with the enforcement issues.

DR CHIANG LAI-WAN (in Cantonese): *President, we all know that it is hard to stop the United States from snooping everywhere. The Secretary has just said that, according to the earlier revelation by SNOWDEN, the Hong Kong Internet Exchange (HKIX) of The Chinese University of Hong Kong (CUHK) is one of the attack targets. Today, there is a press report saying that the personal data of 63 teachers and students in a web system of one of the faculties in CUHK have been posted on an overseas website. While the Secretary has just stated that interception is prohibited and the offenders may be arrested, he should know that it is very difficult to make any arrest for the interception conducted by the United States. In view of this, may I ask the Secretary whether the Government will consider allocating resources for developing a set of anti-virus software on its own? As far as I understand, many existing anti-virus software was developed by the United States. Can Hong Kong co-operate with others to develop a set of anti-virus software?*

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, there is a lot of anti-virus software available in the market. If there are any special needs in Hong Kong, we can certainly develop a set of software locally. As Dr CHIANG has just mentioned the case of CUHK, which is now investigated by the HKPF, I would like to inform Members that we have already made contact with CUHK. While all of us are concerned about the situation of the HKIX, which is also under CUHK, our understanding is that the server of the HKIX is different from the server with data being stolen this time. What is more, these two servers belong to two different computer networks. In other words, the two networks are not linked to each other. Thirdly, these two

systems are managed by different experts. Therefore, this case is not related to the HKIX.

MR SIN CHUNG-KAI (in Cantonese): *President, the Secretary has not answered Members' questions, including the supplementary question of Mr WONG Ting-kwong. I say so because the relevant principal legislation, that is, section 161 of the Crimes Ordinance and section 27A of the Telecommunications Ordinance, does not confer extraterritorial jurisdiction. In 2002, the Government indeed attempted to amend section 2 of the Criminal Jurisdiction Ordinance to cover section 27A of the Telecommunications Ordinance and section 161 of the Crimes Ordinance so as to confer them with extraterritorial jurisdiction.*

In 2002 or 2003, the Government tried to introduce an order to amend the legislation. Similar to other orders, it had to be scrutinized by a subcommittee formed by the Legislative Council. When I reviewed the record, I found that the subcommittee had held two meetings and Members had raised a number of questions. However, the Government did not seem to have responded to the questions, neither did it table this order to the Legislative Council for voting. It has been a decade since then. May I ask the Government whether it will consider afresh to including the provision of extraterritorial jurisdiction in the two sections mentioned above? To put it simply, will it propose amendments to the Criminal Jurisdiction Ordinance (Cap. 461)?

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

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I will refer this question to the Department of Justice for a written reply. (Appendix II)

MR IP KWOK-HIM (in Cantonese): *President, the Secretary has made a review in the main reply by saying that, between 1996 and 2006, the LRC put in a lot of efforts to publish, among others, the reports on Regulating the Interception of Communications and The Regulation of Covert Surveillance, and the*

authorities later enacted the ICSO according to the recommendations in these reports. In the ICSO, it is specified that the ICSO is not applicable to non-public officers, and cannot be used to apply to non-governmental bodies and individuals. Therefore, as revealed by Mr SNOWDEN, the intelligence agency of the United States has totally ignored our networks and hacked into it at will to obtain whatever information they want.

Though we have relevant legislation in place, it is not applicable to non-public officers due to the privacy concern and an attempt to strike a balance. May I ask the Government whether the authorities will consider putting public officers of foreign countries under the same regulation? In other words, the legislation should be made applicable to all foreign public officers, in addition to Hong Kong's public officers, so as to ensure that the privacy of Hong Kong people will not be infringed.

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Constitutional and Mainland Affairs, please.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, the supplementary question of Mr IP Kwok-him is indeed similar to those of other Members. While the ICSO is now only applicable to public officers, there are other existing ordinances to impose regulation and penalties on non-public officers against their illegal interception of communications. I have stated this point in my main reply.

Among these regulatory ordinances, while some may not have relevant precedents, there were successful prosecutions under some others. As regards the hacking of local networks by non-public officers, particularly the cases involving cross-boundary crimes or foreign public officers as mentioned by Mr IP, it is now regulated under the Crimes Ordinance. For example, this Ordinance regulates unauthorized access to computer.

However, as stated in my main reply, we have responded to the latest situation by considering whether we should provide further protection in certain areas on the basis of the existing laws. We have given thought to this possibility. However, in the process of consideration, we must also think about our previous experiences in dealing with network safety and national security, the privacy concern and the press freedom. If these major issues are in conflict with

each other, we have to strike a balance. We will review our policies based on the latest situation.

Regarding the SNOWDEN incident, the authorities are now following up the case with the authorities of the United States. We need to further ascertain the facts before we can have concrete information for examining how to provide further protection on the basis of the existing laws.

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

MR IP KWOK-HIM (in Cantonese): *President, the Secretary has not answered my question. I am not asking about officers outside Hong Kong but foreign public officers, such as those of the Consulate General of the United States and the British Consulate General in Hong Kong. They are also public officers. Will the authorities impose regulation on them?*

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

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, regarding the conduct of foreign public officers or diplomatic officers in the SAR, the Secretary for Security already answered a similar question in this Council last week. I do not have anything to add on this issue.

PRESIDENT (in Cantonese): This Council has spent more than 23 minutes and 30 seconds on this question. Last question seeking an oral reply.

Arrangements Relating to Termination of Employment Contracts of Foreign Domestic Helpers

6. **DR CHIANG LAI-WAN** (in Cantonese): *President, in the first four months of this year, the Consumer Council received 122 complaints in relation to intermediaries for foreign domestic helpers (FDHs), which is a sharp increase of*

60% from the 75 cases for the same period last year. The subject of the complaints included overcharging of fees, the services provided not meeting the descriptions of the intermediaries, and FDHs employing various tactics to make the employers terminate the employment contracts with them. Some employers have indicated that since the Philippine Government has, in recent years, prohibited the collection of placement fees by intermediaries in the Philippines from domestic helpers working overseas, such fees have been passed on to the employers in Hong Kong, some of them have therefore hired Indonesian domestic helpers instead. However, prior to their coming to Hong Kong, such helpers usually have to sign loan documents with the intermediaries in Indonesia and then repay the loans with their wages by instalments after arriving in Hong Kong. Some employers have suspected that, for the purpose of early settlement of loans, the newly employed FDHs have deliberately displayed bad attitude to make their employers terminate the employment contracts with them, so that they can get one month's wages in lieu of notice and free passages to return to their places of domicile. However, they return to work in Hong Kong again after merely departing for Macao once, without actually returning to their places of domicile. In this connection, will the Government inform this Council:

- (a) given that the Government may allow a FDH to change employer without having to return to the place of domicile under some special circumstances such as the employer being unable to continue with the contract because of migration, death or financial difficulty, or there is evidence that the FDH has been abused, of the following figures in the past three years: the number of such cases approved, the respective numbers of FDHs who had not completed the two-year contracts and had returned to their places of domicile as well as those who had returned to work in Hong Kong after departing for Macao, and the number of FDHs whose employment contracts had been prematurely terminated and the percentage of such number in the total number of FDHs;
- (b) given that the authorities have stipulated that employers have to give FDHs free passages to return to their places of domicile upon termination of employment contracts, what measures the authorities have in place to ensure that the FDHs whose contracts have been terminated with free return passages provided actually return to their places of domicile; in cases where the FDHs return to work in Hong Kong again after departing for Macao once without actually

returning to their places of domicile, whether the authorities will require the FDHs to refund their previous employers the passages for returning to their places of domicile; if not, whether the Government will consider revising the existing requirements to do justice to the employers; and

- (c) *whether the authorities will consider introducing FDHs from other regions to increase the supply of FDHs and to alleviate the employers' pressure arising from the need to pay expensive intermediary charges; if they will, of the details; if not, the reasons for that?*

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, my response to Dr CHIANG's enquiry is set out below:

- (a) In the past three years, the Immigration Department (ImmD) approved a total of 20 173 applications from FDHs for change of employers in Hong Kong after premature termination of their contracts under some special circumstances. Of these, 7 049 cases were approved in 2010, 6 560 in 2011 and 6 564 in 2012.

The ImmD does not maintain statistics concerning the numbers of FDHs who had not completed the two-year contract and had returned to their places of domicile as well as those who had returned to work in Hong Kong after departing for Macao, and the number of FDHs whose employment contracts had been prematurely terminated and the percentage of such number in the total number of FDHs.

- (b) In accordance with Clause 7 of the Standard Employment Contract (the Contract) for employing FDHs, employers have to provide their FDH with free passage from Hong Kong to his/her place of original on termination or expiry of the Contract. The rationale behind this requirement is that as it is the employers who hire FDHs to work in Hong Kong, they have the responsibility for ensuring the FDH's smooth return to his/her home country upon the completion or pre-mature termination of the Contract by paying for the passages to the FDH's place of domicile. Otherwise, the FDH concerned may be stranded in Hong Kong owing to the lack of means to travel.

The same requirement also applies to other employers who hire foreign workers from overseas to work in Hong Kong under other importation of labour schemes (for example, the Supplementary Labour Scheme). At this stage, the Administration has no plan to change the policy.

The ImmD has all along been assessing FDHs' employment visa applications in a serious manner. In assessing the employment visa application of an FDH to work for another employer after termination or expiry of contract, the ImmD will conduct a movement record check to ensure that the FDH has been out of Hong Kong before the new visa is issued. If the applicant is suspected to have any adverse records or breaches, including abuse of the employment arrangement for FDHs, the ImmD will consider refusing the application based on individual circumstances. The ImmD has already strengthened the assessment of suspected abuse of contract termination arrangement by FDHs, such as examining the frequency and reasons of contract termination. Future applications for employment visa will be refused if the abuse is substantiated.

- (c) The existing entry arrangement for FDHs is applicable to applicants from most countries and regions. Owing to immigration and security considerations, the current arrangement does not apply to residents of the Mainland, Macao SAR and Taiwan as well as nationals from a few countries including Afghanistan, Cambodia, Cuba, Laos, the Democratic People's Republic of Korea, Nepal and Vietnam.

The Administration will regularly review the immigration policies, including those for importation of FDHs, to ensure that such policies suit the actual circumstances and needs of Hong Kong.

DR CHIANG LAI-WAN (in Cantonese): *I do not have any follow-up question.*

MR FRANKIE YICK (in Cantonese): *President, the Secretary has not addressed the core of Dr CHIANG Lai-wan's main question, that is, how many*

FDHs who had deliberately courted dismissal did not really leave Hong Kong and continued to look for new employers?

Since this problem has arisen in Hong Kong for quite some time, the Liberal Party had put forward a proposal during its discussion with the Chief Executive on the Policy Address, which is to consider introducing a probation period. During the probation period, if the FDHs have deliberately courted dismissal, the employers will have no need to compensate them with one month's wages in lieu of notice. Moreover, it is necessary to ensure that the FDHs have really returned to their places of domicile so as to deter them from staying in Hong Kong to look for a new job after they have deliberately courted dismissal.

May I ask if the Secretary will consider our proposal?

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Labour and Welfare, please.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I thank Mr YICK for his supplementary question. We have discussed this issue and conducted an in-depth study before. We found that the introduction of a probation period was rather complicated, and it might not be advantageous to both employers and employees.

The first reason is that under the existing mechanism, the Contract clearly provides that either party may terminate the Contract by giving one month's prior notice to the other party. If there is less than one month's notice, it is necessary to pay the other party wages in lieu of notice on a pro rata basis. This is a flexible mechanism which allows employers to deal with the matter of dismissal within a very short period. Once there is a probation period, actually it is possible for both employers and employees to abuse it. That means employees may also abuse the probation period, and employers' loss will be even greater then.

The second reason is that employers are obliged to pay the airfares and relevant fees under any circumstances. As a result, as far as employers are concerned, the introduction of a probation period will not reduce their expenditure in this regard. Hence, I hope Members will understand that we have

indeed studied this issue before, but we found that it is not that simple. In fact, the most important thing is that employers and employees should foster mutual understanding and communication to improve labour relations. This is the best way of handling the matter.

MR FRANKIE YICK (in Cantonese): *President, the Secretary has not*

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

MR FRANKIE YICK (in Cantonese): *..... the Secretary has not answered the second part of my supplementary question, that means whether the Government will consider, as in the case of Singapore, requiring employers to escort their FDHs to the airport to board the plane after dismissing them; otherwise the employers shall be held responsible. Only then will this problem be eliminated*

PRESIDENT (in Cantonese): Mr YICK, you have already raised your follow-up question. Please sit down. Which Secretary will reply? Secretary for Security, please.

SECRETARY FOR SECURITY (in Cantonese): President, anyone who lawfully stays in Hong Kong cannot be forced to leave the territory except when they have broken the law. According to the provisions of the Contract, after the employer and the employee have terminated their Contract, the employer shall pay the airfare, and the employee may stay in Hong Kong for a certain period. During this lawful period of stay, the employee may leave the territory. This is in compliance with the legal requirements in Hong Kong. Therefore, it is impossible to follow the example of the country mentioned by Mr YICK just now, requiring employers to accompany the dismissed FDHs to the airport and watch them board the plane.

MS STARRY LEE (in Cantonese): *President, I declare that I have employed a FDH.*

Employers of FDHs have the same feeling, that is, the protection for employers under the existing legislation is not sufficient. Firstly, at present, there is no probation period. Secondly, after employing FDHs, if the employers suspect that the intermediaries or FDHs have provided false declarations or information, or if they find that the FDHs do not meet the descriptions of the intermediaries, they do not know where they can lodge the complaints.

In fact, recently I have received a number of similar complaints about FDHs who deliberately tried to make their employers take the initiative to terminate their contracts so as to gain free homeward passages. Has the Secretary conducted investigation and taken enforcement action, and how many cases of successful enforcement were there in the past?

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

SECRETARY FOR SECURITY (in Cantonese): I thank Ms LEE for raising the supplementary question. First of all, under the existing arrangement, in the event of termination of contract between the employer and the employee, irrespective of whether it is the employer or the employee who takes the initiative, they are obliged to notify the ImmD in writing within seven days upon termination of contract. Upon receipt of the notification, the ImmD will request the FDH concerned to leave Hong Kong within 14 days upon termination of contract in accordance with her conditions of stay. If the limit of stay of the FDH concerned is less than 14 days, she must leave Hong Kong within the shorter period.

The ImmD will monitor whether the FDH has left Hong Kong. If she has not left Hong Kong, of course she has overstayed in the territory in contravention of the Immigration Ordinance, and the ImmD will take follow-up action in accordance with the law. If the FDH wishes to come back to Hong Kong to serve as a domestic helper again, the ImmD will certainly first verify her departure from Hong Kong in vetting her application. If she is still in Hong

Kong, the ImmD will definitely not issue any employment visa. Of course, as I have said earlier, there are a few exceptions. For example, the employer is unable to fulfil the contract owing to being transferred to work abroad, migration, death or financial reasons, or there is sufficient evidence to prove that the FDH is subject to harsh treatment or exploitation. The ImmD will then consider allowing the FDH to stay to look for another employer without the need to leave Hong Kong.

In handling this kind of cases, the ImmD will scrutinize the relevant records carefully. In particular, it must be pointed out that many employers will disclose the reasons for termination of contract in the letters of termination submitted to the ImmD. If information in this respect is available, of course we will include it as our reference in vetting applications made by the FDHs concerned in the future.

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

MS STARRY LEE (in Cantonese): *Just now the Secretary only stressed repeatedly that they would confirm whether the FDHs had left Hong Kong, but the key point of my supplementary question is whether any FDHs left Hong Kong but did not return to their places of domicile in compliance with their Contracts, and in the end they were arrested or penalized.*

PRESIDENT (in Cantonese): Ms LEE, this question was not included in your previous supplementary question. Please wait for another turn to raise your question.

MR WONG KWOK-HING (in Cantonese): *President, it is said in the last paragraph of the Secretary's main reply that the Government will regularly review the policy on FDHs. In this connection, I would like to ask the Secretary a question. The Motor Transport Workers General Union and many professional drivers who act as chauffeurs have asked me to put a question to the Government, that is, if it has conducted frequent inspections and reviews so as to*

confirm whether any employers have exploited FDHs to serve as chauffeurs, thereby posing a threat to their jobs. For this reason, may I ask the Secretary, have you conducted inspections and instituted prosecutions in the past three years? Will you review this policy again in a serious manner, so as to confirm whether it has given rise to the problem of FDHs being exploited to serve as chauffeurs, thus smashing the "rice bowls" of Hong Kong drivers?

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

SECRETARY FOR SECURITY (in Cantonese): President, the Council has discussed this issue for quite a long period in the past. At present, with regard to allowing domestic helpers to carry out driving duties, our policy is very clear. Firstly, the ImmD has all along conducted inspections at regular intervals. Secondly, upon receipt of complaints, the ImmD will conduct investigation and take enforcement action. If it is suspected that there is any illegal behaviour, the ImmD will definitely take action based on the information collected in each case. If there is sufficient evidence, we will certainly work in accordance with the law and institute prosecution.

With regard to the supplementary question raised by Mr WONG just now, I do not have at hand the figures sought by him. If Mr WONG needs that, I will ask the ImmD to explore if there is any relevant data which may be provided to the Council. (Appendix III)

MR IP KWOK-HIM (in Cantonese): *President, the fees currently charged by FDH intermediaries are really like "seafood prices". Sometimes it is a few thousand dollars, and sometimes it is nearly \$10,000. Employers are actually not very clear about the particulars of the fees charged by the intermediaries. Some companies have charged fees under all sorts of items, such as training fee, referral fee, service fee, health check fee and even reservation fee. Some intermediaries did not do any work even after they had collected the fees, and they would not refund the money even if they were unable to provide any FDH.*

Has the Policy Bureau conducted any study to enhance the regulation over the fees charged by FDH intermediaries and request them to set out the particulars of the fees and their undertakings, so as to prevent and deter intermediaries from overcharging?

PRESIDENT (in Cantonese): Which Secretary will reply? Secretary for Labour and Welfare, please.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): I thank the Member for raising views and the supplementary question. The existing legislation does not regulate the business practice of FDH intermediaries, but we often remind employers that being consumers, they must be very careful, and they should select trustworthy intermediaries with good reputation. The amount of fees charged by FDH intermediaries is, after all, a business decision. Employers may choose the intermediaries freely, but the charging of fees is the intermediaries' business decision, and such fees are provided under their service agreement. Nevertheless, I would like to stress that in respect of legislation, an improvement measure is coming soon. As we know, the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 will come into full operation on 19 July. Services provided by FDH employment agencies will then be included in the scope of regulation. If a FDH employment agency makes any misrepresentation or is involved in any misleading omission, such as omitting to set out explicitly certain important information, thus causing the employer of the FDH to make additional payment of several thousand dollars, the employer concerned shall have the right to take legal action. Consumers may refer their complaints to the Customs and Excise Department (C&ED) through relevant organizations or directly complain to the C&ED by themselves. After the Amendment Ordinance comes into full operation on 19 July, employers in Hong Kong will be provided with additional protection.

MISS CHAN YUEN-HAN (in Cantonese): *President, the Secretary has told Mr WONG Kwok-hing earlier that he would see if there were statistics about FDHs being exploited as drivers. Secretary, I wonder if you have formulated any criteria in this regard. As mentioned by Mr WONG Kwok-hing, before the reunification, the Government had intended to forbid FDHs to engage in driving*

work, but later, the Government gave up this idea because it thought that many consuls in Hong Kong might have such a need. In my opinion, if the Government had indeed formulated the relevant criteria, actually there is no cause for criticism for allowing FDHs to engage in driving work under special circumstances where proficiency in English is needed. However, that is not the present case. I have said many times before that a lot of hospital doctors have FDHs as chauffeurs. That is what I saw in the hospital back then.

PRESIDENT (in Cantonese): Miss CHAN, please raise your supplementary question.

MISS CHAN YUEN-HAN (in Cantonese): *President, may I ask the Secretary, what criteria do you have? Have you formulated any criteria to determine if there is exploitation? I do not think you have any criteria. So long as someone makes an application, you will approve it. How can you work in such a way? Please tell us what your criteria are. Without any criteria, how can people be convinced? Please tell us the criteria. Thank you.*

PRESIDENT (in Cantonese): Miss CHAN, you have already raised your supplementary question. Please sit down. Which Secretary will reply? Secretary for Security, please.

SECRETARY FOR SECURITY (in Cantonese): President, actually many years ago, we had discussed the question raised by Miss CHAN, and there were different views in the Council. After considering the different views put by Members, we established the existing system. I understand that since this system commenced operation, workers in some industries, especially professional drivers, have opined that this arrangement needs improvement. We have all along paid attention to the implementation of this arrangement. As a matter of fact, each party has a different view, and the policy currently adopted by us can strike a balance between the positive and negative sides. Hence, in our view, as this policy which has been put into practice for a long time remains effective, implementation should continue unless new situations arise.

DR HELENA WONG (in Cantonese): *President, at present, it is rather difficult to employ FDHs in Hong Kong as there is a shortfall. Actually we are very grateful to the FDHs who work in Hong Kong because with a lack of local child care and elderly care services, some 300 000 families have to rely on them.*

President, part (c) of the main reply points out that owing to immigration and security considerations, Hong Kong's current policy for FDHs does not apply to residents of the Mainland, Macao, Taiwan and some other countries. My question is, the Government completed a study report on the importation of domestic helpers from the Mainland five years ago, but we have recently learnt that Macao has already imported domestic helpers from the Mainland. Will the Hong Kong Government review afresh the existing policy which rules out the importation of domestic helpers from the Mainland to work in Hong Kong? If there is such a plan, what are the details; if not, can the Administration tell us what the so-called immigration and security considerations actually are?

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

SECRETARY FOR SECURITY (in Cantonese): President, from time to time, there are voices in the community which request the Government to revise the existing policy to allow Mainland residents to come to Hong Kong to work as domestic helpers. So far the Government's attitude has remained unchanged. Having listened to different views in the community, we maintain our view that allowing Mainland residents to work as domestic helpers in Hong Kong will bring forth the possibility of abuse and will even give rise to other social problems. For this reason, we will not change the existing policy which forbids Mainland residents to work as domestic helpers in Hong Kong.

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

WRITTEN ANSWERS TO QUESTIONS**Standards and Guidelines for Organizing Students' Study Tours**

7. **MR YIU SI-WING** (in Chinese): *President, it is learnt that the number of study tours organized by organizations such as travel agents, educational bodies, youth centres, schools, and so on, has been on the rise in recent years, but the quality of such study tours varies. In addition, participants of outbound tours which are not organized by licensed travel agents are not protected by the Travel Industry Compensation Fund and the Package Tour Accident Contingency Fund Scheme. Some parents have relayed that the requirements under the Guidelines on Study Tours Outside the HKSAR (Guidelines) of the Education Bureau are less stringent than those under the Code of Business Practice on Study Tours (Code) of the Travel Industry Council of Hong Kong (TIC), and the protection for students joining study tours is inadequate. In this connection, will the Government inform this Council:*

- (a) *given that the Code requires travel agents, when organizing studying tours, to assign at least one tour-accompanying helper who holds a valid Tour Escort Pass (that is, one who has completed the Certificate Course for Outbound Tour Escorts and passed the relevant examination) to each study tour, whereas the Guidelines only require that "all escorts in the study tour should have experience in leading students to take part in outdoor activities or overseas visits", whether the Education Bureau will raise the professional requirements for study tour escorts to the same level as those set by the Code; if so, of the specific arrangements; if not, the reasons for that;*
- (b) *as the Guidelines require that "each participant of the study tour should prepare suitable travel and medical insurance" but they have not specified what a "suitable" insurance is, whether the authorities will learn a lesson from the hot-air balloon explosion accident in Egypt and formulate uniform standards and guidelines on travel insurance for study tours; if so, of the specific arrangements; if not, the reasons for that;*

- (c) *whether it has assessed if students concerned will have adequate protection in the event that the study tours organized by local organizations (which are not licensed travel agents) or directly by non-local receiving organizations are involved in disputes or accidents; if it has, of the assessment outcome; if not, the reasons for that; and*
- (d) *whether the authorities will formulate uniform standards on the quality of receiving organizations at destinations of study tours, accommodation and transport arrangements, and so on, so as to ensure that study tours are of good quality and participants are safe; if so, of the specific arrangements; if not, the reasons for that?*

SECRETARY FOR EDUCATION (in Chinese): President,

- (a) Schools organize study tours to provide students with more learning activities outside classroom in light of their needs. The mode of organizing study tours takes various forms including commissioning to travel agents which is more popular among schools, collaborating with other organizations and organizing by schools themselves. According to the Guidelines, irrespective of the mode of organizing study tours, schools should play the role of organizers responsible for supervision and planning of the tours. School personnel should also be appointed to escort participating students throughout the tours. Each tour should be led by at least two escorts having experiences in leading students to take part in outdoor activities or overseas visits, with at least one of them being a teacher of the school. Other than the capabilities to supervise and take care of students, the escorts should have received first aid training, be well informed of the health conditions of the participants and report regularly to the school.

Given the different job nature and clientele between escorts of study tours and professional escorts of travel agents, and that the Guidelines have specified the requirements of escorts concerned based on the nature of study tours, the Education Bureau considers it not necessary to request the escorts of study tours to possess Travel Escort Passes issued by the TIC.

The Education Bureau has consulted major stakeholders and the TIC in revising the Guidelines. The Guidelines have also included a link to the TIC's website for information on study tour operators for schools' reference. The Education Bureau will continue to work closely with the TIC to review the Guidelines as appropriate.

- (b) Students of public sector schools are covered by insurance arranged by the Education Bureau⁽¹⁾ when participating in activities including study tours organized by schools. Under the Guidelines, schools are advised to remind parents/students to arrange comprehensive personal travel insurance as deemed necessary for further protection taking into consideration the nature and details of the activities concerned.
- (c) Please refer to part (b) above for the insurance coverage for students participating in school activities. We have also issued the School Administration Guide to remind schools to comply with the related requirements including specifying the details of the services required and safeguard clauses, and so on, in the tender documents.
- (d) Schools, having taken into account students' needs and views of major stakeholders, will give due consideration to the quality of the host organizations, accommodation to be provided and transportation arrangements, and so on, in arranging study tours. Besides, schools have to include clear specifications of the services in the tender documents to protect the participating students and the schools themselves being the organizers in accordance with the Guidelines on Tendering and Purchasing Procedures in Schools when organizing study tours through procurement of services.

Under the Travel Agents Ordinance (Cap. 218), any organization commissioned by schools to organize study tours including provision of transportation and accommodation arrangements, and so on, for commercial gain must be a travel agent holding a valid licence.

(1) The insurance of Government school students participating in school activities is covered by the Government while students in aided and caput schools by the Block Insurance Policy.

Development of Hong Kong as an International Asset Management Centre

8. **MR CHRISTOPHER CHEUNG** (in Chinese): *President, the Financial Secretary mentioned in the Budget of this year that to strengthen its position as a premier international asset management centre, Hong Kong would provide relevant legal and regulatory frameworks, and a clear and competitive tax environment with a view to attracting more funds of various types to base in Hong Kong. Yet, the total value of the fund assets managed in Hong Kong in 2011 decreased by more than 10% when compared to that of 2010. In this connection, will the Government inform this Council:*

- (a) *whether it knows the year-on-year change in the total asset value of fund management business in Hong Kong as at the end of last year, together with a breakdown by asset components;*
- (b) *whether it knows the progress in expanding the distribution network of the fund industry of Hong Kong (including discussing with the Mainland the preparatory work for making Hong Kong the trial area for the "Qualified Domestic Individual Investors Scheme" (QDII2)); of the measures put in place to ensure that the local small and medium-sized securities brokers can still benefit from the Scheme despite the restrictions such as threshold and qualifications for qualifying as the undertaking securities companies;*
- (c) *whether it knows the number of licensed institutions engaged mainly in dealing in securities and financing (commonly known as "Type 1 licence" holders) and the rate of success of such licensed institutions in applying concurrently for an asset management licence (commonly known as "Type 9 licence") in the past five years; the number of applications of which the processing time exceeded the normal 15 weeks; the longest time taken to process a relevant application; apart from the qualifications of the applicants and their responsible personnel and the capital requirements for companies, the factors taken into account by the Securities and Futures Commission (SFC) in vetting and approving applications;*
- (d) *of the details of the "Private Wealth Management Association" (the Association) which the Government intends to advocate the industry to establish (including the establishment objective, legal standing,*

members' qualifications, functions and establishment date, and so on); and

- (e) *as the Government has proposed to the SFC to offer financial support for the curriculum development of suitable training courses in asset management in the market, of the relevant details; the measures put in place by the authorities to cater for the need for continued professional training of the small and medium-sized securities brokers?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President, we are adopting multi-pronged strategies to consolidate Hong Kong's leading role as the asset management centre in the Asia-Pacific Region, and develop Hong Kong into a more comprehensive fund and asset management centre. For example, we are planning 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, and introduce Open-ended Investment Companies into Hong Kong for setting up investment funds. We have also introduced into the Legislative Council the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012 and the Trust Law (Amendment) Bill 2012. These two bills aim to improve the Islamic finance platform and reform the trust law, with a view to further fostering an environment conducive to the asset management industry. We are striving to seek the passage of these two bills by this Council before the end of this Legislative Session.

My reply to the question is as follows:

- (a) According to the statistics published by the Hong Kong Investment Funds Association, the gross sales of SFC-authorized funds by Hong Kong investors reached US\$54.9 billion in 2012, representing a year-on-year increase of 46.4% from US\$37.5 billion in 2011.

The SFC is finalizing the relevant data of the combined fund management business of Hong Kong in 2012 and is therefore not able to provide the 2012 data at this stage.

- (b) We have been maintaining close liaison with the relevant Mainland authorities on financial co-operation. On 6 March 2013, the China Securities Regulatory Commission announced the revised Renminbi Qualified Foreign Institutional Investor (RQFII) pilot scheme rules, under which the types of institutions eligible for applying for RQFII have been enlarged to cover, amongst others, all Hong Kong-licensed asset management companies with major operations in Hong Kong. The investment restrictions of RQFII funds have also been relaxed. The changes enable more market players to participate in the RQFII scheme, and increase the attractiveness of the RQFII products for investors. As at end June 2013, a total of 31 companies were granted the RQFII qualification, with a combined approved RQFII investment quota of RMB104.9 billion. As regards the QDII2, we understand that the relevant preparation work is underway. We will continue to liaise with the relevant Mainland authorities with a view to actively seeking the participation of our financial services sector and intermediaries in this scheme.
- (c) According to the SFC, as of end May 2013, there were 360 licensed corporations which are licensed to carry on Type 1 regulated activity (dealing in securities) only. Seven Type 1 licensed corporations have applied to be licensed to carry on Type 9 regulated activity (asset management) in the past five years (1 April 2008 to 31 March 2013). All of these applications were successful. The processing time of these applications ranged from nine to 25 weeks approximately. Many factors affect the processing time of licensing applications, such as the complexity of the applications, whether all relevant information was provided at the time of application, the turnaround time taken in responding to the SFC's questions, and whether overseas elements such as relocation of executive personnel from overseas are involved.

When the SFC considers applications for licences, it takes into account whether the applicants are fit and proper. Section 129(1) of the Securities and Futures Ordinance sets out a number of matters that the SFC is obliged to have regard to in assessing a person's fitness and properness, including its/his:

- (i) financial status or solvency;
- (ii) educational or other qualifications or experience having regard to the nature of the functions to be performed;
- (iii) ability to carry on the regulated activity competently, honestly and fairly; and
- (iv) reputation, character, reliability and financial integrity.

SFC's Fit and Proper Guidelines outline a number of matters that the SFC will normally consider in determining whether a person is fit and proper. For example, in the case of a corporation, the SFC will consider whether the corporate applicant has established effective internal control procedures and risk management systems to ensure its compliance with all applicable regulatory requirements. The SFC will also consider any information relating to the corporate applicant's group companies, its substantial shareholders or officers, or the officers of its group companies.

SFC's Guidelines on Competence set out the matters that the SFC will normally consider in assessing whether a person is competent to carry on any regulated activity. In the case of corporate applicants, the SFC will consider whether the corporations have a proper organizational and business structure, competent management staff, and good internal systems and qualified personnel to enable it to properly manage the risks it will encounter in carrying on its business. For individual applicants, the SFC will consider whether the individual has a good understanding of the regulatory framework, the ethical standards expected of an individual licensee, the financial products that he/she deals in or advises on and the markets in which he/she provides services. For responsible officers, the SFC will consider whether an applicant possesses appropriate ability, skills, knowledge and experience to properly manage and supervise the corporation's proposed activities.

- (d) The Administration and regulators are actively facilitating the industry to establish the Association, the objectives of which are to assist in, promote and encourage the growth and development of the

private wealth management industry in Hong Kong; promote proper conduct, integrity and high standards of professional competence on the part of private wealth management practitioners; and represent the industry on private wealth management related matters in Hong Kong.

The Association is expected to be established by the end of this year as a company limited by guarantee. It will initially comprise of authorized institutions and licensed corporations that provide private wealth management services.

- (e) As regards the Administration's proposal to the SFC to offer financial support for the curriculum development of suitable training courses in asset management in the market, the SFC is now working with the Hong Kong Securities and Investment Institute (HKSI) on the details. The SFC is also working with HKSI on ways to assist brokers, asset managers and other practitioners in the securities markets to promote their service quality and enlarge their service scope. To cater for the need for continued professional training of the small and medium-sized securities brokers, we have indicated to the SFC that the financial support should have a particular focus on the continued professional training for the small and medium sized securities companies. We hope that this initiative will better equip industry practitioners, especially employees of small and medium sized securities companies, to cope with new demands arising from market development.

Redevelopment of Public Rental Housing Estates

9. **MR WONG KWOK-KIN** (in Chinese): *President, some members of the public have relayed to me that apart from identifying sites for constructing new public rental housing (PRH) estates, redevelopment of PRH estates (such as Pak Tin Estate currently being redeveloped in phases) may also increase the supply of PRH units within a short period of time. Meanwhile, the redevelopment of aged PRH estates like Wo Lok Estate and Choi Hung Estate will not only improve the living environment of residents but also tie in with the Kwun Tong Town Centre redevelopment which is underway. In this connection, will the Government inform this Council:*

- (a) *whether the authorities have conducted any feasibility study on the redevelopment of aged PRH estates like Wo Lok Estate and Choi Hung Estate; if they have, of the progress and anticipated completion time for the study; whether it has drawn up a timetable for comprehensive redevelopment of PRH estates; if not, of the reasons for that;*
- (b) *of the number of PRH units in Wo Lok Estate at present; and the maximum number of PRH units that can be provided upon redevelopment;*
- (c) *as some PRH tenants have relayed to me that some units in the PRH development projects in Kai Tak Development Area and at Anderson Road intended to be carried out by the authorities should be reserved for rehousing tenants affected by the PRH redevelopments in Kowloon East, whether the authorities will reserve some units in these two projects for such purpose; if they will, of the respective numbers of units to be reserved; if not, the reasons for that, and how the affected PRH tenants will be rehoused; and*
- (d) *whether the authorities have consulted the tenants of the aged PRH estates in Kowloon East about the overall planning of PRH in the district; if they have, of the arrangements and contents of the consultation; if not, the reasons for that; whether the authorities will launch any consultation on the redevelopment of PRH in this financial year?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, to address the strong demand for PRH from the public, the Government and the Hong Kong Housing Authority (HA) actively explore all options to boost the supply of PRH. We will identify sites suitable for PRH development over the territory, and will carefully examine the redevelopment potential of aged PRH estates, so as to increase the supply of PRH flats.

To better assess the redevelopment potential of aged estates, the HA endorsed the Refined Policy on Redevelopment of Aged Public Rental Housing Estates in 2011. In considering clearance and redevelopment of the estates, the HA will refer to the findings of the Comprehensive Structural Investigation

Programme (CSIP) on structural safety and cost-effectiveness in repair works, and also examine the build-back potential, as well as and the availability of suitable decanting resources for the estates concerned. This is to address the issue of building sustainability and redevelopment potential, in order to better utilize valuable land resources and to increase flat production. By reviewing the specific site characteristics and developable area in the vicinity, the HA will conduct a series of detailed studies including technical and environmental impact assessments, local master planning, urban design and the development intensity, and so on. We will also discuss with relevant bureaux and departments with regard to the supporting facilities including community, welfare, transport and educational facilities, of the district concerned. Only after the completion of the relevant assessments can the HA confirm the feasibility of redeveloping an estate and draw up a suitable implementation programme accordingly.

My reply to the questions raised by Mr WONG Kwok-kin is as follows:

- (a) Wo Lok Estate and Choi Hung Estate as mentioned in the question were included in the CSIP in 2005, and the investigations were completed in 2007 and 2006 respectively. Based on their structural conditions at the time, these two estates were identified to be retained with necessary repair and estate improvement works scheduled. The HA will investigate the structural conditions of all PRH estates that have undergone comprehensive structural investigation and are retained on a 15-year cycle, and to assess again whether these estates should be retained or redeveloped.
- (b) There are 1 937 units in Wo Lok Estate. We have no plan to redevelop Wo Lok Estate at present. Hence, the maximum number of units that can be provided after redevelopment has not been assessed.
- (c) When drawing up redevelopment plans for aged estates, consideration would be given by the HA to rehouse the affected tenants to suitable PRH estates. Where PRH resources permit, we will try to meet the aspirations of the affected tenants for local rehousing within the same district or rehousing to other districts according to their preferences. Should it be decided that any aged estates in Kowloon East region be redeveloped, we will make

arrangement to reserve suitable amount of flats in this region as decanting facilities.

- (d) In accordance with the HA's established policy, for any proposed public housing and/or redevelopment projects, including any proposed public housing developments in Kowloon East, we will consult relevant District Council and the locals when appropriate so as to listen to their views to facilitate the implementation of the development programmes.

Development of Underground Spaces

10. **MR JEFFREY LAM** (in Chinese): *President, the Chief Executive has mentioned in the 2013 Policy Address that Hong Kong can examine the development of underground spaces as a source of land supply. Regarding the development of underground spaces (excluding rock caverns), will the Government inform this Council:*

- (a) *whether the Government has commenced any feasibility study or planning work on the development of underground spaces at various selected sites; if so, of the details; if not, the reasons for that;*
- (b) *whether the Government has made reference to the examples of developing underground spaces into pedestrianized streets, car parks and stadiums in foreign countries; whether it has assessed the types of uses of the underground spaces which are more suitable to be developed in Hong Kong; and*
- (c) *whether the Government will conduct studies on the development of underground shopping malls/business cities in those major development projects (including the West Kowloon Cultural District (WKCD) and the Kai Tak Development area) the works for which have not yet commenced at present?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, nowadays, the urban areas in Hong Kong have been densely developed with very limited land for new developments. The shortage in land supply has affected our

competitiveness. In view of this, the Chief Executive has suggested in the 2013 Policy Address to develop underground spaces in the urban areas as one of the viable sources of land supply.

In fact, Hong Kong has been using underground spaces for public and commercial facilities for many years. However, most of them were associated with individual development projects, such as basements and car parks of shopping centres, as well as Mass Transit Railway (MTR) station development. In recent years, a relatively large scale example is the underground passage connecting the Tsim Sha Tsui and Tsim Sha Tsui East MTR stations and the surrounding shopping centres. However, in order to develop underground spaces strategically, we need to further review the relevant policies, regulations and administrative measures with a view to enhancing the use of underground space resources more systematically.

Our answers to the three parts of the question are as follows:

(a) and (b)

Since the Chief Executive suggested in the 2013 Policy Address to develop underground spaces in the urban areas as a viable source of land supply, we have been actively preparing for commencing a study on "Underground Space Development in the Urban Areas" to further explore the potential of developing underground spaces in the built-up areas of Hong Kong. We have preliminarily collected and analysed some overseas and local examples of using underground spaces in the urban areas to identify the development opportunities and constraints of the relevant projects. We are now drafting the consultancy brief based on the main objectives of the study, with a view to creating more urban space for development, and enhancing connectivity of the urban areas (including new towns) through linking of existing and planned buildings and facilities with underground developments. The study will identify some representative areas for detailed assessments. We will soon conduct selection of consultants, and plan to commence the study the soonest in end 2013. Through the study, we will explore the suitable uses for further developing underground spaces in the urban areas, including commercial facilities such as shopping arcades, underground streets and car parks, and so on.

- (c) The Government has embodied the element of enhanced use of underground spaces in the planning of the WKCD and the Kai Tak Development area.

The West Kowloon Cultural District Development Plan was based on Foster + Partners' "City Park" Conceptual Plan, in which the cultural and art facilities are integrated with other facilities with a view to increasing the vibrancy of the cultural district. Taking into account the need for optimizing the use of land resources, the Development Plan places the vehicular transport network of the WKCD underground. With a flexible use of underground spaces, more above ground spaces could be made available for public enjoyment and pedestrian passage. The statutory planning procedures of the Development Plan have been completed in January this year. The approved Development Plan has incorporated the views and suggestions given by the public and the stakeholders in the public engagement exercise.

As regards the Kai Tak Development area, the Government has proposed to develop two Underground Shopping Streets in the "Kai Tak Outline Zoning Plan" to connect Kowloon City and San Po Kong with the Kai Tak Station of the Shatin to Central Link under construction with a view to enhancing the integration of the new and the old districts. The Underground Shopping Streets are at the planning stage and the implementation mechanism needs to be further studied.

Handling of Stray Cattle

11. **MR WONG KWOK-HING** (in Chinese): *President, on 5 June this year, a number of stray cattle were injured or killed after being hit by a vehicle/vehicles on South Lantau Road on Lantau Island. On the other hand, according to the estimate of the Agriculture, Fisheries and Conservation Department (AFCD), there were 1 230 stray cattle in Hong Kong in 2012, 280 of which were on Lantau Island, and the number of stray cattle in Sai Kung/Ma On Shan had increased from 190 in 2008 to 500 in 2012. In this connection, will the Government inform this Council:*

- (a) *of the progress of the investigation conducted by government departments such as the police and the AFCD, and so on, into the aforesaid incident, including whether the driver(s) involved in the case has/have been caught;*
- (b) *given that some residents on Lantau Island have pointed out that the problem of speeding on South Lantau Road is rather serious at night, resulting in incidents of stray cattle being hit by vehicles occurring from time to time, whether the authorities will place additional road markings and traffic signs of speed limit as well as install additional speed enforcement cameras (SECs), so as to alleviate the problem of speeding in that area and reduce the number of incidents of cattle being hit by vehicles; if they will, of the details; if not, the reasons for that;*
- (c) *of the number of stray cattle injured or killed by being hit by vehicles in each month of the past three years, the number of cases into which investigation had been launched by the police, as well as the respective numbers of cases in which the persons involved were prosecuted and convicted, together with a breakdown by district;*
- (d) *whether the authorities will consider providing cowsheds at suitable locations for stray cattle to stay in, so as to reduce their chance of being hit by vehicles on roads; if they will, of the details; if not, the reasons for that;*
- (e) *given that the authorities have established a dedicated Cattle Administration Team (CAT) to handle stray cattle cases, formulated a long-term strategy, as well as implemented the relevant measures in collaboration with the relevant animal welfare organizations and local communities, of the manpower and estimated expenditure of CAT in this financial year; and*
- (f) *of the number of stray cattle cases handled by CAT in each of the past three years, together with a breakdown by district; whether the authorities will review the effectiveness of the work of CMT, including whether the aforesaid incident reflects the ineffectiveness of the work of CMT, and which areas are in need of improvement?*

SECRETARY FOR FOOD AND HEALTH (in Chinese): President, the CAT is a dedicated team set up under the AFCD to co-ordinate the management of stray cattle in Hong Kong. Apart from handling complaints about stray cattle, members of the CAT visit various areas in the territory frequented by stray cattle on a regular basis. The AFCD has formulated a long-term strategy to address the issue of stray cattle through a multi-pronged approach.

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

- (a) On 5 June 2013, the police received a report that several cattle carcasses were found on South Lantau Road, Lantau Island. Upon police investigation, an expatriate woman was arrested in Tong Fuk Village on Lantau Island on the same day for suspected acts of cruelty to animals. She was released on bail pending further investigation. The case is being followed up by the Lantau District Crime Squad. The police do not rule out the possibility that other people and vehicles were involved. Further investigations are underway.

The AFCD will assist the police in their investigations and provide the necessary information as required.

- (b) For the purpose of reminding drivers, eight "beware of cattle" road signs have been put up by the Transport Department (TD) at the section of South Lantau Road near Cheung Sha on Lantau Island where cattle often appear. The TD will, in consultation with the AFCD, identify other locations on South Lantau frequented by cattle for putting up additional road signs.

As for the suggestion of monitoring the speed of vehicles, the TD will consider a number of factors when identifying locations to install fixed SEC systems, such as the prevalence of speeding activities, the number of traffic accidents involving speeding, geographical constraints, and so on. SEC systems are usually installed at long steep downhill roads and trunk roads with higher traffic speed and traffic flow. According to the records of traffic accidents over the past few years and recent on-site observation, the section of South Lantau Road near Cheung Sha on Lantau Island does not meet the criteria for installing a SEC system. Such being

the case, the TD will not for the time being consider installing a SEC system at the said location.

- (c) The police do not keep separate figures showing the number of traffic incidents involving stray cattle.
- (d) We note that there is a suggestion of providing cowsheds for stray cattle, so as to reduce their use of carriageways. In fact, where feasible and appropriate, the AFCD will relocate captured stray cattle to rural areas or country parks where they may stay without causing any nuisance. However, from the AFCD's observation, some cattle tended to return to their original dwelling places or locations where they were caught after being relocated. To obtain more detailed information about their movements, the AFCD has launched a stray cattle tracking pilot scheme under which some of the cattle relocated would be fitted with collars with global positioning system (GPS) devices so as to monitor their movements and routes. This will facilitate our work in planning for relocation and allow us to explore other feasible measures (for example, erecting fence or installing cattle grids) to prevent the cattle from returning to their original dwelling places.
- (e) Currently, the CAT consists of 10 AFCD officers, including veterinary officers and those from the Field Officer grade. The estimated expenditure of the team in the 2013-2014 financial year is about \$2.1 million.
- (f) The CAT was established at the end of 2011. The relevant breakdown of the number of stray cattle cases handled by the team from January 2012 to May 2013 is given at Annex.

Since the establishment of the CAT more than a year ago, the AFCD has formulated a long-term strategy to address the issue of stray cattle through a multi-pronged approach. Measures adopted include conducting detailed surveys on the number and distribution of stray cattle in the territory, through which important baseline information (such as the number of stray cattle and their dwelling places) has been collected to help us better evaluate the effectiveness of various stray cattle management measures in future; acting in

collaboration with animal welfare organizations to neuter stray cattle, with a view to controlling their population in the long run by reducing their breeding rates; and fitting some relocated cattle with GPS collars to monitor their movements and routes, thereby facilitating relocation planning and the exploration of other feasible measures to prevent the cattle from returning to their original dwelling places.

With the concerted efforts of the AFCD, animal welfare organizations and the local communities concerned, a total of 156 stray cattle have been neutered since the establishment of the CAT. Besides, the number of complaints about nuisance caused by stray cattle received by the AFCD decreased from 245 in 2011 to 149 in 2012. Under the said multi-pronged strategy, it is believed that the issue of stray cattle could be properly addressed by controlling the number of stray cattle gradually and effectively.

To keep track of developments, the AFCD will continue to conduct surveys on the number and distribution of stray cattle in various districts across the territory. As has been mentioned in part (b) above, the AFCD will, in the light of the said traffic incident, collaborate actively with the TD in identifying other locations on South Lantau frequented by cattle for putting up additional road signs, so as to remind drivers of the possible presence of stray cattle. Besides, the AFCD has stepped up publicity and education on the protection of stray cattle.

To assess and enhance the efficacy of the above long-term strategy, the AFCD will continue to liaise with the relevant local communities, animal organizations, district councils and rural committees, and listen to the views of various parties.

Annex

The number of stray cattle captured, the number neutered, and the number of complaints involving stray cattle handled by the CAT of the AFCD between January 2012 and May 2013 are set out below:

	<i>Lantau Island</i>	<i>Sai Kung</i>	<i>New Territories (North)</i>	<i>New Territories (South)</i>	<i>Total</i>
Cattle caught	94	141	57	15	307
Cattle neutered	43	83	11	2	139
Cattle-related complaints	94	66	11	21	192

Conservation and Law Enforcement Actions Regarding Declared Monuments

12. **MISS ALICE MAK** (in Chinese): *President, in connection with the conservation of declared monuments and relevant law-enforcement actions, will the Government inform this Council:*

- (a) *of the number of inspections of declared monuments initiated by the authorities in each of the past five years; the number of cases in which the monuments were found during the inspections to have been damaged or vandalized, and set out in a table the relevant details, including the names, ages of the buildings, the damage, progress of the repair works and costs of such repair works;*
- (b) *of the number of inspections of declared monuments conducted by the authorities upon receipt of reports in each of the past five years, and set out in a table the relevant details, including the names, ages of the buildings, the damage, progress of the repair works and costs of such repair works;*
- (c) *of the provisions of the Antiquities and Monuments Ordinance (the Ordinance) (Cap. 53) and the circumstances under which the Antiquities Authority (that is, the Secretary for Development) and persons authorized by him may regularly inspect the conservation condition of declared monuments privately owned;*
- (d) *of the respective numbers of those monuments owned by the Government and private individuals among the existing 103 declared monuments; and*

- (e) *whether the manager or the owner of a declared monument will be held criminally liable for not taking the initiative to report to the authorities any damage to the monument which has resulted in that monument becoming beyond repair; if so, of the number of monuments involved and the penalties imposed on the persons concerned in the past five years; if not, whether the authorities will take measures to ensure constant and proper conservation of the monuments?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, my reply to the five parts of the question is as follows:

- (a) The Antiquities and Monuments Office (AMO) arranges inspections for declared monuments in the light of their individual circumstances. For instance, inspections for declared monuments with works are accorded top priority while monuments managed by the AMO and open for public visits are accorded high priority. According to the records of the AMO of the past five years, the AMO has conducted over 500 inspections of the declared monuments each year. No vandalism or damage to declared monuments was found during these inspections.
- (b) Over the past five years, there was no instance of inspections being arranged by the AMO only upon receipt of reports on declared monuments which have been damaged.
- (c) Pursuant to section 5(1)(a) of the Ordinance, the Authority (that is, the Antiquities Authority) and any designated person authorized by him in writing, may, for the purposes of the Ordinance, enter and inspect any declared monument at all reasonable times. At present, the AMO inspects each declared monument at least once a year to ensure that they are properly maintained.
- (d) Of the 101 existing declared monuments in Hong Kong, 57 are government properties and the remaining 44 are privately owned (including those owned by private bodies).

- (e) The Ordinance does not require the manager or owner of a declared monument to report to the Authority any damage to the monument. However, section 6(1) of the Ordinance stipulates that no person shall (a) excavate, carry on building or other works, plant or fell trees or deposit earth or refuse on or in a monument; or (b) demolish, remove, obstruct, deface or interfere with a monument, except in accordance with a permit granted by the Authority. Therefore, anyone who needs to carry out any act prescribed under section 6(1) of the Ordinance within a monument boundary must obtain a permit from the Authority. The permit holder must strictly comply with all the terms and conditions set out in the permit when carrying out such an act. The AMO will inspect the monument concerned to ensure that the act is performed in compliance with the permit. Section 19(2) of the Ordinance stipulates that any person who contravenes section 6(1) shall be guilty of an offence and liable on conviction to a fine of \$100,000 and imprisonment for one year at the maximum. No case of contravention of section 6(1) of the Ordinance was recorded in the past five years.

Education for Students with Special Educational Needs

13. **MR ABRAHAM SHEK:** *President, regarding education for students with special educational needs (SSEN), will the Government inform this Council:*

- (a) *given that a study commissioned by the Equal Opportunities Commission and released in November 2012 has found that "nearly 40% of the interviewed teaching staff (particularly teachers) lack knowledge about inclusive education", and that the Government provides schools participating in the Intensive Remedial Teaching Programme (IRTP) and Integrated Education (IE) Programme with additional resources such as additional teachers and teaching assistants,*
- (i) *what professional qualifications or training in relation to education for SSEN that such additional teachers and teaching assistants currently possess in general; and*

- (ii) *whether the Government will require that all such additional teachers must have attended the Basic, Advanced and Thematic Courses (BAT Courses) on IE for serving teachers, and consider establishing a mechanism to enable experienced teaching staff for SSEN to transfer to other schools at the end of their employment contracts to prevent brain drain; if it will, of the details; if not, the reasons for that;*
- (b) *given that a study conducted by the University of Hong Kong had found that the percentage of children in Hong Kong with specific learning difficulties in reading and writing (SpLD) was between 9.7% and 12.6% in 2007, while government figures show that only 2.3% (that is, 17 440 among 762 200) of the primary and secondary students in the 2012-2013 school year had SpLD, whether the Government can explain the discrepancy between the figures;*
- (c) *whether the Government will take measures to ensure that SSEN will be identified as early as possible (for example, enhancing training for primary school teachers in using the Hong Kong Specific Learning Difficulties Behaviour Checklist (for Primary School Pupils) provided by the Government); if so, of the details; if not, the reasons for that; and*
- (d) *whether the contents of the aforesaid BAT Courses dovetail with the 3-Tier Intervention Model (3-Tier Model) currently adopted by the Government to support SSEN in mainstream schools; if so, of the details; if not, the reasons for that; whether the Government has adopted the "treat and test" approach under the "Response to Intervention" concept of the 3-Tier Model, so that students need not wait for assessment before being provided with needed support, especially in view of the shortage of educational psychologists; if so, of the details; if not, the reasons for that?*

SECRETARY FOR EDUCATION: President, my reply to the above question is as follows:

(a) (i) and (ii)

To help ordinary schools cater for students with special educational needs (SEN), the Education Bureau has been providing schools with additional resources on top of the regular subvention for all ordinary schools. Among others, additional teachers/teaching assistants are provided for schools under the IRTP/IE Programme.

Schools should observe the relevant Codes of Aid for recruiting qualified teachers in filling the additional teaching posts under the IRTP/IE Programme⁽¹⁾. A professional qualification or training in relation to education for students with SEN is not a pre-requisite for teacher appointment in schools. As a general practice, schools will take into consideration a candidate's qualifications, teaching experience as well as his/her personality and aptitude, and so on, for appointment.

The Education Bureau encourages schools to adopt a Whole School Approach (WSA) to IE and attaches great importance to enhancing the professional capacity of teachers in catering for students with SEN. As students with SEN will be taught by a number of subject teachers instead of the additional teachers provided under the IE initiative throughout their six years of schooling in the primary/secondary schools, the Education Bureau has been providing serving teachers with structured training courses pitched at basic, advanced and thematic levels (BAT Courses). All schools are required to formulate school-based teacher professional development plan and arrange their teachers to attend the BAT Courses in a systematic manner, having regard to the training targets set by the Education Bureau. It is expected that a critical mass of teachers will complete the BAT courses in each school to guide and collaborate with their colleagues to adopt the WSA and appropriate teaching strategies to support their students with SEN. To better prepare and equip teachers with the knowledge and skills in catering for students with SEN, local teacher education institutions have included a module on special education or catering for student

(1) For appointment to non-graduate teaching posts in aided primary and secondary schools, candidates should possess Certificate in Primary/Secondary Education from the Hong Kong Institute of Education/Teacher's Certificate from a College of Education in Hong Kong after a three-year full-time training course or a two-year full time training course (acquired in or after 1982) or an equivalent qualification. As for graduate teaching posts in primary schools, a recognized local first degree plus teacher training in primary education or equivalent is required.

diversity in all pre-service teacher training courses. In addition to course for teachers, the Education Bureau has also incorporated topics on catering for student diversity and spearheading IE implementation in the Preparation for Principalship Course for Aspiring Principals and induction programme for newly-appointed principals to strengthen principals in leading the WSA to IE. Besides, training workshops are also arranged regularly for teaching assistants to equip them with the knowledge and skills to work in collaboration with teachers and other school personnel in supporting the students with SEN. Employment of teachers is a school-based matter and teachers are free to change schools upon completion of their employment contracts. With the continuous provision of BAT Courses participation in which is a requirement applicable to all schools, the number of teachers having received special education training will increase as a whole in the public sector schools. At the end of the 2011-2012 school year, about 40% and 16% of the teachers of public sector ordinary primary and secondary schools respectively have received special education training. As such, we do not consider it necessary to set up a mechanism for arranging experienced teachers to transfer between schools so as to "prevent brain drain".

(b) and (c)

The 2007 study conducted by the University of Hong Kong as mentioned in part (b) of the question was basically an analysis of the data on 690 Primary One (P1) to Primary Four pupils in the age range of six years and 10 years six months who had participated in the norming of the "Hong Kong Test of Specific Learning Difficulties in Reading and Writing (SpLD) for Primary School Students" drawn randomly from primary schools in the 1999-2000 school year. The percentage derived in the study was affected by the characteristics of pupils recruited, the definition of SpLD and cut-offs for diagnosis of SpLD adopted in the study. It is not suitable to take the percentage quoted in one single study with a sample of only the lower form primary school pupils as the prevalence rate on SpLD for all school-age students in Hong Kong, not to mention that the percentage of students with SpLD will drop with effective and early intervention⁽²⁾. As for the 17 440 students

(2) Early identification and intervention to prevent reading difficulties: A longitudinal study (Linda Siegel, 2009)

reported to have SpLD in the 2012-2013 school year, they include primary and secondary students recommended for Tier-2 or Tier-3 support after formal assessment by psychologists. Since the coverage of students is different, making direct comparison of this figure with the one quoted in the study conducted in 2007 is not appropriate.

Early identification and early intervention are two major strategies in the implementation of IE. In this connection, the Education Bureau has put in place a structured Early Identification and Intervention of Learning Difficulties Programme for Primary One Pupils (EII Programme) to early identify pupils suspected with learning difficulties. Under the EII Programme, teachers of P1 complete the Observation Checklist for Teachers for pupils with learning difficulties. In the last three years, around 25% of the P1 pupils are identified in the EII Programme and early support has been provided to them. Pupils showing persistent learning difficulties despite intervention are referred to the education psychologists (EPs) for assessment and subsequent intervention. Amidst the 25% of pupils identified under EII Programme and having received early support, about 7% to 8% required diagnostic assessment, indicating that the majority of the pupils have made progress with the early intervention.

- (d) The BAT Courses are designed to tie in with the 3-Tier Model and to enhance teachers' professional capacity in catering for the students with SEN. In gist, the Basic Course aims at helping teachers better grasp the appropriate strategies and skills to provide Tier-1⁽³⁾ and to some extent, Tier-2⁽⁴⁾ support for students with SEN. The Advanced Course aims at further strengthening teachers' professional capacity in providing Tier-2 support while the Thematic Courses aim at providing in-depth training for teachers to help them acquire the knowledge and skills in catering for students who require Tier-3⁽⁵⁾ support.

(3) Tier-1 support generally refers to quality teaching to all pupils, including those with diverse needs, in the whole class.

(4) Tier-2 support is normally provided in the form of small group supplemental teaching for those students with greater learning difficulties.

(5) Tier-3 support refers to intensive individualized support.

The "treat and test" approach has been adopted under the "Response to Intervention" concept of the 3-Tier Model. As mentioned above, with the introduction of the EII Programme for P1 pupils, we have been advising schools to promptly start the intervention after the early identification by teachers. As a continuous process, Education Bureau support officers/EPs advise the Student Support Teams of schools on the formulation of the initial support plans for the pupils identified to have learning difficulties. Additional resources including the provision of Learning Support Grants, additional teachers in the IRTP, Enhanced Speech Therapy Grant and school-based support by the Resource Schools on WSA, and so on, are provided for schools to arrange intervention for pupils with marked learning difficulties after the identification at P1. The progress and response of the pupils to the intervention are monitored by school with the support of Education Bureau support officers/EPs, and assessment by specialists will be arranged for those children not making the expected progress.

Demand and Supply of Commercial Sites

14. **MR JAMES TIEN** (in Chinese): *President, quite a number of members of the business and industrial sectors have relayed to me that the inadequate supply of commercial sites over the past few years has caused the prices and rent levels of commercial properties, such as offices of various grades, shops and hotels, to rise continuously due to the shortfall in supply, resulting in higher business operation costs and commodity prices. In this connection, will the Government inform this Council:*

- (a) *of the respective areas of commercial sites put up for sale/made available for application for sale and those sold by the Government, as well as the floor area for commercial uses involved, in each year since 2000 (with a tabulated breakdown by type of commercial use);*
- (b) *of the number of commercial sites to be put up for sale and the floor area for commercial uses involved in each year from 2013-2014 to 2017-2018, according to the Government's projection (with a tabulated breakdown by type of commercial uses);*

- (c) *whether it has studied the impact of the supply of commercial sites in the past decade on the prices and rent levels of various types of commercial properties; if it has, of the details; if not, the reasons for that;*
- (d) *whether it has assessed the demand for various types of commercial sites in the coming decade; if it has, of the details; if not, the reasons for that;*
- (e) *given that the Government plans to convert the current government office buildings and "Government, Institution or Community" (G/IC) sites in Central and Wan Chai for commercial uses, develop a commercial district on the north of the Airport Island, and continue to take forward the transformation of Kowloon East into a new core business district of Hong Kong, of the anticipated commencement and completion time of such projects respectively, as well as the floor area for commercial uses which will be provided (with a breakdown by type of commercial uses); and*
- (f) *as the Chief Executive has mentioned in the 2013 Policy Address that the "Government will address the shortage of commercial land supply in a holistic, innovative and decisive manner", of the specific plans the authorities have in place to tackle the shortage of commercial sites, other than those initiatives mentioned in part (e), as well as the objectives and timetables of such plans?*

SECRETARY FOR DEVELOPMENT (in Chinese): President, to maintain Hong Kong's position as a leading financial and commercial centre, the 2013 Policy Address has set out that the Government would continue to adopt a multi-pronged approach to increase the supply of commercial land and facilities so as to facilitate the further development of different economic activities, thereby supporting the continued economic growth of Hong Kong.

My reply to the question raised by Mr James TIEN is as follows:

- (a) The area of sites for various commercial uses (including hotel and office) available for sale in the Land Sale Programme (LSP) from 1999-2000 to 2013-2014, the area of such sites sold and their

maximum gross floor area (GFA) permissible for commercial uses as at 17 June 2013 are set out in the Annex. It should be noted that, depending on the lease conditions and other applicable requirements, the actual commercial GFA provided by individual developers may not be the same as the figures set out above.

- (b) The 2013-2014 LSP offers a total of nine commercial/business sites, which are capable of providing about 330 000 sq m of GFA. In the first two quarters of 2013-2014, the Government has sold/will sell two commercial/business sites, which are capable of providing about 67 000 sq m of GFA. The outcome of the Government's sale of land is subject to market factors. The Government does not estimate the number of commercial/business sites expected to be sold and the commercial floor area involved after 2013-2014. The Government will continue to announce the annual LSP in each financial year and set out sites anticipated to be available for sale, and make quarterly announcements of sites to be made available for sale in the respective quarters in advance. This provides a transparent and certain land supply programme to the market, and at the same time allows the Government to respond to market demand and adjust the pace of land sale, in order to maintain a steady supply of land to the market.
- (c) The change in commercial land supply may affect the demand and supply balance of commercial properties (including offices, shops and hotels, and so on), thereby affecting their rents and prices. Nevertheless, prices and rents of commercial properties are also subject to the influences of other factors, including the local macroeconomic performance and inflation, operating situations of different sectors, interest rates and international capital flows, and so on. In this connection, the Government has not carried out any specific study on the impact of the supply of commercial sites in the past decade on the prices and rents of various types of commercial properties.
- (d) The Hong Kong 2030: Planning Vision and Strategy (HK2030 Study) provides a long-term planning strategy on various types of land uses. According to the forecast of the HK2030 Study, the Central Business District Grade A office space has to increase by

2.7 million sq m in GFA from 2003 to 2030 in order to meet market requirements. As regards other commercial uses (such as the retail industry and offices of other different grades), since their development is essentially market-driven and their land demand is more sensitive to market fluctuations, we have not made any estimate of the demand for these commercial sites in the next 10 years.

(e) and (f)

To meet the housing and various other needs of Hong Kong residents, the 2013 Policy Address has clearly set out the Government's overall policy blueprint for increasing land supply in future, which includes commercial sites and facilities. Apart from continuing the proactive land sale approach to increase the supply of commercial/business sites, the Government is actively implementing a series of measures as described in the following paragraphs with a view to increasing the supply of various commercial sites and facilities.

First, the measures on energizing Kowloon East will help develop Kowloon East into another core business district of Hong Kong and in turn increase office supply. According to the 2013 Policy Address, Kowloon East has the potential to supply an additional office floor area of about 4 million sq m. To expedite the process, we are considering relocating the existing government facilities in the two action areas of Kowloon East and making available some vacant and appropriate sites in the action areas to the market as soon as possible. It is expected that these two action areas will be able to provide about 500 000 sq m of floor area in total for office and other uses. The Government plans to put on sale a vacant government land site in the action area of Kowloon Bay in the 2013-2014 financial year. The said site will be made available to the market upon approval of rezoning.

Besides, in the Kai Tak Development Area, 14 sites are zoned "Commercial" under the Kai Tak Outline Zoning Plan. Five of them are located at the Kai Tak City Centre on the North Apron area, another three are in the South Apron Corner at the Kowloon Bay

waterfront, and the remaining six are located in the Runway Area. These sites, with a total area of about 14 hectares, are reserved for commercial uses, including office, shop, hotel, and so on. They will be made available to the market by phases after the relevant infrastructure works are progressively completed.

To tie in with the transformation of Kowloon East into a business district and meet the public expectation for increasing housing supply in urban areas, we are reviewing the land use planning in the Kai Tak Development Area, including exploring the scope for increasing office and housing supply in the North Apron area, the South Apron area and the former Runway Area, without compromising the planning vision and the land supply in the coming five years. The Government will conduct a detailed technical study to assess the impacts on the neighbouring areas from the environmental and traffic aspects, and so on. Public consultation will be carried out when the results of the study are available.

Hong Kong International Airport is vital to Hong Kong's economic development. To support the long-term economic development of Hong Kong, we will ensure the optimal use of the limited land on the Airport Island. The Airport Authority (AA) is now carrying out a study on the development strategies of the north commercial district of the airport. Relevant planning work is expected to be completed in late 2013. In mapping out the development strategies of the north commercial district, AA will take into account the planning of the three-runway system, so that the whole development can attain maximum economic benefits.

In long-term planning, the Planning Department will examine the further development opportunities in the New Territories North, including the areas along major transport routes near Lok Ma Chau and Man Kam To Control Points, and the development corridor along the connecting road leading to the new Liantang/Heung Yuen Wai boundary control point. We will also examine the opportunities for commercial development at these development corridors. The Government plans to appoint consultants in early 2014 for undertaking the relevant study. Besides, the Tung Chung New Town Extension Study, currently undergoing the public

engagement process, has also recommended taking advantage of the transport infrastructure in North Lantau, especially Tung Chung, to provide land for commercial development.

Furthermore, under the long-term planning for the New Central Harbourfront, we expect that over 130 000 sq m of new floor space will be provided for retail uses, of which about 100 000 sq m of new floor space for retail uses will be within Site 3. The said planning will also provide about 90 000 sq m of new floor space for office use. The planned development will gradually commence upon the completion of the relevant infrastructure works and relocation of existing facilities in Central and Wan Chai.

At the same time, we are also planning to commence a pilot study on "Underground Space Development in the Urban Areas" the soonest in end 2013 to further explore the potential of developing underground spaces in the urban areas of Hong Kong. Our main objectives include creating more urban areas for commercial or other developments; and enhancing connectivity of the urban areas through linking of existing and planned buildings and facilities with underground developments. The study will identify some representative areas for detailed assessments.

Furthermore, the Government announced in October 2009 a set of measures to facilitate the redevelopment and wholesale conversion of old industrial buildings. These measures came into effect on 1 April 2010, aiming at providing more floor space for suitable uses to meet Hong Kong's changing social and economic needs. Up to the end of May this year, the Lands Department approved 70 applications under the measures, and the projects concerned have a capacity to provide a total GFA of about 700 000 sq m of converted or new floor space for different non-industrial uses.

Meanwhile, the current government accommodation policy is to relocate, if feasible, government offices which are not location bound out of high-value areas (including core business districts), and as far as possible make use of government-owned properties to re-provision government offices accommodated in leased premises. This will not only provide long-term office accommodation for the

departments concerned, but will also reduce rental expenditure. The properties so released will in turn help increase the supply of commercial office space, thereby facilitating the development of different types of economic activities.

Recent initiatives in this connection include the sale of government-owned properties covering a portion of the third floor and the whole of the fourth, fifth and sixth floors of Citibank Tower, No. 3 Garden Road, Hong Kong (which was formerly used by the Legislative Council Secretariat as its office). The Government already signed the Sale and Purchase Agreement in May this year. Upon completion of the transaction, about 6 200 sq m of Grade A office space in Central will be available in the market for commercial uses.

Besides, similar initiatives of releasing office space by the Government in the next few years include:

- (i) Relocation of the Trade and Industry Department (TID): The Government is now carrying out the construction works for the Trade and Industry Tower at the Kai Tak Development Area, which is expected to be completed by end 2014. Upon relocation of TID to the new tower, more than 18 000 sq m of floor area in the Trade and Industry Department Tower in Mong Kok will be released for commercial uses. Meanwhile, among the 33 000 sq m in net operating floor area of the new tower, about half will be used for reprovisioning of government offices accommodated in leased premises mostly in South East Kowloon;
- (ii) Relocation of the Department of Justice (DoJ) to the former Central Government Offices (CGO): Upon relocation of the DoJ to the former CGO by stages starting from 2015, its existing offices in the Queensway Government Offices (QGO) and leased premises will gradually be vacated. Offices vacated in QGO will mainly be used for reprovisioning of other government offices currently accommodated in leased premises in Central and Admiralty;

- (iii) Reprovisioning of the three government office buildings at the Wan Chai waterfront: The Government is now actively planning for the reprovisioning of the three government office buildings at the Wan Chai waterfront and gradually moving the affected departments to the new government office buildings in non-core business districts. After the completion of the new government office buildings, we will arrange for the departments to move out of the three government office buildings at the Wan Chai waterfront by stages such that the vacated floor area can be released as soon as possible for renting out, thereby increasing the supply of Grade A office space in Wan Chai. After the completion of the entire relocation plan, we will consider putting the three government office buildings on sale at an appropriate time. It is expected that 175 000 sq m of floor area will then be made available for commercial uses; and

- (iv) Construction of the West Kowloon Government Offices (WKGO): The proposed WKGO will provide a total net operating floor area of 50 000 sq m, of which about 30 000 sq m will be used for reprovisioning some of the offices of the Buildings Department, Civil Engineering and Development Department and Transport Department which are currently accommodated in leased premises in Wan Chai, Tsim Sha Tsui, Mong Kok and Kwun Tong. It will also provide office space for reprovisioning other departments in the three government office buildings at the Wan Chai waterfront.

Furthermore, the Government plans to convert suitable G/IC sites in the existing core business districts, including the Murray Road Car Park in Central and the Rumsey Street Car Park in Sheung Wan, to commercial uses. Where possible, the Government will promptly release other suitable G/IC sites for commercial uses.

In conclusion, the Government will continue to monitor closely the demand and supply situation of commercial sites and facilities in Hong Kong, and proactively pursue appropriate land use planning, relevant urban design, district enhancement works, and convenient

transport networks, with a view to meeting the market demand and continuing to strengthen Hong Kong's competitiveness.

Annex

Information on the area of sites for various commercial uses (including hotel and office) available for sale in the LSP from 1999-2000 to 2013-2014, the areas of such sites sold and their maximum GFA permissible for commercial uses as at 17 June 2013

Year	<i>Category of sites according to users under the LSP</i>							
	<i>Mixed commercial and residential</i>		<i>Commercial/Business</i>		<i>Hotel</i>		<i>Industrial/office</i>	
	<i>Area of sites available for sale (hectares (about))</i>	<i>Area of sites sold (hectares (about)) (maximum GFA permissible for commercial uses (sq m (about)))</i>	<i>Area of sites available for sale (hectares (about))</i>	<i>Area of sites sold (hectares (about)) (maximum GFA permissible for commercial uses (sq m (about)))</i>	<i>Area of sites available for sale (hectares (about))</i>	<i>Area of sites sold (hectares (about)) (maximum GFA permissible for commercial uses (sq m (about)))</i>	<i>Area of sites available for sale (hectares (about))</i>	<i>Area of sites sold (hectares (about)) (maximum GFA permissible for commercial uses (sq m (about)))</i>
1999-2000	3.2995	1.2212 (48 848)	4.3376	-	3.1700	-	0.5493	-
2000-2001	1.2090	-	3.5182	-	-	-	1.7762	0.5480 (65 760)
2001-2002	2.7696	0.0390 (3 703.1)	4.5965	3.0304 (226 724)	-	-	0.1480	-
2002-2003	3.8442	0.0675 (4 315)	5.3234	-	-	-	1.0436	-
2003-2004	-	-	-	-	-	-	-	-
2004-2005	1.7907	-	2.5712	0.4715 (56 580)	-	-	-	-
2005-2006	1.7992	-	4.7412	-	-	-	-	-
2006-2007	2.0983	0.2750 (26 125)	8.5131	-	-	-	-	-
2007-2008	1.5331	-	9.4922	-	-	-	-	-
2008-2009	0.3631	-	5.9988	-	8.9262	-	-	-
2009-2010	0.0306	0.0306 (2 048.86)	7.5060	-	7.4162	-	-	-
2010-2011	1.5347	-	4.8196	-	6.2411	-	-	-
2011-2012	5.4647	1.0147 (41 780)	8.4555	5.0082 (318 938)	4.6019	3.4280 (130 157)	-	-
2012-2013	2.8600	2.8600 (31 995)	2.0306	1.0026 (50 130)	1.1699	0.5369 (36 000)	-	-
2013-2014 (as at 17 June 2013)	-	-	3.4148	0.5090 (15 270)	0.6330	-	-	-

Hong Kong People's Falling Trust in HKSAR and Central Governments

15. MR ALAN LEONG (in Chinese): *President, the results of the latest public opinion poll released on 20 June 2013 by the Public Opinion Programme*

at the University of Hong Kong have revealed that a number of trust and confidence indicators of the Hong Kong people have all dropped, with some even at their new lows in recent years and worse than those registered on the eve of hundreds of thousands of people taking to the street in the demonstration on 1 July a decade ago. For example: (i) compared to the results of the same poll conducted three months ago, people's percentage of trust in the Government of the Hong Kong Special Administrative Region (HKSAR) has fallen from 44% to 32% as indicated in the results of the poll this month, and their distrust has risen from 26% to 37%, resulting in a negative net trust value of five percentage points, and the percentage of trust in the HKSAR Government has reached a record low since April 2004, while that of distrust is at a record high since December 2003; further analysis has shown that the younger the people are, the more they distrust the HKSAR and Central Governments; (ii) people's percentage of trust in the Central Government has fallen from 37% three months ago to 25%, and that of distrust has risen from 32% to 45%, resulting in a negative net trust value of 20 percentage points, and people's level of trust in the Central Government is at record low since February 1999, while that of distrust is at a record high since February 1997; and (iii) people's percentage of negative appraisal of Hong Kong's future has reached a new high since June 2003, while that of China has reached a new high since July 1997. In this connection, will the Government inform this Council:

- (a) whether it has reviewed the reasons for people's level of trust in the HKSAR Government falling to a record low in the recent decade; if it has, of the details; if not, the reasons for that;*
- (b) whether it has assessed why the younger the respondents are, the lower their level of trust in the HKSAR and Central Governments is; if it has, of the details; if not, the reasons for that;*
- (c) whether it has policies and measures to increase people's trust in the HKSAR Government; if it has, of the details; if not, the reasons for that;*
- (d) whether it has assessed why people's level of trust in the Central Government has fallen to a record low in a decade; if it has, of the details; if not, the reasons for that;*

- (e) *whether it has assessed the reasons for people's percentage of negative appraisal of Hong Kong's future reaching a new high, and whether intervention in local affairs of Hong Kong by the Central Government and the Liaison Office of the Central People's Government in the HKSAR is one of the reasons; if it has, of the details; if not, the reasons for that; and*
- (f) *as people's confidence in the HKSAR and Central Governments as well as in Hong Kong's future continues to fall, whether the HKSAR Government will adjust its policies which involve the Mainland and Hong Kong so as to soothe people's sentiments; if it will, of the details; if not, the reasons for that?*

CHIEF SECRETARY FOR ADMINISTRATION (in Chinese): President, the Government's consolidated response to the six-part question is as follows:

We note that opinion polls are conducted and their findings released from time to time on issues of public concern by various organizations in the community. Different survey methodologies and modes of posing questions may be adopted by the polling bodies, and their findings vary even on similar topics. However, it is difficult for us to make a meaningful comparison of the findings since we are not clear about the specific survey methodology they employed, and the quality of the surveys does vary. The Government does not comment on individual polls, but we will note the released findings and take them as reference.

The Government implements policies in accordance with the overall and long-term interests and development needs of the community. In formulating policies and measures, we have to take into account views from different sectors and resolve conflicts between short-term and long-term interests. Inevitably, we have to make difficult choices in the process. The Government attaches great importance to public opinion, and will take it as an important reference in delivering policies. We will also steadfastly safeguard the overall and long-term interests of the community.

Hong Kong faces many deep-seated social, political, economic and livelihood problems. To address public expectations, since taking office the

entire team of the current-term Government has strived to deal with problems that the public are most concerned with in relation to economic development, housing, poverty, people's livelihood and environmental protection. Last week (on 25 June 2013), the Chief Executive issued the Report on the Work of the Current-term Government to review the Government's work and achievements over the past year.

We have undertaken a variety of initiatives in the past year. These include launching the Old Age Living Allowance scheme; introducing ahead of schedule a standard concessionary fare of \$2 for the elderly and eligible people with disabilities to travel on buses (the concessionary fare now covers the Mass Transit Railway, buses and ferries); enhancing the Work Incentive Transport 4 Subsidy Scheme; and increasing the subsidy under the Elderly Health Care Voucher programme. We also plan to implement the Guangdong Scheme during this year, through which eligible elderly people who reside in Guangdong are entitled to receive the Old Age Allowance without the need to return to Hong Kong. The above examples demonstrate the importance which the Government attaches to public views, and its determination to meet public aspirations as promptly as possible.

To strengthen our efforts in poverty alleviation, with the approval of the Finance Committee of the Legislative Council, the Government will inject an additional \$15 billion into the Community Care Fund. The Government is also determined to make an unprecedented move to formulate a poverty line, which has been discussed in depth at meetings of the Commission on Poverty (the Commission). Details regarding the poverty line are expected to be announced this year. The Commission is also studying in depth how to improve retirement protection, and seriously formulating policy measures to assist low income families not receiving Comprehensive Social Security Assistance and employment of people with disabilities, and so on.

Tackling the housing problem is a top priority of the current-term Government. Over the past year, the Government has introduced various short, medium, long-term initiatives, which have delivered results in addressing the housing issue from the demand and supply fronts progressively. On demand management, the enhancement to the Special Stamp Duty and the introduction of the Buyer's Stamp Duty have been effective in combating speculative activities and reversing the continuous upward trend of housing prices. To increase private housing supply, the Government has abolished the Application List

Mechanism since 2013-2014, thereby resuming the control over land sales in order to maximize the increase in housing land supply. As regards public housing, it is expected that 79 000 public rental housing flats and about 17 000 new Home Ownership Scheme flats will be built over the five years between 2012-2013 and 2016-2017, and over the four years starting from 2016-2017 respectively. On long-term land supply, the planning and engineering studies for the North East New Territories New Development Areas and for the Housing Sites in Yuen Long South have commenced. In addition, the Long Term Housing Strategy Steering Committee will launch a public consultation in the third quarter of this year, with a view to formulating a new long term housing strategy to address the medium and long term housing needs of Hong Kong. We understand the strong public demand for housing. In face of this difficult issue, the Chief Executive and the political team will take challenges in our stride, exhaust all five possible approaches and step up efforts to tackle the housing and land supply problems.

To facilitate long-term economic development, the Government established the Economic Development Commission (EDC) in January 2013. The EDC will propose an overall strategy and policy for broadening the economic base of Hong Kong and enhancing economic growth and development. Meanwhile, the Financial Services Development Council, established in the same month, will engage the industry and formulate proposals to promote the further development of Hong Kong's financial services industry and map out the strategic direction for development. Apart from the forward-looking endeavours on the economic front, the Government has actively been promoting and strengthening Hong Kong's role as an offshore Renminbi business hub and its status as an international financial centre. To support other economic activities of a smaller scale, we have extended the application period for the special concessionary measures under the Small and Medium Enterprises Financing Guarantee Scheme to February 2014.

On environmental protection, we published a Clean Air Plan in March 2013 and introduced a number of ongoing air quality improvement measures. Furthermore, we have earmarked \$10 billion in Chief Executive's first Policy Address for the phasing out of heavily polluting diesel commercial vehicles. We have also published "Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022", which sets out the comprehensive strategy, targets and action plans for waste management in the long run.

The details regarding policies and initiatives in other policy areas that we have put forward over the past year (including education, transport and culture) are in the Report on the Work of the Current-term Government.

Meanwhile, the Government also endeavoured to address public needs and concerns by introducing effective measures to respond to such issues as the influx of pregnant Mainland mothers who rushed to accident and emergency wards for delivery; disruptions at train stations caused by parallel goods traders; the short supply of baby formula; admission to Primary One for cross-boundary students; the threat of H7N9 influenza, and so on.

Throughout the years, the Government has been fully implementing the principles of 'one country, two systems', 'Hong Kong people administering Hong Kong' and a high degree of autonomy, and has been governing in strict accordance with the Basic Law. The leaders of the Central Government have stated on different occasions that the Central Government will support the SAR Government to govern according to law and maintain Hong Kong's long-term prosperity and stability. In fact, the Central Government's committed efforts to foster the development of Hong Kong are obvious. For example, the dedicated chapter on Hong Kong and Macao in the National 12th Five-Year Plan has elaborated on the significant functions and positioning of the HKSAR in the nation's development strategy to advance Hong Kong's new development opportunities. Subsequently, more than 30 concrete policy measures were announced for consolidating and enhancing our status as an international financial, trading and shipping centre.

Over the past year, the Government team has worked tirelessly and has successfully implemented in a pragmatic manner a host of initiatives which are of benefit to the public. We believe that such initiatives receive public support and recognition. We will continue to listen to public views on our administration through various channels, and uphold the principle of "Seek Change, Maintain Stability, Serve the People with Pragmatism". Let us stand united to build a better Hong Kong.

Enforcement of Marking Scheme for Estate Management Enforcement in Public Housing Estates

16. **MR CHAN KIN-POR** (in Chinese): *President, the Marking Scheme for Estate Management Enforcement in Public Housing Estates (the Marking*

Scheme) currently covers 28 misdeeds. Public rental housing (PRH) estate and interim housing (IH) households who are found to have committed any of the misdeeds will be allotted three to 15 points according to the degree of seriousness of the misdeeds involved. When a household has accrued 16 points or more within two years, its tenancy/licence is liable to termination. In this connection, will the Government inform this Council:

- (a) of the allotment of points to PRH/IH households in each of the past five years, with a breakdown by the misdeed involved; among such cases, the number of those in which the tenancies/licences of such households were terminated due to an accumulation of 16 points or more, as well as the respective numbers of PRH/IH units so recovered;*
- (b) whether the Government will enhance the enforcement of the Marking Scheme in the coming year, including deploying additional manpower to conduct proactive inspections, enhancing its Falling Objects Monitoring System, taking stringent actions against and imposing penalties on non-compliant cases, as well as stepping up publicity on the Marking Scheme, and so on; if it will, of the details; if not, the reasons for that; and*
- (c) given that the results of the Public Housing Recurrent Survey 2012 show that 71.3% of PRH households considered that the Marking Scheme could improve the cleanliness and hygienic conditions of their estates, which was 12.1 percentage points lower than the 83.4% in 2006, and 25.2% of the households considered that the penalties were lenient, which was 8.5 percentage points higher than the 16.7% in 2007, whether the Government will review the coverage of misdeeds and the penalties under the Marking Scheme, and consider introducing enhancement measures to reinforce the effectiveness of the Marking Scheme in improving the environmental cleanliness of PRH/IH; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, the Hong Kong Housing Authority (HA) implemented the Marking Scheme in 2003 to strengthen enforcement measures against hygiene-related offences in

PRH estates. The Marking Scheme currently covers 28 misdeeds, categorized by the severity of their impact on environmental hygiene or estate management. Tenants who are found to have committed misdeeds in the estates in which they live will be allotted points depending on the severity of the offence, from three to 15 which will be valid for two years. An accumulation of 16 points or above within two years will trigger termination of tenancy by means of a Notice-to-quit (NTQ) issued by the HA.

My reply to the three-part question from Mr CHAN Kin-por is as follows:

- (a) The statistics of points-allotted cases to PRH and IH households with a breakdown by the 28 misdeeds in the period from 2008 to 2012 are set out at the Annex. Over this period, there were 31 cases with 16 points or above allotted with NTQs issued. Of these 31 cases, 13 PRH flats were recovered. The remaining cases include those under ongoing procedures for flat recovery after the NTQs were confirmed by the Appeal Panel (Housing), those that are pending appeals or with NTQs cancelled by the Appeal Panel (Housing) after a hearing.
- (b) The Housing Department (HD) all along adopts proactive measures to enforce the Marking Scheme vigorously. Apart from the daily patrols by estate staff, the HD has set up 12 Special Squads headed by Housing Officers to take enforcement action in each management region.

To strengthen the action to tackle throwing objects from a height, the HA tightened up control measures during the review of the Marking Scheme in 2006, by allotting seven points to cases involving throwing objects or jeopardizing environmental hygiene and 15 points to cases involving throwing objects that may cause minor danger or personal injury. For offences that may cause serious danger or personal injury, the HA would immediately terminate the tenancy of the household concerned by issuance of a NTQ pursuant to the Housing Ordinance. Besides, the HD has arranged for 12 Special Operation Teams comprised of former disciplinary force members to be deployed to estates by rotation to assist the relevant estate management in detecting cases of throwing objects from height. In addition, the HD has installed Mobile Digital Closed

Circuit Television System at black spots of throwing objects from height since 2004 and has introduced Mobile Surveillance Systems, which are compact in size and with high definition cameras in 2010, to facilitate the gathering of evidence for enforcement. The HD or the police will initiate prosecution when the situation warrants.

The HD will continue to implement proactive measures and step up publicity through Estate Management Advisory Committees, the Housing Channel, estate newsletters, posters and leaflets, and so on, to educate tenants to sustain a clean and hygienic living environment in PRH estates.

- (c) The objective of the Marking Scheme is to help PRH tenants to rectify malpractices which may affect the environmental hygiene of their living places and to foster their sense of civic responsibility. It is not about penalizing tenants or recovering their PRH flats. Since its implementation in 2003, the scope of the Marking Scheme has been extended to cover 28 misdeeds frequently committed by tenants including aspects of environmental hygiene, civic obligation of tenants, reckless conducts and breaches of tenancy agreement, and so on.

The implementation of the Marking Scheme has been generally well received and supported by tenants. In fact, the environmental and hygienic conditions of PRH estates have shown continuous improvement over the past 10 years. The HA will carefully consider the overall situation in the community and tenants' aspirations during reviews of the Marking Scheme so as to strike a balance in implementing the mechanism. As the Marking Scheme has already covered the common misdeeds committed by PRH tenants, currently the HA has no plans to add in new "points-allotting" misdeeds in the Marking Scheme. However, the HD will continue to strengthen enforcement action, such as deploying dedicated teams to assist estate staff to tackle incidents of throwing objects from height and enhancing the collaboration with the police in initiating prosecution when necessary.

<i>Misdeeds</i>		<i>Points-Allotted Cases(Year)</i>				
		<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Category A (three penalty points)						
A1	Drying clothes in public areas (except in areas designated by HD)	1	3	0	0	1
A2	Hanging floor mop outside the window or balcony	1	0	0	0	0
A3	Putting dripping flower pots or dripping laundry at balconies	2	4	6	2	5
A4	Dripping oil from exhaust fan	0	0	0	0	0
Category B (five penalty points)						
B1	Littering	248	397	354	337	164
B2	Disposing of domestic refuse indiscriminately, such as improper disposal in lift lobbies or inside bins without cover	7	3	4	3	2
B3	Keeping animal, bird or livestock inside leased premises without prior written consent of the Landlord	344	686	588	381	463
B4	Allowing animal and livestock under charge to foul public places with faeces	0	1	1	0	0
B7	Obstructing corridors or stairs with sundry items rendering cleansing difficult	1	0	8	4	1
B8	Boiling wax in public areas	0	0	0	0	0
B9	Causing mosquito breeding by accumulating stagnant water	0	0	0	0	0
B10	Smoking or carrying a lighted cigarette in estate common area	1 231	1 307	1 410	1 144	963
B11	Causing noise nuisance	12	24	20	8	8
B12	Illegal gambling in public places	175	458	298	307	219
B13	Water Dripping from Air-conditioner	0	13	6	6	5

<i>Misdeeds</i>		<i>Points-Allotted Cases(Year)</i>				
		<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Category C (seven penalty points)						
C1	Throwing objects from height that jeopardize environmental hygiene	59	81	197	195	195
C2	Spitting in public areas	78	86	97	62	13
C3	Urinating and defecating in public places	1	2	1	1	0
C4	Dumping or disposing of decoration debris indiscriminately at refuse collection point, within building or in other public areas	0	0	0	0	1
C5	Denying HD staff or staff representing HD entry for repairs responsible by HD	5	4	8	10	6
C6	Refusing repair of leaking pipes or sanitary fittings responsible by the tenant	0	0	1	1	1
C7	Damaging down/sewage pipes causing leakage to the flat below	0	0	0	1	0
C8	Using leased premises as food factory or storage	1	0	0	0	1
C9	Illegal hawking of cooked food	5	0	4	2	1
C10	Damaging or stealing the HA's property	5	8	3	4	1
C11	Accumulating a large quantity of refuse or waste inside leased premises, creating offensive smell and hygienic nuisance	27	32	20	19	13
C12	Using leased premises for illegal purpose	24	22	27	29	51
Category D (15 penalty points)						
D1	Throwing objects from height that may cause danger or personal injury	4	13	13	23	9
Total		2 231	3 144	3 066	2 539	2 123

System of Declaration of Interests by Members of Executive Council

17. **MR SIN CHUNG-KAI** (in Chinese): *President, in response to media enquiries in August last year, the Chief Executive indicated that he was holding the shares of Wintrack Worldwide Ltd. (BVI), and that company and its subsidiaries held the shares of a foreign branch of DTZ. Chief Executive also indicated that he had relinquished all his duties in DTZ and that he would transfer his shares of Wintrack Worldwide Ltd. (BVI) and its subsidiaries, and his 7 227 838 shares of DTZ Holdings Plc and its subsidiaries, to a trust. In reply to an oral question raised at the meeting of this Council on 23 January this year, the Secretary for Constitutional and Mainland Affairs indicated that according to the information provided by the Chief Executive's Office, the establishment of the trust was still in progress. On the other hand, according to my recent check on the Register of Interests of Members of the Executive Council, Chief Executive is still holding the aforesaid shares of those companies at present. In this connection, will the Government inform this Council whether, according to the information provided by the Chief Executive's Office, the establishment of the trust is currently still in progress or has already been completed; if it has been completed, whether Chief Executive is required to update his registered interests in this regard under the system of declaration of interests by Members of the Executive Council; if it has not yet been completed, of the reasons for that, when it is expected to be completed, and whether the Government has assessed if this situation will undermine the credibility of the system of declaration of interests?*

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Chinese): *President, with information provided by the Chief Executive's Office, I am authorized to respond as follows:*

The Chief Executive has already relinquished all his duties in DTZ. As regards the Chief Executive's voluntary initiative of transferring to a trust his shares of Wintrack Worldwide Ltd. (BVI) and its subsidiaries, and his 7 227 838 shares of DTZ and its subsidiaries, it involves overseas companies of DTZ Holdings Plc and legal procedures of foreign jurisdictions and hence lead time is required for completion of the procedures.

Once the trust arrangement is completed, the Chief Executive will update his Registration of Financial and Other Interest under the Code for Officials under the Political Appointment System, as well as his Annual Declaration of Registrable Interests of Members of the Executive Council.

Employment of Foreign Domestic Helpers

18. **MR PAUL TSE** (in Chinese): *President, will the Government inform this Council:*

- (a) *of the respective numbers of foreign domestic helpers (FDHs) who requested, in the past three years, premature termination of their employment contracts with the employers within the first six months, first year, and contract period of their first employment contracts, after they started working in Hong Kong;*
- (b) *of the respective numbers of cases in the past three years in which FDHs filed claims with the Labour Tribunal (LT) against their Hong Kong employers for wages in arrears and compensations for unreasonable dismissal; among such cases, the respective numbers of those in which before the cases were processed and adjudicated by LT, the claims were withdrawn by the FDHs concerned and those in which the same plaintiffs filed claims again on the same or other grounds subsequently; whether it has found situations in which FDHs tried to obtain permission to stay in Hong Kong by filing claims with LT repeatedly; if it has, of the number of such cases and their details;*
- (c) *as some employers have pointed out that after the Philippine Government prohibited intermediaries in the country from charging Filipino domestic helpers placement fees, such fees have been passed on to Hong Kong employers, whether it has studied the amount of fees that Hong Kong employers have to pay as a result, and if Filipino domestic helpers treasure their jobs in Hong Kong less as they are not required to pay placement fees, and their work stability has thus been affected; if it has, of the details; and*
- (d) *as it has been reported in the press that among the first batch of Bengal domestic helpers who came to work in Hong Kong in May this year, some of them had problems in communicating with their employers and had even been dismissed as a result, and that Indonesian and the Philippine Governments are considering stopping the export of domestic helpers from 2017 onward, whether the Government has reviewed and considered relaxing the current*

nationality restrictions on FDHs to allow the introduction of domestic helpers from Vietnam and other countries or the re-introduction of Nepalese domestic helpers; if it has, of the outcome; if not, the reasons for that?

SECRETARY FOR LABOUR AND WELFARE (in Chinese): President, my response to Mr TSE's enquiry is set out below:

- (a) The Immigration Department (ImmD) does not maintain such statistics.
- (b) Under existing policy, FDHs must leave Hong Kong upon completion of contracts or within two weeks from the date of termination of contracts, whichever is earlier.

Generally speaking, in the event that an FDH is involved in a labour dispute and has been arranged to attend the hearings of the LT or the Minor Employment Claims Adjudication Board after the termination of his/her contract, the FDH may produce relevant documentary proof to the ImmD to apply for extension of stay. The period of extension granted depends on the progress of the cases and individual circumstances. Normally, the FDH must leave Hong Kong before his/her extended stay expires after the hearing is completed.

In 2010, 2011 and 2012, LT received 556, 508 and 446 claims filed by FDHs respectively. LT does not keep statistical breakdown on the nature of claims filed by FDHs or claims withdrawn by FDHs. The ImmD also does not have statistics on the number of FDHs seeking permission to stay in Hong Kong by filing claims with LT repeatedly.

- (c) Based on the information gathered during the Labour Department's regular inspections to employment agencies (EAs) and reported in the press, the level of service fees charged by EAs now is higher than those charged in previous years. For FDHs from the Philippines, the fees would be around \$8,000 to \$13,000 (including medical examination fees, compulsory insurance by the Philippine

Government, medical insurance plan for FDHs, passage, visa application fees and service fees charged by EAs in the Philippines). However, it would be difficult to discern whether the increase was caused by the new policy of the Philippines Government or an increase in EAs' operating costs.

The Administration has not studied if there is any change in how FDHs value their jobs in Hong Kong.

- (d) The existing entry arrangement for FDHs is applicable to applicants from most countries and regions. Owing to immigration and security considerations, the current arrangement does not apply to residents of the Mainland, Macao SAR and Taiwan as well as nationals from a few countries including Afghanistan, Cambodia, Cuba, Laos, the Democratic People's Republic of Korea, Nepal and Vietnam.

The Administration will regularly review the immigration policies, including those for importation of FDHs, to ensure that such policies suit the actual circumstances and needs of Hong Kong.

Measures to Address Overheated Property Market

19. **DR LAM TAI-FAI** (in Chinese): *President, the Government has launched a series of tax measures, including the Special Stamp Duty (SSD), the Buyer's Stamp Duty (BSD) and the doubling of the ad valorem stamp duty rates (the double AVD) on grounds of according priority to Hong Kong Permanent Residents (HKPRs) to meet their home ownership needs and cooling down the overheated property market, and so on. However, some members of the public have pointed out that these measures have resulted in a shrinking turnover in the property market as well as affected the turnover and employment rates of the related industries. In this connection, will the Government inform this Council:*

- (a) *whether there are data proving that the aforesaid measures have effectively assisted HKPRs in purchasing their homes; if there are, of the details; if not, the reasons for that;*

- (b) *whether it has studied if the proportion of the cases of first-time home purchases by HKPRs to the total number of transactions has increased since the launch of the aforesaid measures; if the outcome of the study shows that the proportion has decreased instead of increasing, whether it reflects that the aforesaid measures have failed to assist HKPRs in purchasing homes with priority;*
- (c) *of the Government's estimated tax revenues generated from SSD, BSD and the double AVD respectively in the next three years;*
- (d) *given that the Federal Reserve of the United States is preparing a plan for withdrawal of the quantitative easing monetary policy, including the consideration of a gradual decrease in Treasury bond purchases in the coming few months, whether the authorities will assess afresh and consider drawing up a timetable to withdraw the aforesaid measures in the light of the recent global economic situation; if they will, of the details; if not, the reasons for that;*
- (e) *given that the residential and non-residential property transactions have shrunk since the launch of the aforesaid measures, whether the Government has assessed the blows and impact of the situation on the related industries (for example, property agency, interior decoration, furniture and cleansing industries, and so on); if it has, of the details, if not, the reasons for that; of the latest unemployment rates and under-employment rates in these related industries;*
- (f) *given that the Chairman of the Subsidized Housing Committee under the Hong Kong Housing Authority said last month that if a drop by 20% in the property prices could not be achieved, the Government should decisively launch further measures, whether the Government has formulated new measures to cool down the property market further; if it has, of the details, including the target rate of decrease in property prices; whether it has drawn up any indicators for launching these further measures; if it has not, of the reasons for that;*
- (g) *whether the Government had set any effectiveness indicators when the aforesaid measures were launched; if it had, of the details; if not, the reasons for that;*

- (h) *whether the Government had, when launching the aforesaid measures, formulated any plans to withdraw these measures to deal with the impact brought by a sudden downturn of the property market; if it had, of the details; if not, the reasons for that;*
- (i) *given that this Council is still scrutinizing the bills introduced by the authorities on implementing the aforesaid measures, whether the Government has prepared contingency plans in the event that the bills concerned are not passed by the Legislative Council; if it has, of the details; if not, the reasons for that;*
- (j) *under what circumstances the Government will consider exempting companies which are wholly owned by HKPRs from paying BSD for acquisition of residential properties; and*
- (k) *given that in a number of recent transaction cases, the per-square-foot prices of some Home Ownership Scheme (HOS) flats have peaked time and again, while the atmosphere of the HOS Secondary Market has also been exuberant and the prices have repeatedly reached record highs, whether the Government has assessed if the measures which allow eligible White Form (WF) HOS applicants to purchase HOS flats with premium not paid in the HOS Secondary Market are contrary to the aforesaid measures for cooling down the overheated property market?*

SECRETARY FOR TRANSPORT AND HOUSING (in Chinese): President, property prices have been exuberant in recent years due to the extremely low interest rates, abundant liquidity environment, and the tight supply situation. To address the overheated property market, the Government announced further demand-side management measures in October 2012, that is, the enhanced SSD and the BSD, to combat speculative activities, cool down the property market, and accord priority to the home ownership needs of HKPRs in the midst of the tight supply situation. In view of signs of renewed exuberance state of the property market in 2013, the Government announced another round of demand-side management measures in February 2013, including the doubling of the *ad valorem* stamp duty (AVD) rates for all property transactions, to reinforce the demand-side management measures so as to cool down the property market.

In respect of the specific questions asked by Dr LAM Tai-fai, our consolidated reply is as follows:

The abovementioned demand-side management measures have helped stabilize the residential property market and helped address the home ownership needs of HKPRs. As a matter of fact, stamp duty statistics from the Inland Revenue Department (IRD) indicate that purchases of residential property by non-local individuals and companies (local and non-local) plunged to a monthly average of 249 cases, or 4.6% of total transactions, in the first five months of 2013, markedly below the monthly average of 1 089 cases, or 13.6% of total transactions, from January to October 2012 (that is, the period before the announcement of the demand-side management measures mentioned above). The Government does not keep statistics on first-time home buyers as residential property buyers are not required to provide information as to whether they are first-time buyers or not. Nevertheless, under the proposed new AVD regime, if a HKPR buyer is not a beneficial owner of any other residential property in Hong Kong at the time of acquiring a residential property, he or she will be exempted from the new AVD rates. We consider that such an arrangement will effectively address the needs of HKPRs who are first-time home buyers.

The demand-side management measures are not intended to generate revenue for the Government. As such, we have not estimated the amount of revenue that these measures may generate.

The employment situation in the property-related sectors, including the real estate sector, the decoration, repair and maintenance for the building sector, as well as the cleaning and similar services sector, generally improved over the past few years, with the unemployment rates showing a noticeable decline amid a generally tight labour market with full employment. While the Government's measures to curb the housing market exuberance may have affected the various property-related sectors to different extents, the impact had been cushioned by a vibrant domestic sector and the overall tightness in the labour market so far. Relevant data on unemployment rates, underemployment rates and year-on-year changes in business statistics are at Annex for reference. More importantly, certain demand-side management measures are considered necessary to curb market exuberance with a view to ensuring the stable and healthy development of the property market. These measures are intended to help protect Hong Kong's macroeconomic and financial stability, to the benefit of the overall economy in the long term. If we do not cool down the overheated property market in a

timely manner, property prices will further deviate from economic fundamentals, and would lead to a greater impact on the market and more painful adjustment to society should there be any change in interest rates and the external environment. On balance, we believe that the measures serve the best interest of the community as a whole.

As we have repeatedly explained at meetings of the Bills Committee on the Stamp Duty (Amendment) Bill 2012, the suggestion that companies owned by HKPRs be exempted from the BSD is not acceptable given various considerations. In the midst of the current low interest rates, abundant liquidity and tight supply situation, accepting such a proposal will send a wrong message to the public that the Government is not determined to cool down the property market. To do so may in turn actually fuel the property market. This proposal would also cause confusion to the fundamental legal principle under the company law that "a company is an entity independent of its shareholders", and would create loopholes to circumvent the BSD by way of transfer of company shares. Even with the imposition of conditions to restrict the transfer of company shares as suggested by some, there would still be loopholes that are extremely difficult, if not impossible, to plug. As such, the proposal would run the risk of incentivizing one to acquire residential properties in the name of a company, thereby undermining the effectiveness of the various demand-side management measures. Besides, most Hong Kong people acquire residential properties for dwelling purpose in their own names. Those who choose to use companies as a vehicle to acquire residential properties do so mainly for the sake of convenience in asset management. We consider that, while the BSD will increase the cost of such a practice, it will not lessen the opportunity for HKPRs to acquire residential properties, as HKPRs who have a pressing home ownership need may still purchase a residential property in their own names. Under the present exceptional market situation, we consider it necessary to have the extraordinary measures in place, and their effectiveness should not be reduced intentionally or incidentally.

Although the residential property market has shown signs of cooling down following the introduction of the demand-side management measures, the market sentiment remains unsettled. Despite the recent message from the Federal Reserve of the United States on the possibility of gradually reducing its bond-buying programme, the risk of a property bubble cannot be ignored, taking into account the fact that the low interest rates and abundant liquidity environment still persist, as well as the tight supply in the short run. According

to statistics, overall flat prices in April 2013 have soared by 127% over the recent trough in late 2008. Also, home purchase affordability (that is, mortgage payment to income ratio) has risen to 56% in the first quarter of 2013, exceeding the long-term average of 48% over the period from 1993 to 2012. The Government will continue to closely monitor the development of the residential property market, with reference to a basket of indicators including property prices, the housing affordability of the general public, the volume of property transactions, the supply of residential properties, growth in mortgage lending, speculative activities, and so on. We have proposed in the relevant Bills, which implement the various demand-side management measures, that future adjustments to the relevant duty rates should be made by means of subsidiary legislation subject to negative vetting by the Legislative Council, in order to provide the Government with the necessary flexibility to adjust the applicable rates (to "zero" if necessary) in a timely manner with reference to the market situation. It has all along been the Government's position that, in case there is a major adjustment to the property market which affects the macroeconomic situation, the Government will not hesitate to introduce appropriate measures to ensure the healthy and stable development of the residential property market.

The IRD has been recording all property transactions that may be subject to the proposed stamp duty measures. After the enactment of the relevant Bills, the IRD will recoup from the parties concerned the applicable stamp duties. Before the enactment of the Bills, some of the properties which are subject to the stamp duty measures may be transferred and disposed of again. The longer it takes to pass the relevant Bills, the more complicated the situation will become. This will result in uncertainty to the operation of the property market and land title of the properties transacted if the relevant Bills are not passed in time. As such, we will work closely with the relevant Bills Committees to facilitate their scrutiny of the two Bills respectively.

HOS Secondary Market

In response to the home ownership aspirations of those with WF status during the interim period from now until the first batch of new HOS flats are completed in 2016-2017, we have introduced an interim scheme whereby 5 000 WF buyers each year will have a chance to purchase HOS flats with premium not yet paid. The interim scheme can also facilitate the turnover of HOS flats, thereby revitalizing the HOS Secondary Market. It also addresses the community's previous request in this regard.

The Government has been monitoring price changes in the property market closely. Under the current environment with low interest rates and abundant liquidity, the overall property prices (including the transaction prices of second-hand HOS flats) have remained high. The community is also concerned about the increase in prices of second-hand HOS flats with premium not yet paid. However, changes in property prices (including the changes in prices of HOS flats with premium not yet paid on the Secondary Market) are affected by many factors, such as the supply of residential flats, the volume of transactions, the situation of mortgage lending, interest rates, the affordability of those who wish to buy, the economic situation, people's expectations regarding the prospect of the market, as well as any measures that the Government may take that impact on the market. It is simply not safe to come to the conclusion that the changes in the prices of second-hand HOS flats are due to the implementation of the interim scheme. As a matter of fact, since 2010, the rate of increase in transaction prices of HOS flats in both the open market (that is, flats with premium paid) and the Secondary Market (that is, flats with premium not yet paid) is higher than that of the overall property market.

The interim scheme is still at an early phase of implementation. We will keep in view the market responses as well as the implementation of the interim scheme to evaluate the effectiveness of the scheme. Moreover, the Government has been reminding members of the public to exercise caution and should make home purchase decisions based on their own affordability.

Annex

Statistics concerning the real estate sector,
the decoration, repair and maintenance for the building sector,
and the cleaning and similar services sector

Unemployment rates

	<i>Real estate sector</i>	<i>Decoration, repair and maintenance for the building sector</i>	<i>Cleaning and similar services sector</i>
Q1 2013	2.3%	7.8%	2.2%
Q1 2012	2.5%	9.5%	4.1%

Underemployment rates

	<i>Real estate sector</i>	<i>Decoration, repair and maintenance for the building sector</i>	<i>Cleaning and similar services sector</i>
Q1 2013	0.1%	12.3%	3.4%
Q1 2012	0.2%	13.1%	2.8%

Year-on-year rate of changes in business statistics

	<i>Business receipts of real estate sector⁽¹⁾</i>	<i>Gross value of construction works at locations other than construction sites⁽²⁾ (at constant (2000) market prices)</i>	<i>Retail sales of furniture and fixture⁽³⁾ (in volume terms)</i>
Q1 2013	5%	-1%	-1%
Q1 2012	7%	0.2%	-14%

Source: Census and Statistics Department

Notes:

- (1) It refers to service receipts, receipts from sales of goods, commissions, rental, interest and other income of the real estate sector.
- (2) Includes general trades (including decoration, repair and maintenance, and construction works at minor work locations such as site investigation, demolition, and structural alteration and addition works) and special trades (including carpentry, electrical equipment, ventilation, gas and water fitting installation and maintenance, and so on).
- (3) Covers retail outlets selling furniture and fixtures, mattress and kitchen cupboards, and so on.

Assistance Provided for Persons with Intellectual Disabilities who are Suffering from Dementia

20. **MR CHEUNG KWOK-CHE** (in Chinese): *President, some social workers have recently relayed that problems such as deteriorating functional capacity, cognitive impairment, swallowing difficulties and unco-ordinated limbs of persons with intellectual disabilities (PIDs) will worsen with age, and that early onset of dementia and deteriorating functional capacity usually come very suddenly. Those social workers have also pointed out that since PIDs have difficulties in communicating with others and are unable to express their*

discomfort, it is difficult to assess the conditions of those persons suffering from dementia. In this connection, will the Government inform this Council:

- (a) whether it has currently developed a tool for assessing dementia in PIDs; if so, of the details; if not, the reasons for that, and of the means currently adopted to assess whether a PID is suffering from dementia;*
- (b) as some social workers have pointed out that front-line healthcare manpower is currently insufficient to meet the service needs arising from the ageing of PIDs, whether the authorities will review and adjust the mode and staff establishment of existing services; if they will, of the details; if not, the reasons for that;*
- (c) of the objectives of the Social Welfare Department (SWD) in providing Dementia Supplement for Elderly with Disabilities (Supplement) for application by residential care homes for persons with disabilities (RCHDs), and the application requirements; the respective numbers of applications received, approved and rejected by the SWD in the past two years, and the amount approved, with a breakdown by the SWD district and type of residential care homes;*
- (d) as some social workers have relayed that over 40% of the PID residents in residential care homes showed symptoms of dementia when they reached 40 years old, but one of the application requirements for the Supplement is that the patient must be 60 years old or above, rendering residential care homes unable to apply for the Supplement to hire additional manpower for upgrading the care for such residents, whether the authorities will consider relaxing that application requirement; if they will, of the details; if not, the reasons for that;*
- (e) of the following figures in each of the past three years, broken down by the age group to which the PIDs belong (that is, 20 years old or below, 21 to 30 years old, 31 to 40 years old, 41 to 50 years old, 51 to 60 years old and 61 years old or above):*

- (i) *the number of trainees with intellectual disabilities, as well as the percentage of such number in the total number of trainees, in government-subsidised day activity centres (DAC);*
 - (ii) *the number of trainees with intellectual disabilities, as well as the percentage of such number in the total number of trainees, in government-subsidised sheltered workshops (SW);*
 - (iii) *the number of PIDs in RCHDs, with a breakdown by type of RCHDs; and*
 - (iv) *the number of PIDs who received services of integrated vocational rehabilitation services centres (IVRCS), as well as the percentage of such number in the total number of persons receiving services of the centres;*
- (f) *whether the authorities know the respective numbers and percentages of persons suffering from dementia in different types of RCHDs; if they do, of the details; if not, whether the authorities will collate such information;*
- (g) *given that some trainees in DAC and SW are suffering from dementia, whether the authorities will consider setting up teams of professional staff (for example, occupational therapists, physiotherapists, nurses and health workers) in DAC and SW to provide such trainees with suitable therapeutic exercises and healthcare services; and*
- (h) *of the respective standards on staff establishment of RCHDs, DAC and SW in 1990, 1995 and 2000, with a breakdown by rank of staff?*

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

- (a) Through multi-disciplinary teams comprising psychiatrists, psychiatric nurses, occupational therapists, medical social workers and clinical psychologists, and so on, the Hospital Authority (HA)

has been providing appropriate medical and rehabilitative care services to PIDs according to their individual needs. In determining whether a PID is suffering from dementia, doctors will examine the patient's clinical symptoms and conduct blood test, mental and behavioural assessments, cognitive assessments, brain scans and magnetic resonance imaging scans as necessary before making the diagnosis and providing follow-up treatment where appropriate.

(b) and (g)

In line with the service development direction of providing continuum of residential care for persons with disabilities, the SWD has rolled out a number of measures since 2005 to meet the needs of ageing service users with deteriorating functional capacity. These include the launching of the Extended Care Programme (ECP) in DAC and the Work Extension Programme (WEP) in SW and IVRSC respectively in October 2005; and provision of additional recurrent funding of about \$39 million since 2010 to enhance healthcare and physiotherapy services provided in hostels for moderately mentally handicapped persons and severely mentally handicapped persons.

In 2013-2014, the Administration has earmarked an additional recurrent funding of \$67.9 million to strengthen the manpower of residential care homes and day training centres for persons with disabilities with a view to enhancing the care for ageing service users. The allocation aims to facilitate the hostels for persons with intellectual or physical disabilities, SW/IVRSC operating WEP, and DAC operating ECP to obtain extra care staff. Under the Lump Sum Grant Subvention System, non-governmental organizations (NGOs) operating such residential care homes and day training centres for persons with disabilities have the flexibility in deploying the additional funding in arranging suitable staffing to ensure service quality and meet service needs.

The SWD will continue to monitor the service demand and resource utilization, and review the arrangements accordingly.

(c) and (d)

The Dementia Supplement introduced by the SWD in 1999 is provided to subvented residential care homes to facilitate their employment of additional staff and/or procurement of relevant professional services for the care of their elderly residents suffering from dementia. Applications will be invited from subvented residential care homes for the elderly and RCHDs, which will conduct initial assessment for their elderly residents in accordance with a set of established criteria before seeking confirmation of their eligibility for the Supplement from the Psychogeriatric Teams (PGTs) or Community Psychiatric Teams (CPTs) of the HA.

A total of 156 and 154 applications for the Supplement from RCHDs were received by the SWD in 2012-2013 and 2013-2014 respectively. Upon confirmation of eligibility by the HA's PGTs or CPTs, 143 and 141 eligible cases were approved, involving about \$5.72 million and \$5.67 million respectively. Apart from care and attention homes for the aged blind, other subvented RCHDs (such as hostels for severely mentally handicapped persons and care and attention homes for severely disabled persons) have also submitted applications for the Supplement having regard to the conditions of their service users.

For those persons with disabilities who cannot live independently or cannot be adequately cared for by their families, the SWD provides a variety of subsidized residential care services to meet their diverse residential care needs at different stages. As mentioned in the reply to part (b) above, the SWD has launched a number of measures since 2005 to meet the needs of ageing service users with deteriorating functional capacity. As regards the age limit of application for the Supplement, the SWD will continue to monitor the service demand and resource utilization, and review the arrangements accordingly.

(e) Given the lead time required for collating the data, the SWD at present can only provide the age profiles of service users of DAC, SW and various types of RCHDs as at the end of 2012. The relevant information is detailed at Annex 1 and Annex 2.

The SWD does not have the requested statistics in relation to IVRSC as these centres may admit service users directly or by referral.

- (f) The SWD does not have the statistics on the number and percentage of persons suffering from dementia among residents of RCHDs.
- (h) Under the Lump Sum Grant Subvention System, NGOs have the flexibility in deploying the allocated provision to arrange suitable staffing to ensure service quality and meet service needs. The notional staff establishment of various types of rehabilitation services in the past can be found in the Handbook on Rehabilitation Services which is available on the website of the SWD.

Annex 1

Age Profile of Service Users of DAC and SW
(as at the end of 2012)

<i>Age</i>	<i>Number of DAC service users</i>	<i>Number of SW service users</i>
15-19	30	24
20-29	1 153	834
30-39	1 294	1 312
40-49	1 086	1 411
50-59	810	1 190
60 or above	248	330
Total	4 621	5 101

Annex 2

Age Profile of Service Users of Various Types of RCHDs
(as at the end of 2012)⁽¹⁾

<i>Age</i>	<i>Number of service users</i>								
	<i>Halfway house</i>	<i>Long stay care home</i>	<i>Hostel for moderately mentally handicapped persons</i>	<i>Hostel for severely mentally handicapped persons</i>	<i>Hostel for severely physically handicapped persons</i>	<i>Care and attention home for severely disabled persons</i>	<i>Care and attention home for the aged blind</i>	<i>Small group home for mildly mentally handicapped children/integrated small group home⁽²⁾</i>	<i>Supported hostel</i>
15-19	9	0	12	12	0	22	N.A.	18	7
20-29	206	6	230	419	78	229	N.A.	N.A.	91
30-39	398	48	556	928	191	165	N.A.	N.A.	145
40-49	468	203	713	922	142	150	N.A.	N.A.	183

Age	Number of service users								
	Halfway house	Long stay care home	Hostel for moderately mentally handicapped persons	Hostel for severely mentally handicapped persons	Hostel for severely physically handicapped persons	Care and attention home for severely disabled persons	Care and attention home for the aged blind	Small group home for mildly mentally handicapped children/integrated small group home ⁽²⁾	Supported hostel
50-59	306	492	546	702	100	182	N.A.	N.A.	110
60 or above	68	740	154	210	39	157	788	N.A.	17
Total	1 455	1 489	2 211	3 193	550	905	788	18	553

Notes:

- (1) Excluding integrated vocational training centres (residential service) and residential special child care centres. The SWD does not have the statistics in relation to integrated vocational training centres because the centres may admit service users directly or by referral. As for residential special child care centres, the above age grouping is inapplicable.
- (2) As at the end of December 2012, there were a total of 63 service users in small group homes for mildly mentally handicapped children/integrated small group homes, among whom 45 were aged from six to 14.

Works Progress and Expenditure of West Kowloon Cultural District Project

21. **MR CHRISTOPHER CHUNG** (in Chinese): *President, regarding the works progress and expenditure of the West Kowloon Cultural District (WKCD) project, will the Government inform this Council:*

- (a) *given that some recent press reports have quoted information sources and pointed out that the completion date of the works of the West Kowloon Terminus of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) needs to be deferred for 500-odd days due to some geological, design and technical issues, of the works under the WKCD project that are related to the Terminus; whether it has assessed if the completion dates of such related works will be affected in the event that the Terminus project experiences any delay; if it has assessed, of a breakdown of the impacts by the works item;*
- (b) *of the details of all the consultancy services commissioned by the West Kowloon Cultural District Authority (WKCDA) since it was given a funding allocation of \$21.6 billion in July 2008, the reasons for commissioning such consultancy services, names of the*

consultants, background and qualifications of the consultants, as well as the consultancy fees (set out in the table below); and

<i>Date</i>	<i>Details of consultancy services</i>	<i>Reasons for commissioning the consultancy services</i>	<i>Name of consultants</i>	<i>Background and qualifications of consultants</i>	<i>Consultancy fee</i>

- (c) *of the respective persons/institutions/organizations responsible for drafting the guidelines for the architectural design competitions held under the WKCD project in the past and those to be held in the near future?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, our reply is as follows:

- (a) The Government has entrusted the MTR Corporation Limited (MTRCL) to construct the Hong Kong Section of the XRL. Since commencement of works in January 2010, the XRL project has been implemented in an orderly manner. According to the MTRCL's latest assessment, it remains the target to complete the construction of the XRL project in 2015.

Under the WKCD project, the Centre for Contemporary Performance sits on top of the West Kowloon Terminus of the XRL. Its development timetable is more closely related to that of the XRL. Currently, we do not expect any delay to this project due to the construction works of the XRL. The Home Affairs Bureau together with the WKCDA will continue to conduct regular reviews with the Highways Department and MTRCL on the progress of these two projects.

- (b) Since its establishment in July 2008, the WKCDA has engaged consultants to produce study reports on 47 items. Details of the items are set out in Annex.

- (c) The WKCDA has undertaken two design competitions, namely the Xiqu Centre Design Competition and M+ Design Competition.

The WKCDA engaged an Independent Professional Advisor (IPA), who has extensive experience in conducting international design competitions, to assist in the administrative and procedural work relating to the two competitions. The relevant rules and guidelines were prepared by the IPA with reference to the best practices adopted in local and international design competitions. They were endorsed by the relevant Design Competition Steering Committees as well as the Development Committee, and approved by the Board of the WKCDA. The WKCDA is expected to engage an IPA to assist in the administrative and procedural work relating to the design competition for the Arts Pavilion to be held in the near future as well.

Annex

Consultancy Studies conducted by the WKCDA

	<i>Date</i>	<i>Details of consultancy studies</i>	<i>Reasons for commissioning the consultancy studies</i>	<i>Name of Consultants</i>	<i>Background and qualifications of consultants</i>	<i>Consultancy fee (expended up to March 2013) (HK\$)</i>
1.	Jul 2009 to Jan 2012	Consultancy Study on Conceptual Plan	To propose a Conceptual Plan Option for the public engagement exercise and selection by the WKCDA	Foster + Partners Limited	Please find the relevant details from the official website < http://www.fosterandpartners.com/ >	57,016,380
2.	Jul 2009 to Jan 2012	Consultancy Study on Conceptual Plan	To propose a Conceptual Plan Option for the public engagement exercise and selection by the WKCDA	Office for Metropolitan Architecture Stedebouw B.V.	Please find the relevant details from the official website < http://oma.eu/ >	37,264,995
3.	Jul 2009 to Jan 2012	Consultancy Study on Conceptual Plan	To propose a Conceptual Plan Option for the public engagement exercise and selection by the WKCDA	Rocco Design Architects Ltd	Please find the relevant details from the official website < http://www.rocco.hk/ >	42,781,500
4.	Jul 2009 to Jul 2012	Project Consultancy Study — Development Plan	To prepare the Development Plan based on the preferred Conceptual Plan	Mott MacDonald Hong Kong Limited	Please find the relevant details from the official website < http://www.mottmac.com/ >	78,049,350
5.	Feb to Jun 2011	Independent Cost Review on the 3 Conceptual Plan Consultants	To review cost estimates prepared by the three Conceptual Plan Consultants	Rider Levett Bucknall Limited	Please find the relevant details from the official website < http://rlb.com/ >	520,000

	<i>Date</i>	<i>Details of consultancy studies</i>	<i>Reasons for commissioning the consultancy studies</i>	<i>Name of Consultants</i>	<i>Background and qualifications of consultants</i>	<i>Consultancy fee (expended up to March 2013) (HK\$)</i>
6.	Apr 2011 to Nov 2012	Procurement Strategy Consultancy Services	To study and recommend strategies in respect of design competition, procurement, and alternative mode of procurement	Rider Levett Bucknall Limited	Please find the relevant details from the official website < http://rlb.com/ >	3,176,402
7.	Feb 2012 to Jul 2014	Landscape Consultancy Services for the Tree Nursery	To provide landscape consultancy services in respect to the establishment and design of a tree nursery for the WKCD	Earthasia Limited	Please find the relevant details from the official website < http://www.earthasia.com.hk/ >	1,025,000
8.	Mar 2012 to Jul 2014	Consultancy Services for the Integrated Development	To provide pragmatic development proposals for the co-ordinated development of the WKCD	Knight Frank Petty Limited	Please find the relevant details from the official website < http://www.knightfrank.com.hk/ >	--
9.	Apr to Aug 2012	Consultancy Services for the Information and Communications Technology (ICT) Strategic Master Plan	To provide strategic master planning, proposals and recommendations on the solutions to ICT services and facilities; to address the provision of ICT capabilities and resources; to define and prioritize the investments required	IBM China/Hong Kong Limited	Please find the relevant details from the official website < http://www.ibm.com/hk/en/ >	3,788,000
10.	May to Jul 2012	Strategy for Packaging Design Consultancies & Construction Works Contracts (Central Zone)	To study on the planning of the next stage of the WKCD implementation with the specific aims of advising how to package the longer-term design consultancies and construction work contracts for the Central Zone	Atkins China Ltd	Please find the relevant details from the official website < http://www.asiapacific.atkinsglobal.com/ >	2,793,418
11.	Jun to Aug 2012	Enquiry Submission to the Buildings Department	To make an enquiry submission of the whole Modified Concept Plan to the Buildings Department to recapitulate such discussions in setting the way forward	Foster + Partners Limited and Ronald Lu & Partners (HK) Ltd	Please find the relevant details from the official websites < http://www.fosterandpartners.com/ > < http://www.rlphk.com/ >	350,800
12.	Jun 2012 to Dec 2014	Land Consultancy Services for WKCD	To assist the WKCDA to apply for and to obtain a land grant from the Lands Department for the development of the Park (including Freespace), M+ and Xiqu Centre	Knight Frank Petty Limited	Please find the relevant details from the official website < http://www.knightfrank.com.hk/ >	445,275

	<i>Date</i>	<i>Details of consultancy studies</i>	<i>Reasons for commissioning the consultancy studies</i>	<i>Name of Consultants</i>	<i>Background and qualifications of consultants</i>	<i>Consultancy fee (expended up to March 2013) (HK\$)</i>
13.	Jul to Nov 2012	Urban Design and Landscape Guidelines	To prepare Urban Design and Landscape Guidelines for development of the WKCD in ensuring the overall design integrity of the masterplan can be sustained and implemented	Foster Partners Limited	+ Please find the relevant details from the official website < http://www.fosterandpartners.com/ >	2,727,400
14.	Sep to Nov 2012	Retail Analysis for Xiqu Centre Design Competition	To carry out assessment and analysis of the Retail, Dining and Entertainment facilities of each of the entry design for the Xiqu Centre Design Competition	Jones Lang LaSalle	Please find the relevant details from the official website < http://www.joneslanglasalle.com.hk/ >	395,000
15.	Sep 2012 to Apr 2013	Consultancy Services for Scheme Design of Basement Zones 2B & 3A	To identify and address issues relevant to the design of the underground spaces which shall meet all Government/WKCDA standards, regulations and requirements, and satisfy to all extent of topside development interfaces and requirements	Ronald Lu & Partners (HK) Ltd	Please find the relevant details from the official website < http://www.rlphk.com/ >	18,938,396
16.	Sep 2012 to Sep 2013	Consultancy Services for Stage 1 Implementation Study and Scheme Design of District Cooling System	To undertake a district-based/centralized cooling system study and to draw up plans for the implementation of District Cooling System in the WKCD	Ove Arup & Partners Hong Kong Limited	Please find the relevant details from the official website < http://www.arup.com/ >	344,925
17.	Sep 2012 to Dec 2013	Preparation of the WKCD Recommended Outline Development Plan for the WKCD	To prepare the Recommended Outline Development Plan for the WKCD. The plan will form the basis, guidelines and reference for the detailed site planning, public works planning, land grant preparation, and building plan approval process for the WKCD	Llewelyn-Davies Hong Kong Ltd	Please find the relevant details from the official website < http://www.llewelynd.com/ >	2,140,800

	<i>Date</i>	<i>Details of consultancy studies</i>	<i>Reasons for commissioning the consultancy studies</i>	<i>Name of Consultants</i>	<i>Background and qualifications of consultants</i>	<i>Consultancy fee (expended up to March 2013) (HK\$)</i>
18.	Sep 2012 to Mar 2014	Consultancy Services for Geotechnical/Site Investigation and Advance Works	To conduct a district wide site investigation to obtain sufficient information on the geological conditions of the WKCD site; to design and procure temporary access roads at western part of WKCD site; to administer and manage construction of site offices	AECOM Asia Company Limited	Please find the relevant details from the official website < http://www.aecom.com/ >	1,558,358
19.	Sep 2012 to Dec 2017	Quantity Surveyor — Consultancy Services for Xiqu Centre	To provide quantity surveyor consultancy services for the Xiqu Centre	Rider Levett Bucknall Limited	Please find the relevant details from the official website < http://rlb.com/ >	169,000
20.	Sep 2012 to Sep 2018	Quantity Surveyor — Consultancy Services for the Park & the Pavilion	To provide quantity surveyor consultancy services for the Park and the Pavilion	Rider Levett Bucknall Limited	Please find the relevant details from the official website < http://rlb.com/ >	-
21.	Sep 2012 to Sep 2018	Quantity Surveyor — Consultancy Services for M+ Phase 1	To provide quantity surveyor consultancy services for the M+ Phase 1	Langdon & Seah Hong Kong Limited	Please find the relevant details from the official website < http://www.langdonseah.com/ >	-
22.	Oct 2012 to Oct 2014	Consultancy Services for District-Wide Fire Safety Strategy and Fire Engineering	To set down the fire safety strategies and principles for the district wide spaces and to seek agreement in principle of the fire safety strategy from the Hong Kong Fire Services Department through the enquiry process	Ove Arup & Partners Hong Kong Limited	Please find the relevant details from the official website < http://www.arup.com/ >	316,500
23.	Nov to Dec 2012	Scope/Brief Definition for Project Management Consultancy for Park Development	To develop the Consultancy Brief for the Project Management Consultancy for the Park Development at the WKCD	Evans & Peck Pty Ltd	Please find the relevant details from the official website < http://www.evanspeck.com/ >	452,269
24.	Dec 2012	Valuation Consultancy Services for Hotel, Office and Residential Value	To provide valuation for Hotel, Office and Residential components within the WKCD	Savills Valuation and Professional Services Limited	Please find the relevant details from the official website < http://www.savills.com.hk/ >	250,000

	<i>Date</i>	<i>Details of consultancy studies</i>	<i>Reasons for commissioning the consultancy studies</i>	<i>Name of Consultants</i>	<i>Background and qualifications of consultants</i>	<i>Consultancy fee (expended up to March 2013) (HK\$)</i>
25.	Dec 2012 to Feb 2013	Environmental Noise Monitoring Services For Temporary Performance Events	To provide environmental noise monitoring services for Temporary Performance Events to ensure compliance with the requirements stipulated by the Environmental Protection Department	Acoustics and Air Testing Laboratory Company Limited	Please find the relevant details from the official website < http://www.aa-lab.com/ >	128,850
26.	Dec 2012 to Dec 2017	Consultancy Agreement for the Design and Administration of the Construction of Xiqu Centre (Phase 1)	To provide design and construction administration consultancy services for the Xiqu Centre	BTA & RLP Company Limited	Please find the relevant details from the official websites < http://www.bingthomarchitects.com/ > < http://www.rlphk.com/ >	3,000,000
27.	Mar to Jul 2013	Consultancy Services for Updating Project Cost for WKCD	To explore the methodology in updating the project cost estimate taking account of relevant parameters and factors developed	Rider Levett Bucknall Limited	Please find the relevant details from the official website < http://rlb.com/ >	-
28.	Aug 2009 to Jan 2010	Consultancy Study on Market Analysis of the Performing Arts (PA) Venues	To obtain market information on existing and potential visitors/clientele and propose marketing strategies that would appeal to the suggested target markets and meet the needs of the potential audienceship/clientele; to provide a SWOT analysis, identifying the strengths and weaknesses, opportunities and threats for the PA venues with comparable PA venue clusters in the Pearl River Delta, major cities in the Mainland and overseas	Deloitte Consulting (Hong Kong) Limited	Please find the relevant details from the official website < http://www.deloitte.com/ >	1,650,000

	<i>Date</i>	<i>Details of consultancy studies</i>	<i>Reasons for commissioning the consultancy studies</i>	<i>Name of Consultants</i>	<i>Background and qualifications of consultants</i>	<i>Consultancy fee (expended up to March 2013) (HK\$)</i>
29.	Aug 2009 to Jan 2010	Consultancy Study on Mode of Governance of the PA Venues	To consider and recommend the most suitable mode of governance and external relationships with government and non-governmental organizations for the new PA venues; to identify and analyse structures, policies and practices of comparable venues in other countries	Creative Thinking - Positive Solutions Pty Ltd.	Please find the relevant details from the official website < http://www.positive-solutions.com.au/ >	4,700,100
30.	May 2011 to Jan 2012	Implementation Strategy Study on Mode of Governance of PA Facilities	To conduct study and prepare the implementation plan on mode of governance of PA facilities; to examine the case of Phase I facilities, in particular Xiqu Centre and Freespace, and propose mode of governance and implementation strategies	New Arts	New Arts is a company formed in 2002 by PROFESSOR TSENG Sun-man, an experienced arts administrator in Hong Kong. PROFESSOR TSENG has more than 30 years of arts administration experience, and has held key positions in many prestigious arts organizations in Hong Kong, including being the Executive Director of the Hong Kong Arts Festival, Secretary General of the Hong Kong Arts Development Council, Head of Radio 4, RTHK and Assistant General Manager of the Hong Kong Philharmonic Orchestra. Since 2002, PROFESSOR TSENG has been concentrating on arts administration training and consultancy	250,000
31.	Nov 2011	WKCD Ticketing Services Review	To conduct a review study on event ticketing systems in order to provide material for the development of the functional briefs, design brief and operation plans for WKCD ticketing services	Roger Tomlinson	Please find the relevant details from the official website < http://theticketinginstitute.com/ >	18,090

	<i>Date</i>	<i>Details of consultancy studies</i>	<i>Reasons for commissioning the consultancy studies</i>	<i>Name of Consultants</i>	<i>Background and qualifications of consultants</i>	<i>Consultancy fee (expended up to March 2013) (HK\$)</i>
32.	Aug 2009 to Apr 2010	Consultancy Study on Market Analysis of the Museum and the Exhibition Centre	The findings and recommendations of the study is to support the WKCD Board to consider the design parameters, site options and phased development of the Museum and Exhibition Centre in the WKCD in the preparation of the Development Plan of the WKCD, and to help shed light on the way forward for the strategic positioning of the Museum and the Exhibition Centre in Hong Kong as well as internationally	Economic Research Associates (ERA)	ERA operates under the AECOM Technology Corporation. Please find the relevant details from the official website < http://www.aecom.com/ >	3,030,200
33.	Aug 2009 to Apr 2010	Consultancy Study on Mode of Governance of the Museum and the Exhibition Centre	The findings and recommendation of the study is to help develop the most suitable mode of governance for the Museum and the Exhibition Centre in the WKCD, and also to define the relationships between the Museum and the WKCD as well as its relationship with government and non-governmental organizations	Cultural Innovations Limited	Please find the relevant details from the official website < http://www.culturalinnovations.com/ >	5,156,763
34.	May 2009 to Aug 2011	Consultancy Study on Analysis and Reporting of the Public Engagement on the Preparation of the Development Plan	To collect, analyse and report stakeholders and public views of the three-stage Public Engagement Exercise on the preparation of the Development Plan	PolyU Technology and Consultancy Co. Ltd.	Please find the relevant details from the official website < http://www.ptec.com.hk/ >	5,465,778

	<i>Date</i>	<i>Details of consultancy studies</i>	<i>Reasons for commissioning the consultancy studies</i>	<i>Name of Consultants</i>	<i>Background and qualifications of consultants</i>	<i>Consultancy fee (expended up to March 2013) (HK\$)</i>
35.	Jan to Dec 2010	Provision of Consultancy Advice on the Investment Strategy and Related Matters for Managing the Funds of the WKCDA	To advise on the investment strategy and related matters for managing the funds of the WKCDA	Hewitt Associates L.L.C.	Please find the relevant details from the official website < http://www.aonhewitt.com >	520,000
36.	Dec 2010 to May 2011	Consultancy Study on Design and Development of Enterprises Resource Planning System for the WKCDA	To design and develop the Enterprises Resource Planning System for the WKCDA	Deloitte Consulting (Hong Kong) Limited	Please find the relevant details from the official website < http://www.deloitte.com/ >	1,542,000
37.	Apr 2011 to Jul 2013	Recommendation of Appropriate Accounting Policies and Development of an Accounting Policies Manual	To recommend appropriate accounting policies and develop an accounting policies manual for the WKCDA	KPMG	Please find the relevant details from the official website < http://www.kpmg.com/ >	666,000
38.	Mar to May 2009	Consultancy Study on Organizational Structure and Manpower Needs of the WKCDA	To conduct a consultancy study on the organizational structure of the WKCDA and provide manpower needs solution	Hewitt Associates L.L.C.	Please find the relevant details from the official website < http://www.aonhewitt.com >	3,089,875
39.	Sep to Dec 2010	2010 Benefit Survey	To conduct a benchmarking survey with relevant organizations on benefits for the staff of the WKCDA	Hong Kong Institute of Human Resource Management	Please find the relevant details from the official website < http://www.hkihrm.org >	150,000
40.	Oct 2010 to Jan 2011	Property Advisory & Relocation Planning Consultancy	To provide advisory services for planning of the office relocation of the WKCDA	Knight Frank Hong Kong Ltd	Please find the relevant details from the official website < http://www.knightfrank.com.hk >	0(1)
41.	Feb to Mar 2011	Consultancy Review on Remuneration Strategy and Related System	To review the reward strategy and related system and make recommendations for the WKCDA	Hay Group Ltd	Please find the relevant details from the official website < http://www.haygroup.com >	598,000
42.	Feb to Mar 2011	Study of Human Resources Management Practices in the Arts and Cultural Sector	To conduct a study of human resources management practices in the arts and cultural sector for the WKCDA	Towers Watson Pennsylvania, Inc.	Please find the relevant details from the official website < http://www.towerswatson.com >	418,000

	<i>Date</i>	<i>Details of consultancy studies</i>	<i>Reasons for commissioning the consultancy studies</i>	<i>Name of Consultants</i>	<i>Background and qualifications of consultants</i>	<i>Consultancy fee (expended up to March 2013) (HK\$)</i>
43.	July 2012	Consultancy Service on Market Comparison Study for Project Delivery Positions in Hong Kong	To conduct a market comparison study on the pay level of selected project delivery positions	Towers Watson Pennsylvania, Inc.	Please find the relevant details from the official website < http://www.towerswatson.com >	65,000
44.	Jul to Sep 2012	Consultancy Service on Review of Senior Executive Fixed Term Contract Terms and Renewal	To review the senior executives' fixed term employment contract and formulate an appropriate arrangement to manage individuals' contract renewal	Hay Group Ltd	Please find the relevant details from the official website < http://www.haygroup.com >	278,000
45.	Dec 2010 to Jan 2011	Commercial Property Consultancy Advisory	To undertake an independent review, evaluation and critique of the three conceptual planning consultants' projected use of commercial and other property, and the revenue projections; to provide up-to-date market information commercial rental in Hong Kong, focusing on Tsim Sha Tsui in particular	Jones Lang LaSalle	Please find the relevant details from the official website < http://www.joneslanglasalle.com.hk/ >	1,257,000
46.	Feb to Mar 2012	Agency Leasing Advisory Services	To advise on the rental charges of the WKCD temporary site	Jones Lang LaSalle	Please find the relevant details from the official website. < http://www.joneslanglasalle.com.hk/ >	20,000
47.	Oct 2011 to Mar 2012	Risk Management Framework Project	To assist the WKCD in the implementation of a Risk Management framework which has the capability to meet its business needs for the coming three years and also the flexibility to be enhanced to a full-scale Enterprise Risk Management framework as the business activities expand in the longer term	Willis Hong Kong Limited	Please find the relevant details from the official website < http://www.willis.hk/ >	598,500

Note:

(1) The consultancy fee was deducted from the commission borne by the landlord.

Home Care Services for Elderly

22. **MR LEUNG KWOK-HUNG** (in Chinese): *President, quite a number of members of the public and elderly people have complained to me that the shortage of places of a number of community care services for the elderly implemented by the Government in recent years has resulted in quite a number of elderly people having to wait for a long time for such services, and that support for the elderly who are waiting for such services is very much lacking. It is learnt that the situation is most acute in Kwun Tong and Sham Shui Po. In this connection, will the Government inform this Council:*

- (a) *whether it knows, the attendance of service users, the number of service places, and the utilization rate of the services provided by Chin Wah Day Care Centre for the Elderly (the Centre) under the Hong Kong Christian Service (HKCS) located in Kwun Tong in each of the past five years (set out in Table 1); the number of occasions on which the number of elderly people serviced by the Centre had exceeded its number of service places in the past five years; given that conflicts between the elderly of the Centre (especially those using wheelchairs) and the public housing residents in Lok Wah Estate have occurred when they used the lifts together, whether the Government can install one to two lifts for the exclusive use by the elderly of the Centre; if not, of the reasons for that, and in what ways it can solve this problem within one to two months;*

(Table 1)

Year	Attendance of service users	Number of service places	Service utilization rate
2012			
2011			
2010			
2009			
2008			

- (b) *as the authorities are identifying suitable sites in Kwun Tong for relocating the day care centre mentioned in part (a), whether the Government had, in the past five years, tried to identify sites in the public housing estates in Kwun Tong for relocating the Centre and assessed the feasibility of such sites; if it had, set out the assessment*

result of each site it had considered each year in Table 2; if not, how the Government addresses the needs of the elderly of the Centre;

(Table 2)

<i>Year</i>	<i>Name of public housing estate</i>	<i>Assessment result of the site considered</i>
<i>2012</i>		
<i>2011</i>		
<i>2010</i>		
<i>2009</i>		
<i>2008</i>		

- (c) *whether the Government had, in the past five years, tried to identify sites in the private residential developments in Kwun Tong for relocating the day care centre mentioned in part (a), and assessed the feasibility of such sites; if it had, set out the assessment result of each site it had considered each year in Table 3; if not, how the Government addresses the needs of the elderly of the Centre;*

(Table 3)

<i>Year</i>	<i>Name of private residential development</i>	<i>Assessment result of the site considered</i>
<i>2012</i>		
<i>2011</i>		
<i>2010</i>		
<i>2009</i>		
<i>2008</i>		

- (d) *whether the Government had, in the past five years, tried to identify suitable vacant school premises in Kwun Tong for conversion into day care centres for the elderly, and assessed the feasibility of such premises; if it had, set out in Table 4 the assessment result of each of the vacant school premises it had considered each year; if not, how the Government addresses the needs of the elderly;*

(Table 4)

<i>Year</i>	<i>Name of the school to which the vacant school premises considered formerly belonged</i>	<i>Assessment result</i>
<i>2012</i>		
<i>2011</i>		

<i>Year</i>	<i>Name of the school to which the vacant school premises considered formerly belonged</i>	<i>Assessment result</i>
2010		
2009		
2008		

- (e) *of the respective numbers of elderly people who died in each of the past five years while waiting for (i) day care centre for the elderly services, (ii) Integrated Home Care Services (IHCS), (iii) Enhanced Home and Community Care Services (EHCCS), (iv) services of residential care homes for the elderly, and (v) nursing home services (set out in Table 5);*

(Table 5)

<i>Year</i>	<i>Number of elderly people who had died while waiting for</i>				
	<i>(i)</i>	<i>(ii)</i>	<i>(iii)</i>	<i>(iv)</i>	<i>(v)</i>
2012					
2011					
2010					
2009					
2008					

- (f) *of the respective numbers of elderly people who are currently waiting for and those who are receiving (i) IHCS and (ii) EHCCS, in Kwun Tong and Sham Shui Po respectively (set out in Table 6);*

(Table 6)

	<i>Number of elderly people</i>			
	<i>(i)</i>		<i>(ii)</i>	
	<i>Number of elderly people waiting for such services</i>	<i>Number of elderly people receiving such services</i>	<i>Number of elderly people waiting for such services</i>	<i>Number of elderly people receiving such services</i>
<i>Kwun Tong</i>				
<i>Sham Shui Po</i>				

- (g) *of the respective standards of the Social Welfare Department (SWD) for the quantities of meat, vegetable and rice in the lunches and dinners provided under the meal delivery service of the IHCS (set out in Table 7);*

(Table 7)

	<i>Quantity (gram/set)</i>		
	<i>Meat</i>	<i>Vegetable</i>	<i>Rice</i>
<i>Lunch</i>			
<i>Dinner</i>			

- (h) *given that some operators of IHCS have raised funds publicly for subsidizing the costs of meal services, whether the Government has reviewed if the funding provided to these operators is adequate; if it has, of the assessment results; if not, the reasons for that; and*
- (i) *whether the Government has taken any measures to reduce the waiting time of the elderly in Kwun Tong and Sham Shui Po for meal delivery service under the IHCS; if it has, whether such measures can immediately solve the problem of the elderly having to wait for an excessively long time for such service; whether the Government will seek urgent funding approval from this Council in order to solve the problem of the excessive long waiting time for such services; if it will not, how the Government addresses the needs of the elderly who are waiting for such service?*

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

(a) to (d)

The HKCS Chin Wah Day Care Centre for the Elderly Centre, located on the third floor of Chin Wah House, Lok Wah (South) Estate, Kwun Tong, has been in service since December 2002 to provide day care service for frail elderly people in the Kwun Tong District. Given that service users of the Centre (include frail elderly persons using wheelchairs) have to share the same lift with other residents of the housing estate concerned, the SWD discussed with the Housing Department (HD) in October 2010 and April 2013 respectively the feasibility of installing an additional lift for exclusive use by the service users of the Centre. However, as there are considerable technical difficulties and the location of the additional lift falls within the public area governed by the Deed of Mutual Covenant of the Estate, the proposal is considered not feasible. Nevertheless, the SWD will continue to explore other

improvement measures with the HD. For example, subject to availability of resources, the Estate Management may consider co-ordinating the queuing for the lift and manage users flow during peak hours, so as to minimize the inconvenience caused to both the service users of the Centre and the estate residents. The SWD has been trying to identify suitable premises, including those at public housing estates, for relocating the Centre but to no avail. The SWD will continue their efforts in this regard.

The average monthly service output of the Centre over the past three years (that is, 2010 to 2013) is set out as follows:

<i>Year</i>	<i>Average attendance of service⁽¹⁾</i>	<i>Service quota⁽²⁾</i>	<i>Average service utilization rate</i>
2010-2011	73	68	107%
2011-2012	72	68	106%
2012-2013	70	68	103%

Notes:

- (1) The figures include the attendance of full-time and part-time service users.
 - (2) The service quota for full-time service users.
- (e) The respective numbers of applicants who passed away in the past five years while waiting for places in the day care centre for the elderly services, EHCCS, care and attention home and nursing home services are set out below:

<i>Year</i>	<i>Number of elderly people who passed away while waiting for services</i>			
	<i>Day care centre for the elderly</i>	<i>EHCCS^{Note}</i>	<i>Care and attention home</i>	<i>Nursing home</i>
2008	22	28	2 546	1 844
2009	17	21	2 641	1 802
2010	18	19	2 848	1 794
2011	32	17	3 049	1 925
2012	26	17	3 184	1 973

Note:

The figures include the number of elderly people who passed away in the year while waiting for the IHCS (Frail Cases) and/or EHCCS.

Applicants for IHCS (Ordinary Cases) are not required to pass the frailty test. The SWD's Central Waiting List for subsidized long-term care services does not therefore capture the number of elderly people waiting for such service and those who passed away while waiting for such service.

- (f) At present, the number of Ordinary Cases and Frail Cases under IHCS and cases of EHCCS in Kwun Tong and Sham Shui Po respectively are as follows:

<i>District</i>	<i>Number of cases</i>	
	<i>IHCS (Ordinary Cases)^{Note} (as at 31 December 2012)</i>	<i>IHCS (Frail Cases) and EHCCS (as at 31 May 2013)</i>
Kwun Tong	1 817	824
Sham Shui Po	1 686	430

Note:

Ordinary Cases users include elderly people, persons with disabilities, as well as individuals and families with social need.

Elderly persons applying for IHCS (Ordinary Cases) are not required to pass the frailty test. The Central Waiting List for subsidized long-term care services of the SWD does not capture the number of elderly people waiting for such service nor their waiting time. Elderly persons may apply for services directly from the non-governmental organizations (NGOs) that provide the services. Individual NGOs will arrange for their own service allocation. Generally speaking, elderly persons with urgent needs will be given the priority. As at the end of May 2013, there were a total of 907 elderly people on the waiting list for IHCS (Frail Cases) and/or EHCCS.

- (g) At present, the service arrangements of IHCS (including the quantity of meals) are determined by individual NGOs that operate the services. The SWD does not maintain relevant information in this regard. NGOs concerned will prepare special meals for service users with health needs. The meal and quantity provided for service users are not identical.

- (h) Under the Lump Sum Grant Subvention System, when the SWD allocates funding to the NGOs operating IHCS, it has allowed annual adjustments to the subvention item of "other charges" with reference to the changes in food cost. NGOs operating IHCS can deploy their subvention in a flexible manner to meet their operational needs.
- (i) Services under Ordinary Cases are arranged by individual service operators. Generally speaking, elderly people with urgent needs will be given the priority. Apart from Ordinary Cases, the Administration has also increased resources to provide other community care services to elderly persons whose long-term care needs are confirmed by the frailty test. Such services, which include IHCS (Frail Cases), EHCCS, Pilot Scheme on Home Care Services for Frail Elders, and the new Pilot Scheme on Community Care Service Voucher for the Elderly to be launched in September 2013, will help support elderly people to age in the community.

BILLS

Second Reading of Bills

Resumption of Second Reading Debate on Bills

PRESIDENT (in Cantonese): Bill. We now resume the Second Reading debate on the Betting Duty (Amendment) Bill 2013.

BETTING DUTY (AMENDMENT) BILL 2013

Resumption of debate on Second Reading which was moved on 24 April 2013

PRESIDENT (in Cantonese): Mr Tommy CHEUNG, Chairman of the Bills Committee on the above Bill, will address the Council on the Committee's Report.

MR TOMMY CHEUNG (in Cantonese): President, first of all, I would like to declare that I am a Voting Member of the Hong Kong Jockey Club (HKJC).

President, in my capacity as Chairman of the Bills Committee on Betting Duty (Amendment) Bill 2013, I now report on the deliberations of the Bills Committee.

(THE PRESIDENT'S DEPUTY, MR ANDREW LEUNG, took the Chair)

The main purpose of the Betting Duty (Amendment) Bill 2013 (the Bill) is to amend the Betting Duty Ordinance (Cap. 108) so as to abolish the duty for bets accepted outside Hong Kong in relation to the conduct of authorized betting on local horse races, and to charge a duty at a flat rate of 72.5% on horse races held outside Hong Kong.

Members have noted that the proposal to adjust the betting duty system seeks to facilitate the conduct of two-way commingling on horse race betting. The Administration has pointed out that the commingling arrangement will reduce the possibility of illegal bookmakers taking advantage of arbitrage of odds differences as a result of the existence of multiple separate pools in various jurisdictions in respect of the same bet type on the same race, thus discouraging off-shore and illegal bookmaking activities. Members have expressed support for the relevant arrangement which can help to combat off-shore and illegal bookmaking activities.

However, Members are concerned that the commingling arrangement may encourage more people to participate in gambling activities. Some Members are worried that a larger and more stable bet pool as a result of the implementation of the relevant arrangement will lead to a higher payout to Hong Kong bettors, which may in turn increase the attractiveness of non-local races to Hong Kong bettors, thereby heightening the gambling atmosphere in Hong Kong.

The Administration has explained that no additional gambling opportunities will be introduced as a result of the proposed adjustments to the betting duty system in Hong Kong. The dividend payable in horse race betting is calculated predominantly on a pari-mutuel basis. The payout to Hong Kong bettors under a larger commingled pool may not necessarily increase because the

number of non-local participants in betting may increase as well. The Administration has also assured Members that the numbers of local race days and non-local races simulcast each year will not be increased.

Regarding the proposal to apply a flat betting duty rate at 72.5% to local bets on non-local races, Members are concerned that the proposal may cause revenue loss for the Government in the long run. Some Members also consider that after the implementation of the outbound commingling arrangement, local bets on non-local races may substantially increase, and thus the net stake receipts arising from local bets on non-local races may exceed the first tax band where the lowest duty rate of 72.5% is currently applicable.

Regarding the proposed guaranteed amount of \$175 million and the proposed guarantee period of three years, Members are concerned whether the proposed guarantee will provide adequate safeguard to the Government's duty revenue arising from local bets placed on non-local races in the future after expiry of the three-year guarantee period. There is a suggestion that the Administration should consider reviewing, before expiry of the proposed three-year guarantee period, the imposition of a flat betting duty rate at 72.5%, as well as the HKJC's liability to pay a guaranteed amount of no less than \$175 million per year for three years after implementation of the new betting duty system for local bets on non-local races.

The Administration has explained that the objective of the proposed guarantee is to ensure that there will be no revenue loss for the Government due to the introduction of a new betting duty system for local bets on non-local races in the initial period of the new commingling arrangements. The objective of the guarantee is not to maximize government revenue from the racing business in the long run.

On the proposal to provide financial relief to the HKJC in respect of simulcasts of non-local races, the Administration considers that the conduct of authorized betting on prestigious non-local races is essential for the materialization of the two-way commingling arrangement. According to the information provided by the HKJC to the Administration, the current simulcast arrangement is financially unsustainable due to increasing royalty fees paid to non-local operators from 1.5% to some 3% of the local turnovers.

Deputy President, the above is my report on the work of the Bills Committee. The following is my own opinion.

I support the amendments because the commingling arrangement not only increases the Treasury's revenue but also deters arbitrage of odds differences resulting from the existence of separate pools in overseas jurisdictions and Hong Kong. Actually the commingling arrangement is very common abroad. Hong Kong should introduce it expeditiously to combat illegal bookmakers and promote a level playing field for betting.

I do not agree with the view that dividend payment will be increased substantially by non-local bets, thereby encouraging the growth of the gambling culture. As I have reported earlier, the pool has become larger, but with an additional group of overseas bettors, the number of people to whom dividends are payable has also increased. Under the mechanism of equal distribution of dividends, the payout may not necessarily become larger, not to mention that the Government has stated clearly that the numbers of local race days and non-local races simulcast each year will not be increased, that means there will not be additional gambling opportunities. Hence, I do not see how the gambling atmosphere will heighten. On the contrary, a commingled pool can attract people overseas to participate and place bets on local races, which can help Hong Kong's horse racing to advance to the world and develop as an international brand. So it is actually something good.

Deputy President, I so submit.

MR MA FUNG-KWOK (in Cantonese): Deputy President, first of all, I have to declare that I am a member of the Hong Kong Jockey Club (HKJC).

Deputy President, the amendments made to the Betting Duty Ordinance on this occasion mainly adjust the current horse race betting duty system to facilitate the conduct of two-way commingling on horse race betting. During the discussions in the Panel on Home Affairs and the Bills Committee, I had expressed my concerns, including the impact of the legislative amendments on local gambling, the Administration's justifications for applying a flat betting duty rate to non-local horse races, as well as justifications for its consent to provide a limited extent of financial relief in respect of the royalty fees paid by the HKJC to non-local operators.

As pointed out by the Government, the objective of the legislative amendments is, firstly, to dovetail with the international norm and practice of levying the betting duty only in the jurisdiction where the bet is made, as well as to align with the international practice of reciprocity and fair trade; and secondly, to curb arbitrage through standardized dividend distribution rates, with a view to combating off-shore and illegal bookmaking activities. I concur with these two points which are the most convincing justifications in support of the Bill.

All along, the Administration has emphasized that the Government does not intend to regard the betting duty as its main source of revenue, and the purpose of the amendments made on this occasion is not to increase government revenue. A guarantee period is even provided to safeguard the Government's betting duty receipts in the next three years. Yet I consider that such an interpretation is just too simple.

In particular, the legislative amendments seek to deter arbitrage activities, thereby removing the room for survival of bookmakers and diverting bettors back to the legal gambling channels of the HKJC. A common sense projection is that non-local bets with the HKJC will probably increase, and the HKJC has already admitted such a fact. Irrespective of the actual amount of increase, the Government's duty revenue will increase correspondingly. The remark that the Government's duty revenue will not increase cannot but make us feel that the Administration is avoiding the truth.

On the other hand, since the legislative amendments are related to gambling, members of the public are highly concerned, especially about whether the amendments will give local people additional gambling opportunities. This has been a major focus of discussion in the Panel on Home Affairs, the Bills Committee and the public hearing.

The Government has pointed out repeatedly that the legislative amendments are only technical amendments which will not encourage the growth of the local gambling culture. The Government has also indicated that it will continue to impose the requirements of the current licence. Despite the implementation of outbound commingling, the scale of non-local simulcast races will remain unchanged (that means 10 races on local race days and 15 simulcast days on non-local race days in each racing season). The HKJC has also promised that it will not change its marketing strategy for non-local races or

enhance publicity on horse race betting as a result of the outbound commingling arrangement.

The scale of races and the HKJC's publicity certainly play a pivotal role in evoking people's interest in betting on non-local horse races. The Government and the HKJC must keep their promise not to increase the number of non-local races or enhance their publicity. We should also understand that horse race betting will be affected by different factors. The Government cannot thus take it for granted that the gambling atmosphere will not heighten and slacken its efforts. It must closely monitor the situation after the legislative amendments take effect, and report to the Legislative Council in due course, especially a year after the implementation of the legislative amendments and upon expiry of the three-year guarantee period, so that Members will understand the actual impact of the amended legislation on the local gambling atmosphere and betting duty receipts.

Deputy President, I support the amendments to the Betting Duty (Amendment) Bill 2013. I so submit. Thank you, Deputy President.

MR CHRISTOPHER CHUNG (in Cantonese): Deputy President, regarding this proposal of the Government to amend the Betting Duty Ordinance, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) concurs with the general direction of the legislative amendments. Deputy President, first of all, I declare that I never have the habit of gambling or betting on horse races. Although I have a Mark Six betting account, I have never used it and have practically ignored it. With regard to the amendments introduced this time, I have three concerns: first, whether the amendments can indeed effectively eradicate illegal bookmaking; second, whether the amendments will heighten the gambling atmosphere and induce more people to participate in gambling; and third, whether the imposition of a flat rate at 72.5% for outbound commingling following the amendments will result in reduction of the Government's tax revenue or in effect reduce the tax payment of the Hong Kong Jockey Club (HKJC). Let me briefly explain as follows.

Firstly, can illegal bookmaking be eradicated effectively? According to the explanation given by the Government and the HKJC, the existing practice of levying the betting duty on non-local bets that are managed in a commingled pool is not in line with the international norm and practice of levying the betting duty only at source. The commingling arrangement can also reduce the possibility of

illegal bookmakers taking advantage of arbitrage of odds differences as a result of the existence of multiple separate pools in various jurisdictions in respect of the same bet type on the same race, thus discouraging off-shore and illegal bookmaking activities. The DAB basically accepts the above explanation given by the Government. Nevertheless, I consider that after the implementation of the commingling arrangement, the Government and the HKJC should step up efforts to monitor the situation of bookmaking and maintain sufficient manpower and resources to combat bookmaking activities. Efforts cannot be slackened as a result of the implementation of the commingling arrangement. I also hope that a year after the implementation of the commingling arrangement, the Government will provide some data to prove that the amendments introduced on this occasion are really conducive to combating against illegal bookmaking.

Secondly, will the gambling atmosphere be consequently heightened? During the course of discussion of the Bills Committee, a public hearing was held on 27 May. Many people present were concerned whether more people would be attracted to participate in gambling following the amendments, thus heightening the gambling atmosphere. In this connection, the Government has advised that horse race betting is conducted predominantly on a pari-mutuel basis. Dividend payment to bettors under a larger pool may not necessarily increase because the total number of bettors may increase as well. Moreover, betting on non-local races requires knowledge of overseas jockeys and horses. In addition, factors such as language barrier and time difference will also discourage betting on non-local horse races.

Concerning the above explanation, since I do not gamble on horse races, I do not know whether such reasons are true, or they are just some wishful thinking of the HKJC and the Government. In fact, the local pool will inevitably be enlarged substantially by non-local bets. In this regard, will more people who originally did not gamble on horse races be tempted to start gambling in view of the substantial increase in dividend payment? An example is the so-called "3T" betting type launched by the HKJC earlier. Since the payout often exceeds \$100 million, many people think that even if they have no knowledge of horse race betting, they can try their luck by placing small bets for a big jackpot. Another example is the "HKJC Football" launched by the HKJC for betting on foreign football matches. Because of such matches, a lot of middle-aged and elderly men, who originally did not know any English, can now enumerate the names of many foreign soccer stars as though they are their family treasures. Moreover, they persistently watch the matches at 3 or 4 am every night. It

shows that the Government cannot neglect the attraction which gambling may hold for individuals and the public. It should consider afresh whether language barrier and time difference can really curb gamblers' temptation. Although the HKJC has promised that it will not change its marketing strategy as a result of the implementation of the commingling arrangement and reiterated that the amendments will not encourage the growth of the gambling culture, the Government and the Betting and Lotteries Commission must monitor the relevant situation. If the gambling atmosphere heightens, it should respond expeditiously and cannot leave things to luck.

Thirdly, will the application of a flat rate at 72.5% affect the government revenue? During the scrutiny of the Bill, I was very concerned about whether the Government's betting duty receipts would be reduced after the implementation of the commingling arrangement. According to the Bill, the HKJC will charge a duty at a flat rate of 72.5% on the net stake receipts from betting on non-local horse races. There will also be a three-year guarantee period to ensure that the amount of receipts will be no less than \$175 million per year.

Under the existing Betting Duty Ordinance, the betting duty is charged at 72.5% of the net stake receipts up to \$11 billion, increasing by 0.5% for increases of every \$1 billion in the receipts to \$15 billion, and at the maximum, at 75% of the receipts exceeding \$15 billion. My concern is that if the HKJC's net stake receipts exceed \$11 billion after implementation of the commingling arrangement, the original rate should correspondingly increase to 73% or above. If the duty is charged at a flat rate of 72.5%, the Government may lose a substantial amount of betting duty receipts, thus bringing an impact on donations and relevant charity work in Hong Kong. For this reason, I requested the Government to undertake to conduct a review before expiry of the three-year guarantee period. Regrettably, the Government did not accept my request for review and only replied that it would report to the Legislative Council "in due course". At the present stage, I temporarily accept the Administration's arrangement of reporting to the Council, but I hope that "in due course" means it will be done at least once a year. Besides, if it is found that the size of bets has risen sharply after the implementation of the commingling arrangement, the Government cannot merely report without taking any action. It must immediately review whether the flat rate of 72.5% is still appropriate and adjust the rate upon expiry of the three-year guarantee period, so as to ensure that the Government will not suffer any loss in betting duty receipts. On the other hand, sharp increase in the size of bets is also a sign of a growing gambling culture

which the Government cannot neglect, for which it must work out a corresponding solution.

Deputy President, with these remarks, I support the amendments.

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

MR SIN CHUNG-KAI (in Cantonese): Deputy President, the Democratic Party will support the relevant amendments to the legislation today. Nevertheless, I would like to talk about the Hong Kong Jockey Club (HKJC) in a broader sense. The HKJC has experienced transformation for almost 10 years. In the past, it was an organization which simply offered gambling on horse races. Later, it also engaged in gambling on football matches, and now there is the commingled pool. After the transformation in the past 10 years, the HKJC has undoubtedly expanded in size and also broadened its scope of business. As Mr Tommy CHEUNG, Chairman of the Bills Committee, has said earlier, this move may facilitate the HKJC to launch more overseas betting business in the future.

However, Deputy President, the HKJC is an organization subject to government regulation. In passing this Bill, we also hope that the Government can conduct a macro and comprehensive review on the extent and scope it will allow the HKJC to expand. We understand that Hong Kong's neighbouring regions, such as Macao in the vicinity, also provide plentiful gambling activities. Does Hong Kong need to provide so many gambling activities as well? Will such an act encourage the growth of the gambling culture? The Government should review this from time to time.

Of course, we are also aware, perhaps owing to the upcoming resumption of the Second Reading of the Bill, recently the television advertisements — the HKJC has sponsored a lot of advertisements — have talked about why people should not engage in certain gambling activities. However, after the passage of the Bill, will such advertisements become less frequent? I wonder if it is because I have got a clear mind or I am prompted by anything. I consider that apart from conducting publicity activities to persuade the public not to take part in too many gambling activities, the Government also needs to carry out a review on the HKJC, rather than taking more actions when the Bill is about to be introduced and doing less after the Bill is passed. As a few Honourable

colleagues have just said, we hope the Government will carry out a review and expeditiously report to the Legislative Council upon the expiry of the three-year guarantee period. Actually it should not merely report to the Legislative Council after the period has expired. Instead, the Government should, a year after the implementation of the new legislation, submit a report to the relevant Panel after collecting the data on a regular basis.

I so submit.

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

DR FERNANDO CHEUNG (in Cantonese): Deputy President, I speak to object to the Betting Duty (Amendment) Bill 2013 (the Bill). In fact, when the Betting Duty Ordinance (BDO) was amended in 2006, I had participated in the discussion and decision. I was also against it at that time.

My opposition back then was because if the amendment was passed, the Hong Kong Jockey Club (HKJC) would be able to introduce a large number of betting options for football betting through almost any means. At that time I was worried that it would encourage the growth of the gambling culture among young people. As we know, young people's enthusiasm in horse race betting has started to cool down. Although there is no obvious decline in horse race betting turnover, there is a downward tendency in horse race betting turnover on the whole, whereas the football betting turnover is on the rise. In respect of age, the elderly are fond of horse race betting, while the young are fond of football betting.

The Bill seeks to facilitate the implementation of a "two-way commingling" arrangement. There is a view that such an act will help to combat bookmaking. The Labour Party does not object to combating against bookmaking. We certainly do not support malpractices such as bookmaking and illegal gambling. However, if the Bill is passed, the pool will be enlarged as a result of commingling, thus leading to an increase in the amount of dividends, and it is also possible that foreign betting options will be introduced to Hong Kong. Besides, under the existing legislation, the HKJC is not subject to any constraints. For this reason, I am worried that once the Bill is passed, the betting

options will be even more diversified, thereby further spreading the gambling atmosphere among teenagers.

Deputy President, when the BDO was amended back then, I had made a humble request: setting up the Ping Wo Fund and allocating part of the gambling proceeds to the Ping Wo Fund to subsidize social welfare organizations to help members of the public quit gambling and prevent young people from being addicted to gambling or illegal gambling. However, this is quite a ridiculous arrangement in itself. Deputy President, the HKJC — of course, the HKJC is a non-profit making organization — makes huge profits from gambling, but it only allocates a small amount of money from its gambling proceeds to the Ping Wo Fund and advises people not to indulge in gambling.

Under the framework for authorization of gambling, even if we accept such an arrangement, the HKJC should at least be more generous. Deputy President, back then, I only requested the HKJC to, after deducting costs and expenditure, allocate 1% of its gambling proceeds to the Ping Wo Fund to subsidize social welfare organizations to relieve young people of their engagement in illegal gambling or their addiction to gambling, but the HKJC refused. The Bill proposed by the Administration today may eventually heighten the gambling atmosphere. Even Mr Raymond YOUNG, the Permanent Secretary for Home Affairs, has admitted that the Bill may attract gamblers to slightly increase their "investment".

Nowadays, many teenagers have degenerated into pathological gamblers. According to the Caritas Addicted Gamblers Counselling Centre — this centre is one of the four social welfare organizations subsidized by the Ping Wo Fund — in the past nine years, it has given counsel to about 4 000 problem gamblers in total. At present, the monthly increase in the number of requests for assistance is 40 on the average. Together with the new requests for assistance received by the other three gambling counselling organizations each month, the total reaches 100 which is the highest in Asia, showing that the situation is rather serious.

Deputy President, when the BDO was amended last time, the HKJC refused to allocate 1% of its gambling proceeds to the Ping Wo Fund. It was only willing to make an annual provision of \$15 million. Recently (that means this year), the licence for football betting needs renewal, and the licence period should be five years. As far as I understand, the Government has requested the HKJC to provide additional funding to the Ping Wo Fund, but the actual amount

is still unknown. I hope the Secretary could give a response in a while. No matter whether the funding is \$15 million or in a greater amount, it is still far from sufficient to allow social welfare organizations to have adequate resources to prevent the spread of the gambling atmosphere among teenagers.

At present, there are only four social welfare organizations receiving the subsidies, the situation is what we call "two big and two small" ones. Over the years, the two big organizations had respectively received only about \$3.5 million each year, and starting from last year, the amount was increased to \$4.2 million. However, given the numerous requests for assistance, these organizations can hardly attend to all the cases. The other two small organizations respectively received only about \$1 million each year. The biggest problem is that the contract needs to be renewed every few years, and sometimes there is even the need for re-tendering, resulting in unstable services. Apart from these four organizations, in view of the severity of the problem, seven other organizations with Christian background have raised funds on their own to provide pathological gamblers with counsel and assistance and hold publicity activities.

Obviously, the present problem is that the Ping Wo Fund receives annual funding of only some \$10 million which is actually insufficient. If the Bill is passed, the HKJC's revenue may increase, but we do not know what will happen to the Government's duty revenue because under the "two-way commingling" arrangement, the Government's duty revenue may slightly reduce. Nevertheless, does increase in revenue of the HKJC stand for betterment of society? I do not see that will be the case.

Being a charitable body, every year the HKJC allocates an amount roughly equivalent to 1% of its total investment for charitable purposes. As such, I feel embarrassed when I discuss in the university what is meant by "charitable body", "commercial organization" and "government organization", as well as how to define what kind of organization the HKJC is. The reason is that the HKJC is a betting establishment, an organization which provides legitimate betting services. Despite making profits, it calls itself a non-profit making organization, and it also has splendid clubs. Deputy President, you are possibly a member of the HKJC, and I believe a number of Members here are also members or even Voting Members of the HKJC, being either rich or powerful. The facilities in the clubs of the HKJC are magnificent, and remunerations of its senior management are pretty handsome. Over the years, the average annual salaries of the six or seven executive and management officers at the top level of the HKJC exceed

\$10 million, but the HKJC allocates only 1% of its gambling proceeds to charitable bodies. Therefore, I said to my students, "The HKJC is a 1% charitable organization."

There is a view that the Bill will help to combat bookmaking and divert the profits from bookmaking to the HKJC. However, how will the HKJC pass on the benefits to society? We have requested the HKJC to provide additional resources to the Ping Wo Fund so as to curb the gambling atmosphere among teenagers, but the HKJC is rather stingy. During the 10 years since the establishment of the Ping Wo Fund, its services have not yet been regularized, and the Government has been evasive. Upon the expiry of the service period, there may be a need for re-tendering, and the contract period is only three years on average. In that case, how can the relevant services be maintained at a good standard?

Deputy President, having regard to the above factors, I decide not to support the Bill. My stance can be deemed as a kind of protest because in my opinion, the HKJC can make more efforts and provide additional resources to prevent teenagers from being addicted to gambling. Besides, I consider that the Government has the responsibility to regularize the relevant services.

Furthermore, I hope the Honourable colleagues will bear in mind that if the Bill is passed, the amount of dividends will increase, thereby adding to the attraction of gambling — especially football betting — which makes me worry that the gambling atmosphere among teenagers will be even more rampant in the future.

I so submit. Thank you, Deputy President.

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 Home Affairs to reply. The debate will come to a close after the Secretary has replied.

SECRETARY FOR HOME AFFAIRS (in Cantonese): Deputy President, first of all, I would like to thank Mr Tommy CHEUNG, Chairman of the Bills Committee, Members of the Bills Committee and colleagues in the Legislative Council Secretariat for their efforts which have facilitated the smooth completion of the scrutiny work. I also thank Members for supporting the resumption of the Second Reading debate on the Betting Duty (Amendment) Bill 2013 (the Bill) today, and I am grateful for the precious advice of the five Members who have just spoken.

After the Administration had submitted the Bill to the Legislative Council for scrutiny in April this year, the Bills Committee convened a total of four meetings to carry out the scrutiny work, which included listening to the views of the public and deputations.

The purpose of this Bill is to amend the Betting Duty Ordinance (Cap. 108) (BDO) so as to adjust the horse race betting duty regime to facilitate the introduction of a "two-way commingling" arrangement. "Two-way commingling" can reduce the possibility of bookmakers or law-breakers taking advantage of arbitrage of odds differences as a result of the existence of separate pools in various jurisdictions in respect of the same bet type on the same race, thus discouraging illegal bookmaking activities.

Regarding local races, the Bill proposes to abolish the betting duty on non-local bets so that the betting duty system in Hong Kong can tie in with the international practice, that means levying the duty only at source. Thus, after section 6GD of the BDO is amended, provisions relating to betting duty on bets accepted outside Hong Kong will be deleted, while the current progressive betting duty rates will only apply to net stake receipts arising from local bets on local races. The betting duty system currently applicable to local bets on local races will remain unchanged. Owing to the abolition of double taxation, the revised horse race betting duty will facilitate Hong Kong and non-local horse race betting conductors to implement the "inbound commingling" arrangement.

The Hong Kong Jockey Club Horse Race Betting Limited (HKJC) is the only licensed horse race betting conductor in Hong Kong which may conduct betting on certain non-local races. In respect of local bets on these non-local races, the Bill has set up a new betting duty system to provide greater certainty on taxation matters in the HKJC's negotiations with non-local jurisdictions. New provisions are added in clause 6 of the Bill so that the amended section 6GD of

the BDO provides that a betting duty is charged at a new rate on the net stake receipts arising from local bets on non-local races received by the local horse race betting conductor. Clause 17 of the Bill includes a new schedule 3 which specifies that the new rate shall be a flat rate of 72.5%.

Besides, with regard to local bets on non-local races, clause 9 of the Bill amends section 6GF of the BDO to provide for the method of calculation of net stake receipts, that is, the total amount of bets minus the payable dividends and rebates on bets, and then minus the fees payable to non-local partners. This will facilitate the implementation of the "outbound commingling" arrangement by Hong Kong and non-local operators.

The introduction of this Bill seeks to facilitate the implementation of "two-way commingling" so as to consolidate the international status of Hong Kong's horse racing, rather than aiming at increasing government revenue from horse race betting. Of course, we should also ensure that no loss in public revenue will be incurred in the initial period after the amendments are introduced. Hence, the Bill provides that during the three-year guarantee period from the commencement date of the Bill (that means 1 September 2013), the annual amount of betting duty receipts arising from local bets placed on non-local races receivable by the Government will be the actual amount computed based on the relevant provisions under the Bill or the guaranteed amount of \$175 million, whichever is the higher.

Concerning the impact of the amendments on public finance, Mr MA Fung-kuok and Mr Christopher CHUNG have suggested that a review should be conducted on the implementation before expiry of the proposed three-year guarantee period. As we know, the turnover of local bets on non-local races will be affected by a number of variables, so it is difficult to make a projection. After the introduction of the "two-way commingling" arrangement, the Administration will monitor the turnover of local bets on non-local races as well as the relevant net stake receipts and betting duty revenue in each racing season, and assess whether the new approach of levying betting duty adopted in the three racing seasons from 2013-2014 to 2015-2016 is appropriate. We will report to the relevant Legislative Council Panel in due course and listen to Members' views on the corresponding measures.

As for Members' concern with the impact of the amendments on the gambling situation in Hong Kong, I would like to reiterate that we submit the Bill

on the prerequisite that the amendments will not encourage the growth of the gambling culture. Even if the commingling arrangement leads to a larger pool, the number of bettors will also increase with non-local participants, and since dividends are calculated on a pari-mutuel basis, the commingling arrangement will not directly increase bettors' chance of getting dividends or the amount of dividend payment. The Government has not increased the numbers of local race days and non-local races simulcast each year. We will keep monitoring the situation of gambling in Hong Kong society and continue to consult the Ping Wo Fund Advisory Committee with a view to formulating publicity and education programmes targeting problem gambling, as well as strengthening the relevant services.

All along, we will provide counselling and therapy services targeting problem gambling where necessary. For example, the Ping Wo Fund has subsidized Caritas-Hong Kong, Tung Wah Group of Hospitals, Zion Social Service and Hong Kong Lutheran Social Service to respectively operate four counselling and therapy centres for problem and pathological gamblers. The amount of subsidies for two of the counselling and therapy centres has been raised since the new contract commenced in January 2013.

I have also noted Dr Fernando CHEUNG's comments on the HKJC's donations to the Ping Wo Fund. We understand that the HKJC will review the amount of donations from time to time, and it has openly indicated that additional subsidies will be provided in the future.

Deputy President, with these remarks, I implore Members to support the passage of the Bill.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the Betting Duty (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): The Betting Duty (Amendment) Bill 2013.

Council went into Committee.

Committee Stage

DEPUTY CHAIRMAN (in Cantonese): Committee stage. Council is now in committee.

BETTING DUTY (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 Betting Duty (Amendment) Bill 2013.

CLERK (in Cantonese): Clauses 1 to 19.

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 19 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.

BETTING DUTY (AMENDMENT) BILL 2013

SECRETARY FOR HOME AFFAIRS (in Cantonese): Deputy President, the

Betting Duty (Amendment) Bill 2013

has passed through Committee 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 Betting Duty (Amendment) Bill 2013 be read the Third time and do pass.

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): Betting Duty (Amendment) Bill 2013.

MEMBERS' MOTIONS

DEPUTY PRESIDENT (in Cantonese): Members' motions. Two motions 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.

DEPUTY PRESIDENT (in Cantonese): First Member's motion: Facing up to the aspirations of the people participating in the march on 1 July.

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

I now call upon Mr SIN Chung-kai to speak and move the motion.

FACING UP TO THE ASPIRATIONS OF THE PEOPLE PARTICIPATING IN THE MARCH ON 1 JULY

MR SIN CHUNG-KAI (in Cantonese): Deputy President, I move that the motion, as printed on the Agenda, be passed. Ever since 2003, the marches on 1 July have become an important social and political event in the society of Hong Kong. It is not a "new traditional event" as dubbed by the Mainland Government's mouthpiece, the *Global Times* in its editorial. Every year, we can have a glimpse of people's satisfactory level of the Government and their aspirations through the 1 July march. This year, people took to the streets, and voiced out their aspirations, undaunted by the weather. The strong wind and heavy rain did not shatter their courage in fighting for democracy, or weaken their determination in asking C Y LEUNG to step down.

This year's march has the record-high number of protestors since 2003 and 2004. The Civil Human Rights Front (CHRF) estimated that 430 000 people joined the march, while the figures estimated by *Ming Pao Daily* was 264 000, the Public Opinion Programme of the University of Hong Kong 103 000 and the police 66 000. The simplest and most direct way to figure out people's satisfactory level of the Government's policy administration is to extrapolate from the number of protestors, but this is not the only way. It is meaningless to argue about the number of protestors.

However, if the Government intends to juggle with the method of crowd counting and suppress the protestors, trying to deceive the authorities and the public with a reduced number of protestors and distorting people's aspirations, rather than reflecting on the existing problems in society and policy administration, it is putting the cart before the horse and deceiving itself.

The Democratic Party urges the authorities to face up to the dissatisfaction against the Government led by C Y LEUNG and the related aspirations voiced by the people participating in 1 July march this year. People's aspirations should be valued. Neglecting these voices of dissatisfaction will only trigger more grievances in Hong Kong. Ruling Hong Kong barbarously and disregarding people's opinions will only make society more divided.

The *Global Times* points out in its editorial that marches can release more discontent and opposition, but it does not mean that all such calls have to be answered and satisfied. Some Hong Kong people who willfully used sharp

voices and actions to stimulate the Mainland are in fact trying to throw a tantrum; and the cost for taking to the streets in Hong Kong is "very cheap". How arrogant such viewpoints are. People participated in the 1 July march precisely because the Government has disregarded their views. When their aspirations are again ignored by the Government and when taking to the streets is no longer an effective means to fight for rights, people will have no choice but consider resorting to civil disobedience such as participating in the Occupy Central movement to fight for their rights.

The CHRF, the organizer of the 1 July march, sets a different theme every year based on the social and political climate of the year. But in the past decade, or no matter which year, the theme was inevitably linked to the fight for democracy. It is beyond question that people long for democracy. The main aspiration of this year is clearer than ever. We call for universal suffrage, and we call at the top of our voice for C Y LEUNG to step down.

The pro-establishment camp loves to put democracy and livelihood on two confronting ends. For instance, many members of the pro-establishment camp are against the Occupy Central movement, saying that it would undermine the economy and reputation of Hong Kong, as if fighting for democracy would undermine people's livelihood.

All these are examples which have inverted right and wrong. The objective of "Occupy Central" is to fight for genuine universal suffrage, and developing democracy can help the Government obtain public mandate and enhance the credibility of its governance, and in turn facilitate effective governance. C Y LEUNG's governing team apparently lacks public mandate and with low credibility.

Furthermore, the Government has been entangled in endless negative news in the past year, such as C Y LEUNG's unauthorized building works; Timothy TONG and MAK Chai-kwong's alleged abuse of subsidies and benefits; Executive Council Member Barry CHEUNG's incident concerning the Hong Kong Mercantile Exchange Limited; the Secretary for Development Paul CHAN's involvement in sub-divided units; Executive Council Member Franklin LAM's alleged pre-emptive sale of his property, and so on. All these incidents concerning the senior officials have caused public doubts about the credibility of their governance.

In March this year, QIAO Xiaoyang went south to Shenzhen to meet with the pro-establishment Members. He put forth two prerequisites for the Chief Executive to be returned by universal suffrage. First, the election must conform to the Basic Law and the decisions of the Standing Committee of the National People's Congress (NPCSC), and second, the Central Government would not allow someone who confronted the Central Government to be a Chief Executive candidate. An election with a selection mechanism can in no way be conducive to giving public mandate to the Chief Executive or building up legitimate authority of the Chief Executive. Then, how is it possible that the Government can have effective governance?

In a pluralistic society like Hong Kong where people can freely obtain information, the Government cannot adopt a high-handed approach to control the minds of the people. How should legitimate authority be established so that people from different walks of life will accept and go along with the Government's administration plans? In Western society and some Asian society, democratic elections give birth to legitimate authority. Their governments obtain public mandate through regular and universal elections. These governments are vested with legitimate authority to govern their people. Yet, a democratic election does not guarantee an effective administration, but at least it can lay down the foundation for the birth of legitimate authority; and it is also a peaceful way to solve deep-rooted problems.

The greatest merit of a democratic system is that it consults people at different levels of society and takes into account their needs in the decision-making process. Through democratic procedures, the government can win the trust of its people and obtain public mandate, and it can also foster consensus in society and balance the interests of different stakeholders. On the other hand, a coterie election is characterized by favouritism and the election committee is often dominated by business tycoons and the privileged class. In the end, the governance and policies would naturally be biased towards the business tycoons and the privileged class. Only through a democratic system will people have a chance to monitor the Government and exercise check and balance against the people in power and force them to hold themselves fully accountable to the public.

The pro-establishment camp often puts forth different distorted logics to impede the development of democracy. For example, Executive Council Member CHENG Yiu-tong and the leader of Democratic Alliance for the

Betterment and Progress of Hong Kong TAM Yiu-chung hold that initiating consultation on the constitutional reform proposal in mid-2014 is not too late, saying that there are still a few years before the Chief Executive Election in 2017 and the Legislative Council Election in 2016. At the reception in celebration of the anniversary of the handover, C Y LEUNG said that "with the greatest sincerity and commitment", the SAR Government will launch a consultation "at an appropriate juncture".

First, the Chief Executive is still playing the delaying tactics to avoid meeting the people's aspirations, which is in no way conducive to his policy administration and, quite to the contrary, it would deepen people's grievances. Second, people who took to the streets on 1 July have voted with their feet, telling the SAR Government and C Y LEUNG explicitly that it is now the opportune time and they should brood no delay. If C Y LEUNG genuinely has the greatest sincerity and commitment, he should immediately respond to the aspirations of the people and kick start a comprehensive consultation at once. He should take immediate action.

The authorities must face up to the aspirations of the protestors on 1 July, build up democracy and implement genuine universal suffrage. As such, the pluralistic stakeholders can actually take part in the Government's decision-making and implementation process, and the Government can be legitimately authorized through the democratic election to dissolve conflicts among different interest groups, and thereby achieve effective governance and harmony among people.

Ten years ago, people voted with their feet to stop the Government from legislating on Article 23 of the Basic Law and force TUNG Chee-hwa to step down. Today, if the Government continues to ignore the aspirations of the people, it is digging its own grave, and C Y LEUNG will end up following in TUNG Chee-hwa's footsteps and step down.

Hereafter I will speak in English.

MR SIN CHUNG-KAI: Deputy President, on 1 July, tropical storm Rumbia grazed Hong Kong, causing the issuance of a level three typhoon warning. With such poor weather, you should think that most people would stay inside. However, it was estimated that 430 000 protestors marched for universal suffrage that day. In fact, Monday's march brought the highest number of protestors

since the 2003 and 2004 marches. The anger, determination, and heart of each protestor burned brightly, unaffected by their dark surroundings.

Deputy President, Rumbia did not just bring the winds of a tropical storm; she is bringing the winds of change. In June of this year, a poll revealed that 36.8% of Hong Kong people do not trust the HKSAR Government — the highest level since 2003. Today, just four years before the 2017 Chief Executive Election, 42.2% of Hong Kong people are not confident in Hong Kong's future; they have been disappointed over and over again. Monday's storm, not the tropical storm, but the even stronger storm of anger and determination shown by Hong Kong's people, is a testament to the urgency of universal suffrage for the 2017 election. We simply cannot ignore this tempest any longer.

On 29 December 2007, the NPCSC determined that universal suffrage would be considered for the 2017 Chief Executive Election, igniting hope into people's hearts. Now though, people are simply filled with uncertainty and disappointment.

Deputy President, Chief Executive C Y LEUNG's political career started long before his Chief Executive appointment, and it was in the few years leading up to the 2012 elections that ultimately built up today's non-confidence. His pre-election campaign was a calculated operation of empty promises. He even denounced the then HKSAR Government while in office as Convener of the Executive Council. Obviously, the people latched onto these hopeful words, effectively inflating their expectations for his first policy address and giving him the poll popularity needed to win the election. Imagine the audacity, then, of letting down the very people who brought him to his current position. First, robbing the people of their trust when he failed to acknowledge his unauthorized household renovations. Then, his manifesto of promises of improved housing, economic growth, and government administration change were pathetically discussed in his first policy address, delivered three months later than the original date. Deputy President, C Y LEUNG trampled the grassroots that supported him, creating the problem of non-confidence we experience today.

What is more, although universal suffrage for 2017 was also promised in his election manifesto, the topic was skimmed entirely in his policy address. In the 17 January 2013 Legislative Council meeting, C Y LEUNG had one sentence to answer Ms Emily LAU's question on the 2017 electoral amendments: "Regarding the elections of 2016 and 2017, we still have time." On 24 March

2013, QIAO Xiaoyang of the NPCSC suggested that those people who insist on confronting the Central Government cannot become the Chief Executive — yet another undemocratic barrier to the 2017 election. Executive Council Member, CHENG Yiu-tong, reiterated that the five-step process of political reform can be or will be postponed to the middle of next year. And, in a speech given by Chief Executive LEUNG two days ago at the reception for HKSAR's 16th anniversary, he said, "The SAR Government will launch a consultation at an appropriate juncture. We hope that people holding divergent views can set aside their differences and seek consensus as far as possible in an accommodating, pragmatic and peaceful manner." Deputy President, why is this current juncture not appropriate? What could be more "pragmatic" and "peaceful" than starting the process sooner rather than later? How can Chief Executive LEUNG continue to frustrate his people like this?

Deputy President, we must remember that the amendment process is not only the concern of the Legislative Council and the Government. Hong Kong people are demanding to participate in the consultation and decision-making process. In order to fully integrate the public into these matters, it is obviously and absolutely crucial to start the process early. In the extremely optimistic, and unlikely, case that the amendments will be successfully discussed and approved if further postponed, we must also recognize that starting immediately will give us more than just time — it will give the people of Hong Kong faith in the promises of the Government. When the public is already unconfident in the credibility of the C Y LEUNG manifesto, we need to give people as much reason as possible to trust the Government in, perhaps, the most influential political decision since the handover. "Occupy Central" is already promoting and mobilizing, set to actualize on 1 July next year. It is obvious why this protest should be held off: Central would be completely immobilized. If the Government further postpones the start of the political reform process to next year, this paralysation cannot be avoided.

Deputy President, Hong Kong people have had no choice but to tolerate the postponement of universal suffrage from 2007 to 2012, and now to 2017. However, we do have the choice to stop this continued alienation of the public from the Government. Hong Kong people have spoken up every year on 1 July; yet, every year the Government grows increasingly deaf to their appeals. Deputy President, take Monday's protest as an example of Hong Kong's outrage — as a warning. It is time that we open our senses to the urgency of the public for universal suffrage (*The buzzer sounded*)

Mr SIN Chung-kai moved the following motion:

"That this Council urges the Administration to face up to the dissatisfaction with LEUNG Chun-ying's Government expressed by the people participating in the march on 1 July this year and their relevant aspirations."

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): Two Members wish to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the two amendments.

I will first call upon Ms Claudia MO to speak, to be followed by Mr Christopher CHEUNG; but they may not move amendments at this stage.

MS CLAUDIA MO (in Cantonese): Today, we ask Chief Executive LEUNG Chun-ying to face up to the aspirations of the people participating in the march on 1 July. On Monday, we watched on television the various explicit aspirations of the participants. They were like ten thousand Buddhas heading towards the same goal. Among the numerous calls, the loudest and clearest one was the call for the resignation of LEUNG Chun-ying. The Chinese word "下台" is generally translated as "resignation" in English. It may be a little too optimistic that LEUNG Chun-ying would resign on his own initiative. The international media may not understand that Chief Executives in Hong Kong, such as TUNG Chee-hwa, have to be reminded by Beijing to resign. We may have heard of a rumour. According to sources from Beijing and agents of the authorities, Beijing would give LEUNG Chun-ying a chance, given that he has only taken office for just one year; some version of the rumour has it that Beijing has plan B and plan C ready.

Today, we stand up in the Chamber, shouting "LEUNG Chun-ying! Resign!" and making the resignation gesture, but what then? If he shamelessly refuses to resign, ignoring the hunger strikes or riots Hong Kong people will not riot, at least not at this stage If he refuses to resign, all our aspirations

would become mumbo-jumbo. Nevertheless, my amendment seeks to remind him of two things. First, it is the constitutional reform; and second, freedom of the press. In this genuinely civilized society, people will not settle for a Chief Executive who cannot even well manage politics, that is governance and the political system. His governance is not transparent and he does not hold himself accountable to the people. He takes everything into his hands. He is not a genuine representative of the people and he is not returned by a "one person, one vote" election. To put it in more common terms, the public are pissed off by the Government, but LEUNG Chun-ying insists that there is still time.

In a civilized society, people will be happy if both politics and the press are vibrant and people have full access right to information. If so, society will not end up in one that like Hong Kong today. I believe Members are aware of today's headline article of the *South China Morning Post*, a must-read for public officers. In the article, Prof QIANG Shigong, a Peking University scholar and a political adviser of the Beijing Government on Hong Kong affairs, said, "Obviously, political reform is the key issue which has plagued the Hong Kong Government." Even Mainland scholar admitted that political reform was the biggest issue undermining and eroding the Government. The truth is, no matter what you have done, you will make no progress because the political reform is all done through the back door. They make all the decisions and do not even bother to conduct a consultation. Can the consultation be conducted sooner? They said that consultation can be done later. What kind of attitude is this?

According to the article, "A government source said LEUNG reviewed the marchers' demands at his morning meeting with ministers yesterday". It claims that they already reviewed the 1 July march and the marchers' aspirations at the Executive Council meeting held yesterday. I wonder if they would deny that they had done so. If so, it would be exceedingly serious because how could they not discuss such an important issue. However, if they admit that they have done so, it would also invite troubles because they would have to share what they have discussed.

Let us assume that the Government had held a discussion. Concerning Mr Alan LEONG's written question this morning, which asked what the Government would do in response to declining indicators on trust and confidence of Hong Kong people on the Government, with some indicators even worse than those registered on the eve of the 2003 march in which 500 000 people took part, the

Administration mentioned in its reply that the Government has strived to deal with problems related to economic development, housing, poverty, people's livelihood and environmental protection (landfills), and have made progress in these areas. However, not a word has been said on the constitutional reform. Do they really think that Hong Kong people are stupid? Even a Mainland scholar, Prof QIANG Shigong — Sorry, I have not heard of his name before — has told the Beijing Government that the Hong Kong Government has serious problem in respect of policy administration and the problem is related to constitutional reform.

More ridiculous still, in the written reply to the above question, the statement that "the Central Government will support the SAR Government to govern according to law and maintain Hong Kong's long-term prosperity and stability" makes us wonder whether it is written by the Liaison Office of the Central People's Government in the HKSAR Government. The Government certainly has to govern according to the law. Should it govern in violation to the law? The statement contains clichés of the Chinese Community Party. The problem is, the present governance according to law is the disguised forms of lawful corruption, lawful injustice, lawful nepotism, cronyism, transfer of interests and secret dealings. Everything is lawful because the Government is governing according to law, but the "law" is hideous. The "law" gives raise to "prosperity and stability", another cliché of the Chinese Community Party, but it is the prosperity and stability of a small group of people.

On the front of constitutional reform, JI Pengfei, the key Chinese official in formulating the Basic Law who was once the Minister of Foreign Affairs, had specifically talked about when Hong Kong would have full democracy and universal suffrage in the form of a "one person, one vote" election. At that time, he used the term "comprehensive democracy" but not "universal suffrage". I was then a reporter. I asked him when Hong Kong would have comprehensive democracy and he replied it would be about 10 years after the handover. The conversation was put on record and DENG Xiaoping did not, at that time, say that JI was talking nonsense.

In the above context, dual universal suffrage should have been implemented in 2007 and 2008. But the matter had been held off until the National People's Congress interpreted the Basic Law, together with some other events. To date, we are still talking about returning the Chief Executive by universal suffrage in 2017. Some agents of the authorities said that the Chief

Executive candidates have to love the country and Hong Kong. Talking about loving one's country, does OBAMA love his country? He certainly loves the United States. The Chief Executive candidates were requested to love their country and Hong Kong, but our situation is somewhat different from that of other places. DENG Xiaoping once said that "one country, two systems" was unprecedented and it was a very special arrangement. Yet, we have to consult the "Big Brother" in Beijing on every matter.

Talking about loving one's country, I love the culture of China; I love Tang and Song poetry, but not the country under one-party dictatorship. According to them, love the country basically means love and support the Communist Party. Under the so-called "one country, two systems" now in force, the SAR Government is silenced out of fear. If the Government is asked to explain what is meant by love the country I hope Secretary Raymond TAM would later talk about what is meant by love the country in his reply There is no legal or objective standard. You say that you love the country. He says that he loves the country. SZETO Wah had all along said that he was most patriotic. Do you agree? The Government should expeditiously conduct a consultation.

It has been enshrined in the Basic Law that a nominating committee should be established to elect the Chief Executive. We can then discuss whether the Chief Executive can be elected by one person, one vote. Given that the spirit of the Common Law upholds that "what is not disallowed is allowed", the proposal can be discussed. However, the situation today is somewhat different. Those agents representing the authorities stepped forward, insisting that consultation should be postponed to the middle of next year. They kept procrastinating, so that they could say at a later time that there was no consensus and the Chief Executive should not be returned by universal suffrage in 2017.

Deputy President, black terror prevails in Hong Kong in respect of freedom of the press. The Next Media Limited and the *Apple Daily* have been assaulted four times in two weeks. This is a placard of the Hong Kong Journalists Association. Our reporters were bitterly bitten in Beijing, but LEUNG Chun-ying pretended as if nothing had happened. Freedom of the press is equally at risk.

Thank you.

MR CHRISTOPHER CHEUNG (in Cantonese): Deputy President, on Monday 1 July, hundreds of thousands of people took to the streets under Typhoon Signal No. 3. They braved the gusty wind and battering rain only to express their opinions about the performance of Chief Executive LEUNG Chun-ying in various aspects in the past year since he took office and voice their aspirations. I believe the SAR Government must listen and respond to different aspirations. Meanwhile, hundreds of thousands of people showed up at the ceremonies held in different districts of Hong Kong and Kowloon to celebrate the 16th anniversary of the establishment of the Hong Kong SAR. I believe these people, like the silent majority in Hong Kong, hope that Hong Kong would remain prosperous and stable with sustainable development. They do not want to see Hong Kong become chaotic or make no progress.

Undeniably, in the past year, in discharging his manifesto of leading "an appropriately proactive government which seeks changes whilst maintaining overall stability", Chief Executive LEUNG Chun-ying has fallen short of people's expectation. For instance, regarding the high property prices, the series of counter-measures launched by the Government failed to significantly cool down the property market. It is not surprising that people doubt whether the Government has launched appropriate measures to curb the red-hot property market.

In fact, according to a poll conducted earlier, with 100 as the full mark and 50 the passing mark, the Chief Executive only scored a passing mark in two of his seven policy portfolios, namely "medical and healthcare" and "people's livelihood" with 54.7 and 50.3 respectively. He failed in all other portfolios. The policy areas with a score of about 40 marks were, in descending order, "economic development", "environmental protection", "housing and planning", "constitutional system and administration" and "education". I believe this report card is hardly satisfactory and it definitely leaves no room for the Chief Executive to be complacent. He must make substantial improvement. In particular, the Chief Executive should adopt effective measures to sustainably develop Hong Kong's economy, enhance our competitiveness and improve people's livelihood, so as to ease the livelihood pressure of the grassroots and the middle-class.

I think the ratings above are fair and the Chief Executive should reflect on the ratings. The result also shows that Dr CHUNG at least agrees that LEUNG Chun-ying should be given more time to make improvement and strive to win the trust and respect of the people.

Certainly, I also notice that many people have high expectation on how the Government will achieve the ultimate goal of universal suffrage in accordance with the Basic Law as well as the requirements and decisions made by the Standing Committee of the National People's Congress. However, I absolutely cannot accept people encouraging the use of radical means, such as the Occupy Central movement, to coerce the SAR Government to take in all their propositions. Hong Kong is an international financial centre and a metropolis. If anything goes wrong or anything happens to Central, which is our financial centre, the consequence can be serious. Moreover, indefinitely occupying Central will add an element of instability to society, which will scare off international investors and society as a whole will then have to pay a dear price. Don't tell me that we have to sacrifice our present prosperity and stability just because we have to hammer out the details of the universal suffrage. Will Hong Kong suffers before any benefit is gained?

Given that the details of the constitutional reform are of utmost importance, it is understandable that the Government needs more time for preparation. Nevertheless, I hope the SAR Government can strive to forge a consensus on and minimize differences over the consultation document later, so as to prevent division and internal conflicts in society. Hence, it is desirable for people from different sectors of society to start exploring and discussing some options in a peaceful and sensible manner before the consultation on the constitutional reform formally starts, and this should warrant our support.

Deputy President, as a Member, I should sincerely listen to different opinions of the people. However, I cannot agree with a small group of people who have taken advantage of the situation and asked Chief Executive LEUNG Chun-ying to step down. They have created conflicts and instability in society which will deal a blow to the authority and credibility of his governance.

Deputy Chairman, I so submit.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): Deputy President, Hong Kong is a free society. Under the protection of the Basic Law, people are vested with various rights, including the freedom of speech, of the press and of publication, as well as the freedom of association, of assembly, of procession and of demonstration. The Government

has all along strived to safeguard these various rights enjoyed by the people. It respects the public in using peaceful and rational means to express their views.

As public servants, our mission is to better serve the public and improve their livelihood; and in discharging our public duties, we take the overall and long-term interests of Hong Kong as a priority for administration. As a democratic, open, impartial and caring Government, we will humbly listen and seriously look into people's different aspirations.

As a matter of fact, in the past year, with the mission of "seeking change and maintaining stability and serving people with pragmatism" in mind, the Chief Executive have, together with the current-term Government, strived to promote economic development and progressively implemented various livelihood measures. They have also sought to adopt various channels in order to humbly listen to public opinions and understand people's aspirations. We honestly admit that in some policy areas, the SAR Government has not performed to the satisfaction of the people. We must review our achievements and failures in the past year and seriously learn from the experience, so as to optimize our future administration and meet the people's aspirations of the Government with our best efforts, thereby strengthening their confidence about the future.

Deputy President, today, on behalf of the SAR Government, we, including the Secretary for Commerce and Economic Development and, the Secretary for Labour and Welfare, will listen to Members' views on the economy, people's livelihood, constitutional system and human rights. We will respond in detail later.

Deputy President, I so submit.

DEPUTY PRESIDENT (in Cantonese): Secretary for Labour and Welfare, please.

(Secretary for Labour and Welfare shook his head to indicate that he did not wish to speak)

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): Deputy President, I wish to listen to Members' views first before responding to them. Thank you, Deputy President.

MR FREDERICK FUNG (in Cantonese): Deputy President, on 1 July this year, the people of Hong Kong again demonstrated to the world our good quality, exemplifying that we are peaceful and rational, and that we love democracy, pursue justice and defy authoritarian power. Despite the hoisting of tropical Cyclone Warning Signal No. 3, 430 000 people undauntedly took to the streets, braving the gusty wind and heavy rain. Deputy President, as you may know, the most popular slogan shouted by the marchers was "LEUNG Chun-ying, step down!" At this time of instability, when facing a liar who has no integrity and a government with no discipline, the people of Hong Kong have stepped forward bravely to say no to hypocrisy and called for the incompetent officials to step down. A government which does not attach importance to integrity and does not have the slightest degree of public mandate simply cannot rule Hong Kong. With much regret, in response to the protestors' aspirations, LEUNG Chun-ying has once again dodged, saying instead that the Government would continue to tackle problems concerning people's livelihood and housing, and that the consultation on the constitutional reform would be initiated at an appropriate juncture. His response has no substance. LEUNG Chung-ying, stop diverting people's attention and stop playing with the art of double talk. The people of Hong Kong do not want you to respond to their prompt actions with your half-hearted reply. The people of Hong Kong want you to step down immediately. If you remain in power, you will only challenge Hong Kong people's morality bottom line, wrong the pro-establishment camp and humiliate the people. Our society will continue to waste time and make no progress.

Deputy President, the present situation is that our top-class citizens are confronting a bottom-class Chief Executive and they also have to bear with a political system which lags seriously behind time. This is a total mismatch. This is the key reason why it is difficult for Hong Kong to achieve effective governance and foster harmony among people. Regrettably, the Central Government and the SAR Government have abandoned the right path and opted for a crooked way. This is not the way to directly resolve the deep-rooted problems in Hong Kong, nor the approach to introduce policy change, political reform and genuine universal suffrage. Ever since taking office, LEUNG Chun-ying has adopted nepotism and persistently undermined Hong Kong's edges

and its good traditions. He has also attempted to intimidate his opponents by unprecedentedly organizing and instigating his supporters to stir up conflicts like thugs and cause damage through violent acts. He thinks that this approach can create controversy and counterbalance opposing views. Deputy President, on 1 July this year, the suppression we were subjected to was more serious than ever. The tricks of maintaining stability adopted in the Mainland and Macao were replicated in Hong Kong. On the one hand, some people, claiming to strive for an urban performance venue, held the Dome Festival, though not in a dome, at the same time as the 1 July march, with the ulterior motive of drawing people away from the march. On the other hand, activities sponsored by the Government and the business sector in celebration of the handover were also held at the same time as the march, and time-limited discount coupons were distributed, which obviously were also tactics to attract participants of the 1 July march. The antagonistic flavour of the activities is strong, is it not? This vividly reflects the characteristics of LEUNG Chun-ying's administration. SHIU Sin-por of the Central Policy Unit said some time earlier that the Government would not always act passively under attacks; the Government would instigate its supporters to generate controversy and fight back. His remarks have now come true one after another. This is the crooked path that LEUNG Chun-ying has taken.

Deputy President, the Government led by LEUNG Chun-ying is beyond cure. Recently, when the media and people from different sectors of society assessed his first-year governance and performance, the comments were overwhelmingly negative. Instead of conducting a sincere self-reflection, admitting his wrongdoings and showing repentance, he prepared a so-call Report on the Work of the Current-term Government in its First Year (the Report), giving a day-to-day account of its work, the measures introduced and policies implemented. He has practically made a fool of himself. By so doing, he has revealed his intention to lay the blame on the bombs left behind by his predecessor and tell the public that he is trying to progressively clean up the mess. The ultimate aim is to cover up his incompetence. In the Report, he even attempted to claim the credit of the benevolent measures introduced by the previous Government, such as the \$2 elderly concessionary transport fare and paternity leave. Deputy President, you should remember that those proposals were discussed and passed by the last-term Legislative Council. He used his predecessor's strength to cover his own weaknesses. He is totally incompetent. These measures were included just to make up the number. What is more unbearable is his popularity. The people of Hong Kong have given their ratings

on the performance of his administration in the past year in various opinion polls. The polls conducted by the University of Hong Kong and The Chinese University of Hong Kong show that the ratings of LEUNG Chun-ying cannot be any lower. The net satisfactory level of the SAR Government is -31%, the level of distrust 36% and the percentage of people in support of LEUNG Chun-ying as the Chief Executive -28%. These three ratings were new record-low since he took office. How come he could still hypnotize himself and said shamelessly that he would not be complacent? Deputy President, what has happened to this world? He has completely reversed our basic values, saying black as white and white as black, and turning lies into truth. Those who did poorly in examinations should sincerely find out what is wrong and make improvement. They should study hard, rather than saying arrogantly that they have no room for complacency. Deputy President, is LEUNG Chun-ying ashamed of himself? With such poor results, how come he could still congratulate himself? There must be something wrong with him. He is so self-centred on every matter that he is obsessed with himself. He thinks that only he himself is sober while all the people are drunk. All the people in the world are wrong and have misunderstood him. Only his core supporters, who would make a deer out of a horse, say he is right. LEUNG's fans have not admonished him to turn over a new leaf; worse still, they have connived at or even encouraged him to use his supporting power to launch antagonistic and confrontational actions. LEUNG Chun-ying has solemnly said that he would "steer the righteous course", but the truth is that the "righteous course" seeks to cover up his crooked path.

Deputy President, the outdated political system and the arrogant, hypocritical and incompetent Government have distorted the political ecology of Hong Kong. Hong Kong simply cannot move forward under such a situation, not to mention achieving effective governance and fostering harmony among people, or attaining long-term peace and stability. Deputy President, the participants on 1 July march have already voiced a clear message. They called for the resignation of LEUNG Chun-ying. When we talk about Hong Kong's future, we often say that we have to think about the well-being of our next generation. LEUNG Chun-ying, have you thought about the well-being of our next generation? Would you please respond to the people and step down? We want long-term peace and stability. We want a political reform. We want genuine universal suffrage. We want LEUNG Chun-ying to step down.

MR LEUNG YIU-CHUNG (in Cantonese): Deputy President, on 1 July, hundreds of thousands of people, young and old, took to the streets under Strong

Wind Signal No. 3 (*Cough*) Sorry, Deputy President. People brought along their family members, young and old, braving the gusty wind and battering rain to join the procession to fight for democracy. Hong Kong people should be proud of themselves.

The public had, through this large-scale collective action, demonstrated their fervent and common aspirations. They had also voiced out loud and clear their disappointment and dissatisfaction with the current-term Government, sounding an alarm to the Government's administration. The theme of the march this year is "Masters of our own house: Universal suffrage NOW; Occupy Central: Poised to act". Apparently, Hong Kong people ask for democracy, so that their leader can be returned through a fair and just election system and in accordance with democratic procedures and principles. People have waited for years, hoping that this aspiration will be fulfilled, but regrettably, their aspiration has never been met. People are thus forced to fight for it in the form of civil disobedience. On the other hand, this also reflected the attitude of the SAR Government towards its regime. In particular, the way that it has stalled on responding to people's aspirations has driven people to take extreme actions to fight for their aspirations. In my opinion, the responsibility should be borne by the SAR Government.

In fact, under the administration of LEUNG Chun-ying's Government, society is plagued with serious internal divisions and oppositions and the situation has reached an extremely worrying state. Before the 1 July march, Chief Executive LEUNG Chun-ying unprecedentedly published a report on his first-year governance since he took office. But the so-called attainments could not suppress the surge of people's grievances. As one can imagine, in today's political situation, the regime has lost public mandate and the Government has lost the trust of the people, implicating that a major administrative crisis is looming over the current Government. Hence, if the SAR Government still refuses to establish a genuine democratic system through a constitutional reform, still refuses to break the deadlock between the executive authorities and the legislature by means of a fair and just election system with genuine competition and establish the legitimacy of its regime, there is no prospect for Hong Kong to move forward.

Deputy President, as a matter of fact, no matter it was before or after the 1 July protest, SAR Government officials have time and again stressed that consultation on the constitutional reform will be initiated at an appropriate

juncture. The Government maintains its empathetic attitude towards this earnest and long-standing aspiration of society. This naturally sparked discontent among the people. I thus earnestly hope that the SAR Government can face up to the people and the political situation. It should not ignore the people any longer.

People have put forth many different aspirations in the march, including demands for increasing housing supply, eliminating disparity between the rich and the poor, setting up a system of standard working hours, reforming the education system, paying more attention to landfills, fighting for equal rights for people of different sexual orientations, putting in place animal police, and so on. However, in my opinion, without a democratic system, the chance of achieving and realizing all these aspirations is slim. Thus, at the end of the day, we need a democratic political system. I hope that the SAR Government will treasure what it has now and expeditiously, or rather, immediately returning the political power to the people.

In this year's march, what is the loudest, clearest slogan chanted with the greatest support? It is "LEUNG Chun-ying, step down" as mentioned by Mr Frederick FUNG. Chief Executive LEUNG Chun-ying once promised that he would listen to people's aspirations whole-heartedly. Then, may I ask him how he would respond to this aspiration of the people? Moreover, the Chief Secretary for Administration also said that she would carefully listen to people's aspirations and take them into consideration in formulating future policies. Then, may I ask the Chief Secretary how she would respond to people's call for the stepping down of LEUNG Chun-ying? How would she consider this aspiration in formulating future policies? Deputy President, today, people used their feet to tell the SAR Government their distrust of the authorities. Then, how would the authorities respond to the people in formulating policy directives?

Today, our aspiration is clear. Although people from different sectors of society have very different aspirations, they are like "tens thousand Buddhas heading towards a common goal", a description used by another Member just now, and their goal is to elect the Chief Executive and Legislative Council Members through a truly fair and just democratic election. By so doing, we can exercise our civil rights and our Government can be monitored by the people. The Government will be transparent in its operation. The people will thus be able to urge the Government to make progress. This is the biggest merit of a democratic system. Hence, I hope the Government will never adopt a stalling

tactic again and hinder the progress of democracy. Will the Government please conduct a political reform right now?

MR CHEUNG KWOK-CHE (in Cantonese): Deputy President, Typhoon Signal No. 3 was hoisted on 1 July. Under the gusty wind and torrential downpour, 430 000 Hong Kong people took part in the 1 July march. Statistics from the police and the scholars both indicate that the number of participants is a new record-high since the march in 2003 in which 500 000 people had joined.

CHENG Yiu-tong said on 1 July that some 220 000 members of the public joined the activities in celebration of the handover. He might wish to hint that the number of participants of the handover celebration activities was not small either, thus trying to play down the fact that 430 000 people joined the march. On the eve of the 1 July march, LEUNG Chun-ying published his first annual report on his governance after taking office. The pro-establishment camp immediately made their supporting stance clear and mobilized the District Councils to oppose the "Occupy Central with Love and Peace" movement. Even the People's Liberation Army staged several drills, in order to play down the 1 July march. The authorities had adopted a carrot and stick approach, exhausting every possible means. Unable to reason with the people, the Government had resorted to different threatening means. This shows that the reason is on the side of the people. The handover celebration activities, which incurred a large sum of money, intended to draw people from the march and were not totally ineffective. It has never been difficult to organize activities like offering snake feasts, vegetarian feasts, moon cakes and rice dumplings; but it is not easy at all to mobilize 430 000 people, including the elderly, the disabled and children, to participate in a march under gusty wind and heavy rain with Typhoon Signal No. 3 hoisted. This will catch the attention of the world, alarming people that a serious problem has occurred in Hong Kong.

In response to reporters' questions that night, ZHANG Xiaoming, Director of the Liaison Office of the Central People's Government in the HKSAR said that the large number of participants showed that Hong Kong people were fully entitled to freedom and rights under "one country, two systems". His response totally distorted the truth. Precisely because Hong Kong people have been increasingly deprived of their freedom and rights that has driven them to protest on the streets.

I was in the march that whole afternoon. The loudest and clearest slogans that I heard were "LEUNG Chun-ying, Step Down!" and "Universal Suffrage for Chief Executive". LEUNG Chun-ying has been in office for one year. He claimed that he would focus on livelihood problems, particularly housing problem. However, we now find that his policies are ineffective and members of his governing team have been entangled in scandals one after another. For instance, MAK Chai-kwong allegedly made fraudulent claims of housing benefits; Paul CHAN allegedly rented sub-divided units for profits; Franklin LAM allegedly jumped the gun in selling his property; and Barry CHEUNG allegedly involved in commercial fraud. All these incidents show that LEUNG Chun-ying lacks the ability to appoint political talents. He even used public offices such as appointment to the Executive Council and the Central Policy Unit as political rewards. All these facts illustrate that the Chief Executive is incompetent and lacks integrity. It is not groundless that people demand him to step down.

Besides, the calls for universal suffrage of the Chief Executive are strong. In the beginning of this year, the Central Government released the information that candidates who confronted the Central Authority could not be the Chief Executive. This remark lays the foundation for a screening mechanism in the election of the Chief Executive by universal suffrage in 2017, reflecting that the Central Authority is totally incapable of feeling the public pulse of Hong Kong. The public were furious about the political chaos and social problems that have arisen in the past 15 years after the handover and the performance of the past three Chief Executives who were not subject to public monitoring and took great pains to appease the Central Government and large consortia. The people of Hong Kong are all aware of these facts. That is why they know that election of the Chief Executive by universal suffrage in 2017 is very important. It is a critical step which matters the continual downfall or redevelopment of Hong Kong. The fact is laid before us, but the pro-establishment camp still uses verbal violence under the direction of the Central Government to threaten Hong Kong people and supports the forming of patriotic groups to counter public opinion. However, hundreds of thousands of people braved the bad weather and took to the streets on 1 July. They showed their support of democracy. I hope the Central Government can understand that Hong Kong people are rational. As long as an action is justified and righteous, they will not step back. Their fighting spirit will only be stronger in face of greater suppression.

Deputy President, people often take to the streets *en masse* due to problems with the institution. It will be fruitless if the institution itself does not tackle its

problems. Modern politics is a kind of public administration which emphasizes that the power of the entire society should be involved in the administration, and that civil power should be separated from the power of the Government so as to achieve checks and balances, and they should share the responsibility of social administration together. In fact, the checks and balances generated by universal suffrage can monitor the Government and open up the obstructed channels of governance, thereby minimizing blunders and enhancing effectiveness of governance.

Deputy President, I hold that the Government should immediately initiate the consultation procedure, so as to let the public start discussing a universal suffrage package with no screening in electing the Chief Executive (*The buzzer sounded*)

With these remarks, Deputy President, I support the motion.

MR RONNY TONG (in Cantonese): Deputy President, if one had not attended the 4 June vigil in Victoria Park, he could not understand the patriotism of Hong Kong people. If one had not participated in the 1 July march, he could not experience the unified and determined power of Hong Kong people in their fight for universal suffrage.

Deputy President, I was at Causeway Bay on that day standing for more than six hours. I was wet through from head to toe in the rain. Even if I did not see all the marchers, I believe I should have at least seen half of them. They are the general public. They are not people who are radical, use abusive language and defy orders as you may have thought. They joined the march with young children and the elderly. Many of them brought their children along and marched in the rain with an umbrella. They would unhesitatingly share the umbrella with those around them if they did not have one. This spirit of mutual help and respect is hard to find elsewhere. Let us honestly ask ourselves, where in the world could we find hundreds of thousands of people braving the gusty wind and torrential rain under Typhoon Signal No. 3 and coming out just to express the same aspiration? Is there such a place? Can we find a place where people act so orderly? But Deputy President, what do we get in return? In return, Hong Kong people were slapped in the face by the SAR Government or the Chief Executive.

Deputy President, the response of the Government was formulaic. It was the same statement that has been read over and over again in the past 10 years. I can easily repeat it here, "We respect the freedom of expression of Hong Kong people; and we will carefully listen to people's aspirations." The Government has made the same statement in the past 10 years, without changing one word. What is more humiliating to Hong Kong people is that, on the same day, Maria TAM received the Grand Bauhinia Medal from the Chief Executive. I am not saying that she does not deserve the medal. But on that very same day the Chief Executive awarded the Grand Bauhinia Medal to someone who once said that universal suffrage precluded the right to stand for election or to make nomination. More than one hundred thousand people took to the streets to fight for universal suffrage, but the Chief Executive awarded the Grand Bauhinia Medal to such a person. This is not the only case. Deputy President, who have also been awarded by the Chief Executive? Prof LEE Chack-fan and Dr TIK Chi-yuen. They both support national education, something which Hong Kong people cannot agree with. The Chief Executive also awarded a medal to District Council member YEUNG Tze-hei who actively supported the proposal of installing 200 flower pots at a cost of \$2 million public money to drive away 20-odd homeless street sleepers.

The performance of the Chief Executive on that day utterly ran counter to the aspirations of Hong Kong people. Not only was he deaf and blind, he even did something contrary to the people's aspirations. Hence, Deputy President, many friends of mine blamed me and said, "Why do you ask him to respond to the aspirations of Hong Kong people? You obviously know that he will not truly respond. Though he well understands what you are asking for, he would not agree with you, he would simply ignore you. Why ask him for his response?" Deputy President, sometimes, it is really hard to say. Using their logics, I simply should not be standing here. Even if I am standing here, I cannot fight for anything. However, what is commendable about Hong Kong people is that they have determination and stamina, and they will continue to fight for this cause.

However, I must respond to what Mr Christopher CHEUNG said just now. He said, "Why do a small bunch of people have to organize the Occupy Central movement?" If you had taken part in the 1 July march and saw hundreds of thousands or several hundreds of thousands of people braving the gusty wind and heavy rain to fight for universal suffrage, but were still unable to get any response from the Government, you would know why some people would advocate

"Occupy Central". I believe Mr CHEUNG has not read *Outlaws of the Marsh* (水滸傳). I am sure LEUNG Chun-ying has not read the novel as well, or he fails to get the essence after reading the novel. I say so because he does not understand at all the meaning of "a government driving the people to revolt". We have now reached a point that the people are driven to revolt by the Government, but he said, "Now is not the appropriate juncture for consultation. I awarded a Grand Bauhinia Medal to Miss Maria TAM, so what?" Under such a social climate, do you have reasons to query that people would not occupy Central, apart from taking to the streets? The blame is entirely on the SAR Government and on LEUNG Chun-ying himself.

Deputy President, I would not say that the efforts of Hong Kong people in joining the march on 1 July are in vain because every little effort made and every drop of tears shed are a manifesto of Hong Kong people's insistence on upholding their core values. I do not think Hong Kong people should yield to governance which practices favouritism and abandons the core values. I do not think that Hong Kong people should refrain from expressing their ideals. Even if we fail, it is not our fault. Even if we fail to fight for universal suffrage, it is not our fault. History itself will pass a fair judgment on our actions.

Thank you, Deputy President.

MR JEFFREY LAM (in Cantonese): Deputy President, ever since the handover, many people would join the march on 1 July each year to express their aspirations. Despite the hoisting of Typhoon Signal No. 3, many people braved the wind and rain and joined the march this year to voice their views on the policies implemented by the Government. The SAR Government should carefully listen to their views, so as to promote economic development more effectively, improve people's livelihood and facilitate the development of democracy.

The march also reflects that after the handover, the Central Government and SAR Government have put in practice the stipulations under Article 27 of the Basic Law and fully protected the freedom of speech, of assembly, of procession and of demonstration of Hong Kong people. I believe that on the premise of respect for the Basic Law and compliance with the rule of law, the rights and freedoms enjoyed by Hong Kong people will definitely be valued and protected.

Deputy President, I notice that the 1 July march this year is similar to the one held last year, in that people also have all kinds of aspirations, such as high property prices, soaring rents, young people lacking the opportunities for upward mobility; as well as aspiration for constitutional reform, such as implementing universal suffrage and speeding up the progress of democracy. While some views are about governance and administration, some focus on district affairs. The aspirations cover different levels of society and different policy portfolios. I understand that people have the right to express their aspirations and agree that most of them have done so in a peaceful and rational manner in compliance with the rule of law. Some people are of the view that processions and demonstrations are a means to express their aspirations and other people believe that communication and compromise are other means which can improve governance and make it easier to foster consensus on policies. But whatever the means of expression people adopt, the SAR Government should carefully listen to their aspirations expressed and actively find a solution.

Deputy President, in fact, most members of the commercial and industrial sector may not choose processions as their means to express their aspirations. But this does not mean that

(Mr James TO requested a headcount)

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

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

MR JEFFREY LAM (in Cantonese): I cannot imagine that so many people wish to listen to me.

DEPUTY PRESIDENT (in Cantonese): Mr Jeffrey LAM, please continue.

MR JEFFREY LAM (in Cantonese): Deputy President, in fact, most members of the commercial and industrial sectors may not choose processions as their

means to express their aspirations. But this does not mean that we, members of the commercial and industrial sectors do not have aspirations. We often express our views to the Government, requesting it to put in place more positive policies to maintain a favourable business environment and attract more foreign investment. We are against implementing policies such as standard working hours in Hong Kong, which will affect the costs and operation of enterprises. We are also dissatisfied with high rents, expensive raw materials and hiking wages, which increase the operating costs of enterprises. We have been making proposals to the Government, suggesting that foreign labour should be flexibly imported on the premise of not undermining the employment of local labour, so as to alleviate the problem of insufficient workforce in certain sectors. We hope that the Government can introduce preferential policies to attract more outstanding talents.

However, we, the commercial, industrial and the professional sectors doubt whether the Government will immediately satisfy all our aspirations even if we take to the streets. We certainly do not think so. In formulating policies acceptable to all Hong Kong people, the Government will have a set of principles to follow and it will have to consider and assess the policies thoroughly and consult the views of different stakeholders. Thus, the commercial and industrial sectors do not think that we need to resort to extreme means to express our aspirations. On the contrary, we prefer conducting proper surveys, studies and data analyses, so as to lay out the facts and explain our grounds. And then we will put forth our proposals and rationally and frankly communicate with the Government, with a view to finalizing policies under mutual understanding.

Deputy President, in recent years, the atmosphere of society has changed drastically. In every procession, assembly or demonstration, we often find some members of the public clashing with the police and some are dissatisfied with the police's arrangements. Nevertheless, we cannot rule out the possibility that some such incidents are deliberate attempts to provoke the police. According to Article 4 of the Basic Law, the SAR Government will safeguard the rights and freedoms of HKSAR residents and other persons in the Region in accordance with law. In handling demonstrations and processions, the police have to safeguard the rights of procession and demonstration of the people; on the other hand, they have to ensure that processions are carried out orderly and that public safety and the needs of other parties are not jeopardized. For instance, the rights of other road users and safety of the pedestrians have to be properly looked after. I notice that the police have an established policy to handle processions and

demonstrations. I also notice that front-line policemen have exercised great self-control. In fact, the policemen also have their aspirations. They are also dissatisfied about the civil service pay adjustment. However, the policemen still stand fast to their duties with great dedication and discipline. Their performance is commendable.

Deputy President, the 1 July march this year had passed. I believe the Government has taken note of the many aspirations. In the past year since the new Government was in office, the public have anticipated and followed closely its policies under different portfolios, particularly about the constitutional reform. The subject is prominently raised in the procession this year and it is relatively more controversial. Hence, before handling the constitutional reform, the Government should focus its efforts on promoting the economy, enhancing our competitiveness, improving people's livelihood and alleviating their livelihood pressure, thereby creating a harmonious social atmosphere for the consultation on the constitutional reform to be commenced in the future, and forging a consensus on the issue through peaceful and rational means.

Deputy President, I so submit.

DR KWOK KA-KI (in Cantonese): Deputy President, 1 July this year is unique in the sense that it marks the 10th anniversary of the march held on the same date in 2003. Members should recall that on 1 July 2003, an estimated 500 000 or so people took to the streets. Some even put the number to 1 million. Over the decade, the SAR Government has not only made no improvement to its governance, its administration is turning from bad to worse.

While a debate is still going on about the number of participants in the march, I wish to make three points. First, with Typhoon Signal No. 3 being hoisted on 1 July this year, extreme winds and torrential rain were expected. Second, as we all knew, the police, including "bald eagle" Andy TSANG, had made it clear that tough enforcement actions would be taken. Third, some patriotic groups bearing the word "love" in their name had foretold that they would wreak havoc. Under these circumstances, 430 000 or so people still took to the streets, which was indeed a big sign of warning.

According to a comment in *Global Times*, the march has become a normal practice in Hong Kong. Let me give Members a brief account of such "normal

practice" of Hong Kong. The first 1 July march, held on 1 July 1997, had a turnout of 3 000. Turnouts for subsequent years were 40 in 1998, 500 in 1999, 3 700 in 2000, 700 in 2001 and 350 in 2002. In 2003, in the face of the legislation of Article 23 of the Basic Law as well as an incompetent government coupled with fiascos in respect of governance, more than 500 000 people took to the streets on 1 July that year to express their dissatisfaction.

The 1 July march in 2004 was joined by 530 000 people. But after 2004 and 2005, over the brief period after TUNG Chee-hwa stepped down on the excuse of leg pain and Donald TSANG succeeded him in haste, members of the public might still have some fantasy, thinking that a senior civil servant returned through a coterie election might not be so much of a problem. If there were a crystal ball for members of the public to have a glimpse of "Greedy TSANG", there would have been more than 21 000 and 58 000 people joining the 1 July marches in 2005 and 2006 respectively.

The march was joined by 76 000 people in 2009, followed by 52 000 in 2010. In 2011, the Government attempted to push through the political reform package which baffled the public, so 218 000 people took to the streets that year. In 2012, through a coterie election, 689 members of the Election Committee selected LEUNG Chun-ying as the Chief Executive. This "magnificent" coterie election, under the directorship of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (LOCPG), made 400 000 Hong Kong people take to the streets in protest on 1 July last year. On the anniversary of reunification on 1 July this year, nothing was worth celebrating, but there were various fiascos in respect of governance that took public anger to the rim. Hence, 430 000 people took to the streets to express their dissatisfaction on that day.

Therefore, this is not a normal practice. If not for the various absurdity and distortion allowed for under the SAR Government, the coterie election, constitutional development and so on over the years, there would not be hundreds of thousands of people taking to the streets. Deputy President, my voice turned hoarse because I kept shouting slogans for eight hours non-stop on that day. Despite the toil, I had to keep shouting, because those joining the march suffered more than me.

On that day, the last batch of people in the procession could not set off until around 6 pm. They had been waiting in the Victoria Park for more than three

hours, but there were no grievances or turmoil, not even a single word of complaint. Most of them were very peaceful. Some went with their partners, some were seniors and children, and some were pushing prams. They are the Hong Kong people known as "the silent majority". Yet, when we shouted a slogan, this group of "silent majority" could not remain silent. When they heard "I want universal suffrage", they would respond with "I want universal suffrage"; when someone shouted "LEUNG Chun-ying", they would respond with "Step down!" Hence, the slogan "LEUNG Chun-ying, step down" reverberated along Hennessy Road throughout the day loud and clear.

Some remarked that the aspirations voiced in the march this year were multifarious, and that people took to the streets for various reasons. Nevertheless, most members of the public are aware that the march this year is themed "Masters of our own house: Universal suffrage NOW; Occupy Central: Poised to act". Of course, there were 10 to 20 other different aspirations, which included housing, the Government's "blind donation" of \$100 million, Radio Television Hong Kong and abuse of police power. Yet, all boiled down to a common root, that is, the absurdity, stagnation and distortion of the current constitutional makeup.

(THE PRESIDENT resumed the Chair)

After listening to the speech of Mr Jeffrey LAM on behalf of the business sector earlier, I could not help feeling agonized. The business sector is one with vested interests in the coterie election. The number of seats they hold in the functional constituencies is a little less than half due to the existence of "super District Council members", but they have a say when it comes to Members representing those constituencies, so they may sit down and negotiate with the LOCPG and LEUNG Chun-ying. Regrettably, most members of the public are devoid of such channel and opportunity. Even though half of the votes go to Members representing the pro-democracy camp, there is still no way to make such an influence. Amid such distortion and absurdity, they have no alternatives but resort to a peaceful way, that is, taking to the streets on 1 July.

If the Government responds as such, or if our Chief Executive becomes another "king of sound bites" after Leon LAI, saying that he will not feel complacent, I am really not sure if he wants to have another 1 million people

taking to the streets or what he should be complacent. Yet, when members of the public have such a Chief Executive and when universal suffrage is still not implemented, I believe that more people will take to the streets on 1 July next year (*The buzzer sounded*) I so submit. Thank you, President.

MR ALBERT CHAN (in Cantonese): President, first of all, I would like to highly commend those Hong Kong and Mainland residents who bravely took to the streets on 1 July this year amidst a stormy weather when a Strong Wind Signal No. 3 was hoisted. I would like to particularly thank those who continued to support the People Power at a time when the People Power is beset with troubles and affected by internal and external conflicts. I hereby express my heartfelt gratitude to them.

President, I am wearing a headband today. The headband has two sides, one of which is printed with words "Recover Hong Kong", and the other "Return Universal Suffrage to Us". This headband is specifically designed for the 1 July march this year, and also for the hunger strike initiated by the Anti-CY Alliance and People Power. Mr CHAN Chi-chuen and I have been going on a hunger strike for more than 41 hours, and we have only drunk plain water during this period. My 50-hour hunger strike will end at 12 midnight tonight, and Mr CHAN Chi-chuen will continue with his hunger strike indefinitely, or for at least seven days or even 10 days.

President, why do we strive for democracy and struggle through hunger strike? In our view, it is no longer sufficient for Hong Kong people to support our struggle through their feet, voices and money donation. In history, no autocratic regime would ever mercifully grant its people democracy; all successful struggles and democratic movements in history were accomplished at the expense of blood and life. The British Empire once claimed to be the greatest military power in the world, and India was under its colonial rule. Mr GANDHI went on hunger strikes for 18 times, and on three occasions, he went without food for 21 days. Only then could he unite and lead Indian people to force the British Empire to relinquish the colony, and successfully strive for democracy and independence for India.

In fact, Hong Kong is a *de facto* colony. In 1997, Hong Kong turned from a British colony to a colony of the communist-ruled People's Republic of China. The status of Hong Kong people is no different from that before 1997, and most

of them are still second-class citizens. Apart from the President, a great number of Honourable Members, and the 1 200 members of the small-coterie election who belong to the privileged classes, the remaining 7 million people in Hong Kong are all second-class, third-class citizens. For this reason, in order to strive for democracy, we must emulate GANDHI as well as the martyrs of the Irish Republican Army. The ultimate independence of Ireland was due to, apart from military combats, hunger strikes. Ten people in the Irish Republican Army died from hunger strikes successively. Hunger strikes also take place in Taiwan. SHIH Ming-te, leader of the Democratic Progressive Party, had been imprisoned for over 20 years, and he had gone on hunger strikes for numerous times. When he was on hunger strikes in prison, he was forced to take food for 3 040 times, so as to sustain his life. Therefore, if Hong Kong people continue to use peaceful, rational and non-violent means, instead of intensifying hunger strike is also a peaceful, rational and non-violent means that can awaken the people. If one person goes on hunger strike, his relatives, friends and colleagues will show concern; if 10 000 people go on hunger strike, over 1 million people will probably pay attention to the message they want to convey through the strike.

Therefore, our hunger strike this time does not mean sacrificing our lives. We merely hope to awaken Hong Kong people to participate in this movement. We will go on relay hunger strike, with each participant abstaining from food for 50 hours. We will finish the first round at 12 midnight tonight, and the number of registered participants is sufficient to carry on the hunger strike for seven to eight rounds. A couple aged 60-odd years have registered to join the strike. They are only ordinary people, but in their view, the existing mode of marching on 1 July is not forceful enough. The power of the people must be strongly and powerfully manifested. If our aspirations continue to be rejected, we will initiate the non-co-operation movement that I have advocated over the years. We will paralyse Central, and paralyse the economy. We will endeavour to make the privileged feel the sting and pain, and challenge or even damage the governance and leadership of the Government; otherwise they will not succumb to any negotiation. Can you ask LI Ka-shing and real estate tycoons to sit down with us for discussions? Will the politically privileged class grant us democracy in this way? They will not. We must damage the financial system of Hong Kong, damage the economic order of Hong Kong, and fully paralyse Central. Ten vehicles are enough for paralysing the traffic of Central if they break down at any key traffic spots at the same time. If one morning, 10 vehicles break down at the same time, and someone presses a button to report an incident on the MTR train compartment, the whole MTR system will be brought to a halt, and the

economic order of Hong Kong as a whole will then be paralysed. If we take such actions repeatedly, will you, the privileged, return universal suffrage to us? If we continue to adopt the existing moderate practice in Hong Kong, we will never get democracy for Hong Kong.

Therefore, we must escalate our struggle into civil disobedience. To occupy Central, we must paralyse Central, otherwise the occupation will be weak and powerless. For this reason, I hope Members would join us in our hunger strike, continue to confront and support the escalation of our resistance, until there is democracy in Hong Kong.

MS CYD HO (in Cantonese): President, some time between spring and summer in 2003, Hong Kong people were faced with the outbreak of SARS; and in a wink, 10 years had gone by. At that time, the Government had, for the sake of stabilizing the economy, handled the epidemic in a highly low profile manner, and the Secretary in charge of healthcare and hygiene even claimed that there was no outbreak in the community, which had eventually incited public anger. Initially, the SAR Government was even unwilling to use the term "SARS" to depict the disease, and used the term "SASR" instead. The then Policy Bureau was even unwilling to announce the name of those buildings with infected cases. Ultimately, the relevant information was released by a civic society website called "So Sick", which had become a pioneer of civic society. In the end, it was members of the public who had helped themselves. Civil servants and professionals had steadfastly guarded their posts to provide services to Hong Kong people with full display of admirable professionalism. In tiding over the difficulty together, the entire society had become aware of the power of civic society.

At that time, everyone wore a mask and dared not have close contact with friends and families. Some nurses did not even dare take the mask off when they went home after work for fear of spreading the disease to their family members. They even wore a mask when they went to bed. These acts of self-isolation and self-prohibition exactly gave Hong Kong citizens a chance to experience the pain of being gagged and silenced. They became aware of the suffering if they were deprived of free speech under the legislation to implement Article 23 of the Basic Law, as well as the terrible implications of provisions under Article 23 of the Basic Law. People could also experience for themselves the dreadful restrictions imposed after the enactment of the draconian law.

In June 2003, the epidemic finally died down, but the authorities still obstinately wanted to force through the implementation of Article 23 of the Basic Law; they still wanted to enact laws which prohibited people's freedom and implicated the innocent people. Finally, people chose to step forward and take action even for a hopeless cause; they took to the streets on 1 July. Apart from toppling TUNG Chee-hwa, what was their greatest motivation? People wanted to tell government officials not to fool Hong Kong people, thinking that the general public would believe in what they had said. That was why people took to the streets to tell the then Directors of Bureaux and government officials that their lies could not fool Hong Kong people; that was why people insisted on entering the Victoria Park and be counted so that the Government could not deliberately underestimate the number of participants for the sake of concealing the truth.

In fact, an opinion survey conducted by the then Central Policy Unit in mid-June already pointed out that 18% of the respondents indicated that they would take to the streets, and a study conducted after 1 July revealed that 25% of the respondents indicated that they had taken to the streets on 1 July. Hence, the number of 500 000 people is obviously an under-estimation. In fact, at present the Government still adopts the strategy of plugging its ears while stealing the bell. In order to preserve stability, it has underestimated the number of protestors on the one hand, and belittled people's anger on the other. In 2003, they tried to cover people's mouth; in 2013, they tried to cover people's eyes and heart.

Just now, Mr Christopher CHEUNG said in his speech that the issue of universal suffrage only involved detailed arrangements, and we should not engage in disputes. President, as you can also see, this so-called detailed arrangement is about whether there is any screening in nomination. If they insist on screening the nominees, only those acceptable by the Central Authorities would be nominated and elected, while the so-called "one person, one vote" elections to be held in the future are actually just voting without choices, which is not conducive to improving Hong Kong's governance. Just now, Mr CHEUNG also said that some Members had exploited the chance to condemn the Government on the pretext of 1 July, this is a tactic to isolate the voice of the opposition as the minority. In fact, not just Members or the Council, but also members of the general public, are condemning the Government. The Government has been using these tricks since 2003. Yet, it is precisely because of such tricks to conceal the truth that have incited even greater public anger.

Yesterday, *Global Times* pointed out that the 1 July every year had almost become a tradition in the SAR, which made it almost sounded as if 1 July was a festivity, but the underlying message is that, "It is merely a child throwing a tantrum." However, I can tell the Government that if they continue to belittle or despise people's anger, the silent majority will most likely erupt. The silent majority do not support the Government. As shown by an opinion survey we conducted in 2010, 70% of the respondents indicated that the functional constituencies should be abolished; in 2012, two thirds of the respondents supported the legislation against discrimination on the ground of sexual orientation. Has the Government heeded those views? Those are the silent majority.

On 1 July, Rubber Band, a Hong Kong band, took part in the so-called "stability preservation concert", but in the concert, they sang the song titled "Do you hear the people sing", with three lines of lyrics as follows: "Can you hear the people sing? It is the music of angry men. It is music of the people who will not be slaved again." Has the Government heard what the people say? Does the Government understand the reason for people's anger? Does it understand that many people are being enslaved each day under the economic policy formulated jointly by the Government and the business sector? Increasingly, more and more people have come out boldly. Rubber Band also took part in the 1 July march after their performance in the concert. Now, Denise HO and Anthony WONG also station at on-street booths because the consequence of silence is even more terrifying.

However, to date, Hong Kong's situation is actually even worse than that in 2003. Legislation to implement Article 23 of the Basic Law is being taken forward in a piecemeal manner. Surveillance on the people has been legalized through the empowering legislation of the Interception of Communications and Surveillance Ordinance. Press and speech freedom has regressed as even Sam NG, an insignificant person, was dismissed by the Radio Television Hong Kong because he insisted on presenting the facts and the reasons. Regarding the wealth gap, whenever a financial turmoil happens, the grassroots have to live with exploitation and salary cuts, but when the economy rebounds, the increasing inflow of hot money will push up property prices and shop rental, resulting in a higher inflation rate.

All these matters are telling the people that only genuine universal suffrage can bring about smooth governance in Hong Kong and real relief to people's

hardship. President, I urge the Government not to shirk its responsibility because Hong Kong people have already become fearless. Imprisonment and criminal liability are not what we desire, but the consequence of silence is even more terrifying. Thank you.

DR KENNETH CHAN (in Cantonese): President, I must pay tribute to members of the public who took to the streets on 1 July braving the wind and rain under Typhoon Signal No. 3 and insisting on marching from Victoria Park to Central. I must also pay tribute to Mr CHAN Chi-chuen who will speak immediately after me because he and his friends have been staging a hunger strike from 1 July to date, solely for the objective of implementing a fair and genuine democratic election system in Hong Kong as soon as possible.

President, many Members are speaking with a hoarse voice today because we were actually shouting continuously on the day of 1 July. For Mr Christopher CHEUNG and other Members of the pro-establishment camp, these shouts were perhaps just noises, but we were in fact shouting for Hong Kong on that day, for our hope and vision. At the loudest of our voices and the greatest of our strength, and joined by every citizen in the territory taking part in the match, we expressed the demand for LEUNG Chun-ying to step down.

President, before 1 July, LEUNG Chun-ying published his so-called Report on the Work of the Government. The part on Administration and Constitutional System is presented in such a way that pictures feature more prominently and profusely than words. The two points in two paragraphs only add up to some 80 words. Actually, has this Government really taken heed of public opinion? Not a bit. The title of the English version of the Report is even more puzzling — "Seek Change Maintain Stability. Serve the People with Pragmatism. Report on the Work of the Current-term Government in its First Year" — the title expressed in 20-odd words is packed with empty expressions and slogans such as "Change", "Stability", "Pragmatism" or realism, which are mind-boggling. Where does this Government really want to take us to? Since I joined this Council from October last year, I have already listened to numerous debates and questions; in fact, are Members of the pro-establishment camp not also full of grievances themselves? They have also asked the same questions, that is, where does LEUNG Chun-ying and this "LEUNG's team" really want to take Hong Kong people to?

In fact, concepts like "Change", "Stability" and "Pragmatism" can seemingly help the Government explain many things. When it wants to implement a certain policy, it can explain with these three words; when it does not want to implement a certain policy, it can also explain with these three words. But, does this Government understand why Hong Kong people have clearly indicated in public opinion surveys time and again that its performance has been unsatisfactory since it came to office? The simplest and most basic facts are that, as all Hong Kong people are aware of, this Government is, first and foremost, inherently defective because of its coterie nature as it was elected by the 1 200 members of the Election Committee. Then, LEUNG Chun-ying's credibility dives further because of the unauthorized building works saga, the dispute arising from the national education curriculum, the "LEUNG's fans" or the Barry CHEUNG incident, and so on.

Another simple and basic fact is that for any government around the world, including ours in Hong Kong, effective governance must first start from the people's trust, that is, it must have the endorsement, acceptance and agreement of the people. By "the people", I do not just mean those who shouted loudly "CY, I love you" or "CY, I support you" in Tamar Park on 1 July. Instead, it is about how to make members of the public in each and every corner of the territory feel that this Government is having the same pulse rate and heart beat as theirs? Facing the present situation, LEUNG Chun-ying only has six options. Being at a crossroads, he either chooses to do the right thing or chooses the wrong thing — when he chooses to do the wrong thing, he should step down as soon as possible so as not to "obstruct the Earth's rotation", as a Cantonese colloquial expression goes. He should not play the game of "crossing the river by groping the stones" in DENG Xiaoping's ideology because the river has already overflowed by the high tide of public grievances, and this Government could be washed away by public opinion at any time.

Among the six options, the first one is: Whether the Chief Executive election will be held without screening, that is, is it going to be a *bona fide* direct election of "one person, one vote", or a bogus universal suffrage with screening? Second, will the Legislative Council be allowed to fully return power to the people, so that the Legislative Council will be formed through fair and impartial elections, participated by all citizens, or will the privileges of the functional constituencies be maintained? The third option is, will we discuss with the people to foster consensus on resolving a series of policy issues, or will the existing approach be adopted to recruit elites by awarding some honours or

conducting some outmoded consultation exercises to solicit the so-called public opinions?

Fourth, regarding the civic society, particularly voices of sharp criticisms against the Government in the civic society, whether the Government regards them as partners so that they would realize that they can, through efforts and concern, promote the policies to reform in a more fair and just direction, or does the Government regard these civic organizations as a group of unruly people, thereby forcing them to be opponents forever? Fifth, will this Government allow the public the full right to know, and expeditiously enact legislation on the freedom of information and archive law, or will the Government choose to cover up its mistakes through political spinning? Lastly, is the planning of our public services made through a top-down approach inside air-conditioned offices, presuming that objectives have been set on policy administration, or should a user-based approach or a people-based approach be adopted?

President, all these questions are difficult to resolve. But lately, the Government has been making the Chief Secretary, Mrs Carrie LAM, responsible for everything such as the West Kowloon Cultural District, population policy, poverty alleviation, and even landfills. This Government has already become rotten and decayed. We demand that LEUNG Chun-ying should immediately step down and return the right of universal suffrage to us.

I so submit.

MR CHAN CHI-CHUEN (in Cantonese): President, this motion debate is extremely ridiculous. Nonetheless, even a Member in hunger strike must hurry back to the Chamber and speak. The wording of this motion is as follows, "That this Council urges the Administration to face up to the dissatisfaction with LEUNG Chun-ying's Government expressed by the people participating in the march on 1 July this year and their relevant aspirations." Is the SAR Government blind and deaf? Are Hong Kong people speaking in some foreign language or codes such that only Members of the Legislative Council know how to decode and relay the messages to the Government?

If somebody is in hunger strike, you can intubate, inject or force-feed him to stop him from dying. But if somebody refuses to see certain things, even if you hold his head and open his eyes, he still sees nothing.

In each year's 1 July march, various aspirations were raised by members of the public. Their demands are indeed varied, or as the Chinese saying goes, like "one hundred flowers blooming". However, the pro-establishment camp, Hong Kong Government, or even the Central Authorities are most fond of using this as an excuse to downplay the demands made by the people participating in the 1 July march because not all of these different demands are related to the fight for genuine universal suffrage; other demands may include labour rights, animal rights and equal rights for homosexuals. For instance, various livelihood issues such as standard working hours, animal police and legislation against discrimination on the ground of sexual orientation have all been sacrificed under the distorted system of separate voting. For the majority of such demands, no progress has been made at all over the years, and the culprit of their last-minute failure is the absence of a genuine universal suffrage.

This year, hundreds of thousands of Hong Kong people participating in the 1 July march shared one thing in common, that is, whenever somebody shouted, "Wolf LEUNG, step down" As people participating in the march departed from Victoria Park for the destination of Chater Garden, whenever somebody shouted the name "LEUNG Chun-ying", others would chant the response: "Step down!" Therefore, the wording of this motion should be revised as follows, "That this Council urges LEUNG Chun-ying to face up to the dissatisfaction with him as expressed by the people participating in the march on 1 July this year and step down immediately."

The demand of the people participating in the 1 July march is loud and clear and unanimous, and the people's angry howls have resonated through the clouds. If he is willing to listen, he would surely hear it, he would be awakened even if he was asleep. However, there is a kind of people in the world who is difficult to be awakened, that is, those who pretend to be asleep. When he heard the people shout in unison: "LEUNG Chun-ying, step down", he must continue to "play dumb". Does LEUNG Chun-ying think that he can be let off scot-free after 1 July, or that he can "do whatsoever" after 1 July? Hong Kong people are very nice, and they would take to the streets on 1 July every year, and Hong Kong people can be very patient at the same time. After taking to the streets on 1 July, if the Government does not respond, they would continue with their normal life if nothing has happened, as the lyrics of a Cantonese song goes, "You keep on living your own life, and I keep on being busy". They would take to the street again on 1 July next year.

Nonetheless, lately, people have started contemplating, "What more can be done after the 1 July march?" By "after", it of course includes right after the march, as well as the days after 1 July. Hence, after the 1 July march this year, the Anti-CY Alliance stayed in Chater Garden to stage a hunger strike, in continuation of the fighting spirit of 1 July. Of course, I would not be so naïve as to think that LEUNG Chun-ying would step down because "CHAN Chi-chuen" alone was in hunger strike for 50 hours, 100 hours, or even 200 hours. Many people who came to see me in Chater Garden said, "'Slow Beat', don't be silly, don't harm your body because of this person, this '689'."

What I would like to tell everybody is that we stage this hunger strike because of Hong Kong people and Hong Kong's democracy, and we want to bring out the spirit of perseverance and sacrifice. In fact, all social movements can only succeed with perseverance and sacrifice. I hope that through this hunger strike, more Hong Kong people will start to think, apart from participating in the 1 July march, what else can we do? If everybody can take one extra small step, Hong Kong will implement universal suffrage sooner and make LEUNG Chun-ying step down sooner.

An editorial in the English version of *Global Times*, the mouthpiece of the Central Authorities, described the 1 July march as a "new traditional ritual" and "a deliberate attempt to provoke the Mainland with sharp voices and actions". It also described us as "throwing a tantrum" for the sake of getting benefits, yet the Mainland was not obliged to transfer benefits to Hong Kong continuously, so on and so forth. I want to tell this editorial writer that Hong Kong people absolutely do not participate in the 1 July match for the sake of soliciting benefits, or begging for economic assistance from the Communist China regime. On the contrary, we participate in the march with the spirit of giving and sacrifice, that is, sacrificing our holiday, as well as giving our physical strength and financial resources.

This year, the amount of donations received for the 1 July march has spiralled when compared with last year. If the 1 July march was indeed "a fit of tantrums", then should somebody take further actions someday, say, blocking the road, engaging in physical brawls, or even slapping LEUNG Chun-ying, these were all "tiffs" at most. In that case, I call on the SAR Government and the Central Government not to take offence.

I have been in hunger strike for over 40 hours, and I will continue. If participating in a march is a "tiff", then being in a hunger strike would be merely a "whine" in the eyes of the rulers. We are whining and refusing to eat, and they are waiting to see how long we can hold on. I hope I can hold on for at least 10 days until next Thursday on 11 July when the Chief Executive's Question and Answer Session is to be held. At that time, I will come back with a body that has survived a 10-day hunger strike, and ask "689" LEUNG Chun-ying publicly when he would step down willingly. What should we do so that he is willing to step down, what should we do so that he would spare Hong Kong people, and when will the Chinese Communist Government let Hong Kong implement universal suffrage?

I so submit.

MR ALAN LEONG (in Cantonese): President, although the 1 July march this year was held when Typhoon Signal No. 3 was hoisted amidst heavy rains and winds, according to a number of surveys, the number of participants this year is a record high since 2004. The amount of funds raised by the Civic Party and various major organizations in the pan-democratic camp during the march also broke new records. Occupy Central with Love and Peace (Occupy Central) and Scholarism raised funds for the first time and over \$1.5 million were raised. Evidently, people are longing for changes. On the day of the march, I had stationed in the on-street booths for a long time. Notwithstanding the different demands of people participating in the march, the most frequent, the clearest and the loudest demands were definitely "LEUNG Chun-ying, step down" and the election of the Chief Executive by "one person, one vote". However, LEUNG Chun-ying still evaded the demands expressed in the march and continued to deploy delaying tactics. He stated (and I quote), "There is still time for conducting consultations on the constitutional reform, and the timetable will be initiated at an appropriate juncture." (End of quote)

President, I wonder how the state leaders at Zhongnanhai felt about the 1 July march? My guess is that they are perhaps both afraid and frightened. What are they afraid of? They are afraid that notwithstanding the strong winds and rains on 4 June and 1 July, Hong Kong people have remained unbeaten, who can neither be bribed nor poisoned, and instead become even stronger and more united. They are both afraid and frightened. Then what are they frightened of? They are frightened that given such public sentiment, will Hong Kong people elect a person who cannot be controlled by the Central Authorities once universal

suffrage is implemented? If that is really the case, they may have to make greater efforts to "turn Hong Kong red", and they will be even more unwilling to let Hong Kong enjoy the genuine universal suffrage long pledged by the Basic Law. But I want to assure the leaders in Beijing that they need not be frightened or afraid because I believe that Hong Kong people will not genuinely confront the Central Authorities so long as Beijing fulfils its pledge made to Hong Kong people in 2007 that the Chief Executive will be elected by universal suffrage in 2017, and the Legislative Council in 2020. We only want to resolve Hong Kong's problem of ineffectual governance by a dysfunctional administration.

President, within the 16 years after the reunification, Hong Kong has been ruled by a businessman, a civil servant, and a professional cadre, but all ended in failure, with each being worse than his predecessor. LEUNG Chun-ying is not only totally bankrupt integrity-wise, but also doomed beyond redemption. Hence, he can no longer hope for a comeback by any political projects or through resolving livelihood issues such as housing. I also do not think it is possible, as suggested by Mrs Regina IP, to salvage the situation by replacing a number of Secretaries. During the march, people said that LEUNG Chun-ying was not an upright person as he kept lying. A kaifong once told me that there was neither LEUNG's camp, TANG's camp nor Hong Kong camp in Hong Kong now; there was only one camp — the "Liar's camp", which was a shrewd observation indeed. By only appointing his supporters, LEUNG Chun-ying has created a series of problems with his governing team that disillusioned Hong Kong people completely. Therefore, the situation is basically incurable.

In order to resolve Hong Kong's deep-rooted problems, Hong Kong must be ruled by a Chief Executive who can propose a manifesto to fight for the support and endorsement of one person one vote and strive to implement his manifesto after coming into office. That is perhaps the only way out for Hong Kong. I believe that no matter who becomes the Chief Executive, he will be doomed if there is an absence of a mechanism for conferring political mandate. The only way out is to initiate the consultation for constitutional reform as soon as possible, so that an electoral system based on universality and equality can be established to allow people who aspire to participate in the election can, regardless of their political background, compete on the basis of their political platform and vision for governing Hong Kong for the next five years, as well as the quality of their campaigning teams. In this way, Hong Kong people can elect a Chief Executive with public mandate on the basis of "one person, one vote" to lead Hong Kong out of today's impasse and darkness.

President, according to the findings of a poll conducted by the Public Opinion Programme of the University of Hong Kong earlier, Hong Kong people's confidence towards the SAR Government and the Central Government has totally broken down. For example, the percentage of people's trust in the SAR Government has fallen to 32%, while the percentage of distrust is 37%, a record high since 2003; the younger the respondents, the more distrustful they are in the SAR Government. People's trust in the Central Government is also at a record low since 1999, while their distrust in the Central Government is a record high since the reunification. I put forward a written question today to seek the Government's response towards this phenomenon. However, the three-page reply from the Chief Secretary for Administration was without any substance; she just hid behind the Report on the Work of the Current-term Government again, fully exposing the weaknesses of the Government. This is not conducive to regaining people's confidence in the SAR Government and the Central Government.

President, the deep-rooted problems cannot be resolved overnight, no matter who the Chief Executive is. I hope the Central Government can accept the reality that LEUNG Chun-ying is hopeless, and that he should take responsibility and step down. The Central Government should timely conduct the consultation for the constitutional reform and implement the Chief Executive election on the basis of universality and equality. I so submit.

MR LEE CHEUK-YAN (in Cantonese): President, the *Global Times* said Hong Kong people are throwing a tantrum. This is an insult to those members of the public who participated in the 1 July march. Members of the public are not throwing a tantrum. Rather, they are angry. If it wrongly interprets Hong Kong people's purpose in participating in the 1 July march every year, thinking mistakenly that we are just throwing a tantrum then the Central Authorities suppress our aspiration for universal suffrage and arrange "bogus universal suffrage" to deceive Hong Kong people with an attempt to muddle through, thinking that even if we are offered "bogus universal suffrage", we will merely participate in the 1 July march to throw a tantrum. This kind of thinking is utterly wrong.

This year's march has clearly indicated that members of the public cannot hold in their rage any longer. So, if the Central Authorities think that they can trick Hong Kong people again and dispose of the matter by offering us "bogus

universal suffrage", the public absolutely will not yield. If the Central Authorities dare to go ahead to arrange "bogus universal suffrage", we will definitely initiate the Occupy Central movement, escalating the action with civil disobedience to get back the entitled rights of Hong Kong people.

This year, with Tropical Cyclone Signal No. 3 hoisted, 430 000 people, old and young, braving the wind and rain, took to the streets. They sent out only one message loud and clear — they had been pushed beyond the limit of endurance. Public resentment had reached the point of bursting and explosion. Thus, despite the strong wind and heavy rain, they had to come forward to express their anger. The public could not take it any more. They requested LEUNG Chun-ying to step down and universal suffrage to be introduced. This was the clearest message conveyed on the day of the march.

How did LEUNG Chun-ying respond? This "689" LEUNG Chun-ying talked rubbish again, uttering that he would respond to the public aspirations, react properly, resolve the conflicts, blah blah blah. On constitutional reform, he merely made an empty remark that consultation would be launched at an appropriate juncture. However, the public did not ask about these things. They have only one question: Will LEUNG Chun-ying step down? The public only want to know the answer to this question. "When will LEUNG Chun-ying step down?" "When will 'genuine universal suffrage' be implemented?" "Do not arrange 'bogus universal suffrage'. Universal suffrage has got to be introduced immediately." These are the public aspirations. If he wants to respond, just respond to these aspirations. Do not say any other craps.

LEUNG Chun-ying, who has no integrity, is good at deceiving people. Before 1 July this year, he published his own report card to the public and explained to them why no consultation on constitutional reform had been launched. He said it was because livelihood issues had priority over democracy, and it was necessary to concentrate efforts on improving the economy and people's livelihood first. However, he has concentrated efforts on such work for a year already. May I ask LEUNG Chun-ying what has been achieved? On livelihood issues, has he done a good job? People's livelihood has remained poor. He should not deceive Hong Kong people any more. How come people's livelihood has remained poor? The reason is that the whole political system and structure can hardly resolve the present livelihood problems.

A simple example is, LEUNG Chun-ying has claimed that he is good at housing development, but what has he achieved? Property prices have risen 16% over last year, and rents, 7%. Frankly speaking, "sub-divided units" we certainly know that the number of "sub-divided units" has increased, but by how many? Of course, we do not know the answer, since the Government has never conducted any research. Nevertheless, 170 000 people currently live in "sub-divided units", excluding those "sub-divided units" in industrial buildings. The number of applicants on the waiting list for public rental housing (PRH) has also hit a record high. He is unable to fix anything properly. Why is he unable to get things fixed? Before he came into office, he had undertaken to produce 35 000 PRH units a year, saying that this number of units would be able to alleviate the problem. Are 35 000 PRH units being built? Eventually it turned out that only 20 000 units had been built? Why did he fail? Because he said it was not only necessary to build public housing but also to provide land for the construction of private housing. He said both required the provision of land. As a result, he could not allocate too much land for PRH production. Being unable to address the housing problem properly, he is, after all, restricted by property developers. In fact, under the whole political structure, any Chief Executive in office is doomed to yield to property hegemony. The reason is that property hegemony is the most ruthless in Hong Kong, monopolizing the entire Hong Kong economy. It maintains control over the Chief Executive and over the Legislative Council, which is dominated by the royalist camp. As such, how can he fix the housing problem? How can he fix the problem of "sub-divided units"? We have requested rental control, but he refused to introduce it. Apart from rent control, I also wish to enact legislation. Hong Kong people are human beings, and human beings should be entitled to a minimum living area. Is it achievable? Everyone needs it.

On standard working hours, he has also deceived us, advising that it will take three years, but three years later, it will be the business of the next-term Government. Mr Jeffrey LAM has said earlier that the business sector has a lot of aspirations too, including their objection to standard working hours, request for importation of foreign labour, concern about excessive wages in Hong Kong, so on and so forth. However, people in the business sector have no need to take to the streets because they are inside the establishment this again involves the political system. Being inside the establishment, this bunch of people have occupied the functional constituency seats in the Legislative Council, raising their objection to standard working hours. Being members of the pro-establishment camp, they have direct access to the Central Authorities and may express their

views to the Chief Executive at any time. They have no need to take to the streets, do they? In view of the composition and electoral system of the Legislative Council, the remark that livelihood issues having priority over democracy is a complete lie to Hong Kong people.

I hope Hong Kong people will keep their eyes open and understand that there is no such thing as livelihood issues having priority over democracy. In this world, there will be hope for people's livelihood only on the premise that democracy is given priority. The Legislative Council needs to be elected by full universal suffrage. So does the Chief Executive. It should be genuine universal suffrage without any screening. Only then will there be hope for our people's livelihood.

Some people said that "Occupy Central" would destroy the economy and told us never to organize such a movement. However, if we do not organize the Occupy Central movement, the consequences will be even more serious. The Chinese Communist Party will keep "Mainlandizing" Hong Kong to turn it red, leading to our loss of the rule of law and universal values. If we do not organize the Occupy Central movement, the whole Hong Kong will collapse. Hence, Hong Kong people must "Occupy Central" to fight for genuine universal suffrage. Only then will there be hope for Hong Kong. It is only when LEUNG Chun-ying steps down that there will be hope for Hong Kong. Thank you, President.

MS EMILY LAU (in Cantonese): President, I speak in support of the motion proposed by Mr SIN Chung-kai. Many Members here participated in the march on 1 July. Let us salute to Hong Kong people again. Braving the wind and rain, they took part in the march. Many of them joined the march for the first time, including the residents of LOHAS Park in Tseung Kwan O. President, they were forced to take to the streets by LEUNG Chun-ying. These middle-class people who had never participated in a march before attended the march with us on that day. Unexpectedly, after entering Victoria Park, we made one turn after another but were still unable to leave the place, and we stood there for hours. Having a good temper, they experienced how united Hong Kong people were in fighting for their aspirations. I told those residents that I hoped they would not only seek permanent closure of the Tseung Kwan O landfill but also fight for democracy, human rights and freedom.

President, we need to thank SNOWDEN, who has aroused international concern over Hong Kong. Before or after 1 July or on that very day, there were a lot of media reports about the 1 July march. According to media reports, on the day of our march, which was conducted peacefully and rationally, large-scale demonstration activities broke out in Egypt with enraged demonstrators. President, as I have not yet read the news report today, I do not know the latest situation there. The local army which is already on the alert has sent an ultimatum to Mohamed MORSI, the President of Egypt, and five members of the cabinet have resigned. If the media compares Egypt with Hong Kong, it will find us very peaceful and rational, which is true. The Central Government stated through its mouthpiece in the media that Hong Kong people were not seeking independence. That is also the fact.

President, while Hong Kong people strive for peace, they have their bottom line as well. Many people say that now we have reached the critical moment. We must discuss the matters of universal suffrage. Even if LEUNG Chun-ying's syndicate does not commence the consultation process, we need to carry out such discussions. Nevertheless, the Administration is absolutely responsible for completing this task. An Executive Council Member — Honorary President of the Hong Kong Federation of Trade Unions — CHENG Yiu-tong said that we could wait until May next year to launch the consultation work. What he said is just unacceptable. Of course, we have noted that LEUNG Chun-ying's team members have respectively made different comments. Some suggested that consultation should be conducted expeditiously and there is no need to wait that long. Mrs Regina IP has also said that consultation should be conducted expeditiously, and it seems that Ms Starry LEE has made the same remark. However, CHEUNG Chi-kong, another Executive Council Member, proposed to do it in January, whereas CHENG Yiu-tong proposed to do it in May. With such a governing team, Hong Kong is really doomed. President, the public officers have expressed divergent views on their own. Is that a way to demonstrate the freedom of expression?

The question is, we hope the Administration will expeditiously commence the consultation process to allow the whole community to discuss this subject. However, CHENG Yiu-tong said that consultation cannot be conducted earlier because once we start to discuss this issue, everyone in society will cease to talk about other issues; we know this is a bad omen because once this subject is touched, it will trigger a mighty uproar, so why carry out the consultation so early? This year the participants in the 1 July march have a very clear objective.

They said that the consultation process must be commenced as early as possible. The present moment may not be a time for the final battle yet, but it is already a critical juncture. As mentioned by Prof Benny TAI, if the proposal put forward by the Administration in the future is not democratic, they will occupy Central. Of course, the Occupy Central movement will not be indefinite as stated by Mr Christopher CHEUNG. I believe the professor did not say that they would occupy Central indefinitely. Moreover, after they have occupied the place for a period of time, the police will arrest them. As we have said, "Occupy Central" has got to be peaceful and rational. They will just let the police arrest them, and they will not defend themselves in court, so they may have to go to jail. Mr CHEUNG, how will the Occupy Central movement be indefinite? He does not know that the three founders of "Occupy Central" have raised funds amounting to some \$800,000. President, to the business sector and many Hong Kong people, such a large amount of funds raised reflects considerable support in society. According to the initial opinion survey, only about 20% of the respondents supported this movement. Thus you might consider that the support rate was low. However, if people are willing to donate so much money for this movement and besides, so many people have said that they will occupy Central if the proposal for universal suffrage put forward next year is not okay, that represents confirmation of people's support in the community.

I hope that the pro-Communist mouthpiece will not mislead Mainlanders and the Central Government into thinking that Hong Kong people do not care much about this matter. Hong Kong people are serious this time. President, I find this matter highly important. I hope all political parties and groupings will conduct serious discussions to seek a genuinely democratic proposal for Hong Kong. First of all, this proposal needs to comply with international standards and the Basic Law. I think this is absolutely feasible. If some people maintain the view that this is infeasible and insist on the need for the Central Authorities to screen the candidates before allowing us to make the choice, they are asking for trouble. President, I have said many times that apart from universal suffrage, Hong Kong must implement party politics with a ruling party or ruling coalition. We cannot allow the Government to freely put certain people in the Executive Council in a loosely organized manner. President, even when universal suffrage is implemented in the future, candidates running for the election should form their own cabinet and governing team, as well as draw up a political platform, so that Hong Kong people would know how they intend to govern the Special Administrative Region. All these are necessary.

I hope the Secretary will listen to our views. Do not merely pay attention to the future proposal on how to vote and make nominations. The Administration must rationalize the whole political system so that whoever serves as the Chief Executive will have his own political party and governing team to share all the glory and disgrace with him and govern Hong Kong jointly. Hence, right now the work on all fronts brooks no delay. We must carry out the work as soon as possible.

Very often, LEUNG Chun-ying will only say that action will be taken at an appropriate juncture. People in the community keep asking me what is meant by an appropriate juncture. It is indeed infuriating. May I ask the Secretary to explain later what is meant by an appropriate juncture. I often thought that the appropriate juncture might be last year. It might have passed already. Now it is too late. Therefore, I hope the Administration will not waste any more time.

DR LAM TAI-FAI (in Cantonese): President, on 1 July 1997, Hong Kong was officially reunited with the Motherland. From the perspective of implementation of national reunification and nationalism, 1 July is indeed a big day which is worth celebration. However, many organizations, political bodies and members of the public chose to express their dissatisfaction with the Government on this day. An Honourable colleague even chose to go on a hunger strike on this day. I hope he can manage to pull through.

Hong Kong is a city where people enjoy freedom of speech. Consequently, 1 July has become a time for the public to meet and air their grievances. Frankly speaking, such a phenomenon is indeed distressing. President, on 1 July in each of the past 16 years, there would surely be a large-scale procession, demonstration and assembly with Victoria Park as the starting point, and this year is no exception. To be frank, I find it wearisome and upsetting. Although we can have one extra day of public holiday on 1 July, after some 10 years, I really do not want this public holiday any more. I wish the public could go to work and go to school as usual, with no procession, no demonstration, less bickering and fewer disputes, passing the day happily. How wonderful that would be!

President, on 1 July this year, I was very busy. I first went to Sha Tin to attend a major event organized by various sectors to celebrate the reunification.

Then, braving the storm, I went to Admiralty and Central to observe — not attend — the procession and demonstration as a member of the Independent Police Complaints Council. There were obviously a lot of participants in both activities, yet I noticed that these two groups of people have totally different mindsets and moods with a big divergence of views. I cannot help wondering, why is there such a big divergence and confrontation among Hong Kong people 16 years after the reunification of Hong Kong? What are the causes for such disharmony, disunity and division in society? Is this kind of division, confrontation, disharmony and disunity something which the leaders in our Motherland wish to see? I believe it definitely is not the case.

If such divergence, confrontation, disharmony and disunity persist, what will happen to Hong Kong? How will Hong Kong have any development? As pointed out by the report of the International Institute for Management Development at Lausanne, Switzerland, the overall sustainable competitiveness of Hong Kong has been declining. If Hong Kong continues to have such internal strife with so many disputes, will its overall sustainable competitiveness hit the bottom and never rise again? As the Mainland has developed so remarkably, Hong Kong, with backing from our Motherland, should have attained better development. The more I think about these issues, the more scared and worried I am. Will the next generation in Hong Kong have any good prospects and future after all?

After reunification, Hong Kong is backed up by the Motherland. Despite this, with the advantageous position under "one country, two systems", how come the approach of "Hong Kong people ruling Hong Kong" is still unable to bear fruit? Is it because the 7 million Hong Kong people are hard to manage, or there is no good leader to manage Hong Kong properly? I think the governments of the two places (especially the Mainland Government) must look at this issue squarely and conduct a serious review. Otherwise there will only be quarrels but no peace in Hong Kong every day. Hong Kong's sustainable competitiveness will only decline day after day, so it will be difficult to make any accomplishment.

President, before the 1 July march this year, several officials (including the Chief Executive) indicated that irrespective of the number of marchers, they would humbly listen to the marchers' aspirations and take their views on board. Actually they did not need to wait for 1 July this year to listen to people's aspirations, did they? As shown by the information, there were some 7 000

demonstrations and processions last year in Hong Kong, which is a city of demonstrations. If they wanted to listen to views and aspirations, they would have heard them all. Why did they need to wait for this day?

The number of participants was higher last year than this year. This year, the Civil Human Rights Front (CHRF) said there were 43 000 participants in the march, whereas the police said there were 66 000 there were 430 000 Let me say it again. The CHRF said there were 430 000 participants, whereas the police said there were 66 000 at the highest. Hong Kong people do not know which figure is true and accurate. Who has lied, the CHRF or the police? Anyway, the number of participants this year is lower than last year. Numerous people took to the streets last year. Why were you unable to hear their aspirations? Having experienced such marches over the years, how did the Government react? A year has passed since the new governing team assumed office, yet the housing problem which is described as the "top priority" remains unsolved. Members of the public still have no idea when they will be able to acquire their own homes, while the problem of "sub-divided units" keeps deteriorating day after day. What is worst is that the Government has put forward weird measures which are detrimental to free economy and trade. The introduction of "tough measures" such as stamp duty and the "formula milk rationing order" has resulted in continuous decline in the competitiveness of the business sector in Hong Kong.

Before the 1 July march, the Government — the Chief Executive, not the Government, because it might not be supported by the Government — the Chief Executive delivered a report for his administration a year after his assumption of office, producing a report card on his own to set out his achievements — there were only achievements and no demerits. Even if there was any, it would not be listed out. Does he actually know how many Hong Kong people will believe in his report card, and how many people will concur with it? Is he deceiving himself? He said that he would not be complacent about this report, implying that he felt satisfied. So he would not be complacent. Hearing that, my hair stood on end and I got goose bumps. Now everyone is unsatisfied with his work, but to our surprise, he said he would not be complacent.

I remember that when I managed a number of factories in the past, some of them were often unable to get orders and could not deliver the goods. From time to time, I would fret about how to deal with such problems. Unexpectedly, at the end of the year, a staff member told me that as he had performed very well,

he requested a pay rise and promotion. I wondered if he was nuts. I was already very unhappy with his performance. I think the Chief Executive should understand today that his popularity rating is low. Although we would still accept him and support his administration in compliance with the law, he has got to look into his own inadequacy and find out where his problem lies, with a view to getting a clean start on his integrity and restoring public confidence in him. I believe that if the public and the Government have lost their mutual trust, the Government will be unable to launch good policies even if it has any, and it will be difficult for any measure to make any step forward.

We will listen to his words and observe his deeds. I very much hope that the Chief Executive will stop his sophistry and instead, move Hong Kong people with his genuine capability and sincerity, and restore Hong Kong people's confidence and trust in him by his strength and achievements. In this way, I believe people need not march on 1 July in the future. There will only be celebrations.

MR CHARLES PETER MOK (in Cantonese): President, Dr LAM Tai-fai said that he would rather there was no holiday on 1 July. For those people who would celebrate the reunification, I guess it does not matter, but for those hundreds of thousands of participants in the 1 July march, they certainly will not let him off. Even without 1 July, there are still 1 October and the New Year's Day. If the Government has the guts, it could cancel all these holidays, but Hong Kong people would still come forward.

I do not know why Dr LAM Tai-fai linked competitiveness with the march, but I am sure that it is linked with the Government's governance ability. I think we have been too kind to LEUNG Chun-ying. The remark that we should listen to his words and observe his deeds has been quoted a number of times. I wonder how much longer we still have to observe. Hong Kong people have told us that they have listened and observed enough. On 1 July this year, we heard two most obvious aspirations: first, the request for universal suffrage; and second, the request for LEUNG Chun-ying to step down and dual universal suffrage to be implemented immediately.

I do not need to waste any time here to recount LEUNG Chun-ying's misconduct. Now all members of the public have requested the implementation of dual universal suffrage in 2017 and 2020, but LEUNG Chun-ying's

Government has been stalling and even refuses to conduct any consultation. Hong Kong people's anger was clearly revealed in the march on 1 July this year.

Previously, I have asked netizens on my Facebook and Twitter accounts to tell me their reasons for taking to the streets and what aspirations they have. Here I would like to read out some of the views I received.

The first one is a message left by a netizen Mr KWOK: "I participated in the 1 July march to seek universal suffrage for myself and for the next generation. Universal suffrage is a basic human right. It is also an undertaking made to Hong Kong people under the Basic Law which the Central Government and those in power in the Special Administration Region (SAR) shall not deny."

Besides, a Mr HO said: "I participated in the 1 July march to strive for genuine universal suffrage. Moreover, I am extremely dissatisfied with the administration of the SAR Government, especially its disregard for information technology and creative industries" — he is probably a member of the sector — "and lack of effective policy support. While the whole world has launched infrastructure for cloud computing, Hong Kong's policy does not even provide a safe harbour for ISP, though it brags about being an advanced city in the Asia-Pacific region. How ridiculous and pathetic!"

The next one is a Mr LEUNG, who said: "I attended the 1 July march because Hong Kong still has its hope and future, but LEUNG Chun-ying, together with the Central Authorities, keeps ruining this hope and future."

Another one is an Englishman who has lived in Hong Kong for more than 20 years. He left his message in English: "I joined the march to express my frustration at the lack of any sign from the Government on setting up the promised consultation on implementing a more equitable method for electing the next Chief Executive, as well as starting talks on the election methods for the next Legislative Council. It seems that they are trying to postpone until the latest possible moment so that they can just impose something on us as dictated to [us] by Beijing. At this moment, taking to the street is the only way I can show my concern in the matter. All other paths are blocked."

The next one is Joe from the academic circle. His message is: "I am dissatisfied that CY has delayed the launch of constitutional reform. There is no improvement at all in land and housing supply. Policies that were infeasible

were repeatedly introduced in haste without consultation and in the absence of a comprehensive governance principle."

I took a lot of photos that day. Owing to the time constraint, I have picked some which I would like to share with Members. Regarding this one before me, that day I saw someone holding many orange balloons in Causeway Bay. I thought he must be LEUNG's supporter. Later, I asked him what he meant, and he said, "There are lots of oranges, lots of miseries!"¹ This is the heartfelt feeling of many Hong Kong people which I hope Members will know.

Besides, I have taken other photos, including this picture of Central Harbourfront Concern Group. Their slogan is "Object to the military site; Protect civil rights". We know what it is about. It concerns the pier of the People's Liberation Army at the harbourfront in Central. Another picture shows Hong Kong Unison, which requested "equal treatment to different races". The next one is a shot of the fellows in Land Justice, whose slogan is "The rich occupying the land, the poor trapped in 'sub-divided units', do me land justice".

Today a certain newspaper, ridiculing our IT sector, asked why we took out a banner about requesting dual universal suffrage in 2012. I said that firstly, it was for the sake of greenness, and secondly, we wanted to tell all Hong Kong people that the Government had owed us this debt. We actually have an older photo with a banner indicating our request for the implementation of universal suffrage in 2007 and 2008, but that photo may have been lost already. We would not make a new banner, as we wanted people to note that the Government had owed us dual universal suffrage in 2012. Therefore, if we march again in the future, we will continue to use this banner. Of course, I hope, like Dr LAM Tai-fai has said, we need not march again in the future. If the Government returns dual universal suffrage to us, I will not have any need to march again. Otherwise, we will continue to use this banner about dual universal suffrage in 2012. This other photo is a shot of two young people whom I saw at the starting point. The banner they held reads "I am a Hongkonger; I want genuine universal suffrage". In fact, this is what we have owed to the young people in this generation.

¹ The pronunciations of "橙" (tsaang2; meaning orange) and "慘" (tzaam2; meaning misery) are similar in Cantonese.

There is some more time left. Perhaps let me read out the views of some other netizens received by me. A Mr LAI from the IT sector has stated why he participated in the march: "I have been to various places around the world to present my research. Hong Kong claims to be an international metropolis, but its citizens do not even have the basic right to vote. It is simply backward and ironical." A Mr TANG from the financial sector said: "Stop delaying universal suffrage. Say no to the incompetent governing team. Say goodbye to '689'. We insist because the road ahead is rough. We walk shoulder to shoulder with no need to ask about the cause."

I would like to show Members this board which I picked up from the road in Central after the assembly that day. I thought this board was finely made and it would be a waste to throw it away, so I picked it up and kept it. This board reads: "Have you seen this liar? Approach with extreme caution. Do not attempt to trust this man." This is, of course, the wanted person numbered CY 689.

Lastly, I wish to conclude my speech by quoting the march slogan of a netizen called Joyce. Angry with LEUNG Chun-ying, she requested him to step down immediately. Her slogan was: "LEUNG Chun-ying, go back to Mars!"

President, with these remarks, I support the amendments of Mr SIN Chung-kai and Ms Claudia MO. If the senior officials really face up to this aspiration of the public (*The buzzer sounded*) LEUNG Chun-ying, step down.

Thank you, President.

DR PRISCILLA LEUNG (in Cantonese): President, I do not agree with Dr LAM Tai-fai to cancel the public holiday on 1 July, nor do I agree with Mr Charles Peter MOK that no more processions and demonstrations would be held if there is dual universal suffrage.

I think 1 July may have different meanings for different people. For many Hong Kong people, 1 July is a day to celebrate the reunification of Hong Kong with China, and it should be a happy day. In the history of Hong Kong and China, both places had times of frustration in connection with the issue of

sovereignty. Therefore, for many people in Hong Kong, Hong Kong's smooth reunification with China is worthy of celebration.

Sixteen years ago, many people expressed their aspiration on 1 July, reflecting that a group of people did not emotionally accept the reunification or the "one country, two systems". On that day, many people also expressed their dissatisfaction with their livelihood and the political system. No matter in what way people choose to express their views, I think we have to show respect.

According to the statistics provided by the organizer, 220 000 people participated in the celebration activities on 1 July. The Civil Human Rights Front declared that 430 000 protestors joined in the march. Some academics estimated that there were about 60 000 to 100 000 protestors. I think 100 000 is already a very big number. These people Like everyone else, I joined the celebration activities in the Kowloon City District. While the protestors braved the wind and rain in procession, people participating in the celebration activities also braved the wind and rain. As a matter of fact, they represented the different views concerning 1 July. I absolutely oppose to the cancellation of this holiday because on this day, people can celebrate the reunification and participate in demonstrations. All these are acceptable, and that is the edge of Hong Kong.

As regards the demonstrations that took place on 1 July this year or that had taken place in the past 16 years, I respect them and attach great importance to them. As people express their aspirations in a legal, tolerant and peaceful manner, the Government should listen to them and face up to their aspirations and grievances.

One of the celebration activities was a concert it was not to celebrate the reunification. On 1 July, a concert was held, some eateries offered discounts to their customers and an "Anti-Occupy Central" activity was held in Tsim Sha Tsui. We are more used to large-scale processions and demonstrations. I heard Mr Charles Peter MOK read out the voices of many people just now and I can also say a few words on that.

Some restaurant owners told me that they did not understand why some organizers of the processions and demonstrations phoned in radio programmes to exert pressure on them, accusing them of licking the boots of the authorities or supporting certain political actions. I have also heard some people urging,

through radio programmes, other people to remember the names of these restaurants and not to patronize them again. Such acts, in my view, totally disrespect the spirit of freedom of expression and freedom of choice in Hong Kong. When we say that we cherish and strive for democracy, what is the most important spirit of democracy? It is to respect the different ways of living of other people. What was wrong with restaurant owners choosing to offer a discount to their customers on that day? If they had confidence in themselves — I have great confidence in the participants of the demonstration — they would not be affected. Why should they continue to exert this public pressure? To some people, this was a kind of white terror and they did not want to see such kind of democracy hegemony. Some restaurants dared not open for business on that day. Why should you force people to do so? Everyone can do whatever they prefer.

Moreover, yesterday, a foreigner phoned in an English radio programme, asking why Hong Kong people's discussions he talked incessantly for a long time, querying why we only talked about fighting for democracy. There were many democratic countries in the world and he was from one of them. He said that even for issues about people's livelihood, there were also many conflicts and we should not cover up the facts. Yesterday, Prof Joseph CHENG said that if we were able to attain dual universal suffrage, we would have collective bargaining power and we could bargain for universal retirement protection. This is not true. We should present a true picture to the general public. In fact, the democratic system can improve the governance but it cannot do miracles and resolve all people's livelihood problems in one go. I think his remarks were somewhat misleading. We should do justice to the people.

We can make it a tradition to stage a large-scale demonstration on 1 July every year and we can also make it another tradition of celebration on that day. Many people like celebrations. That should not be a problem. At this stage we should sit down and take a look. After the demonstration or celebration, the people's emotions have been vented. The Hong Kong community does have very diverse views. One of the points that I should also face squarely is that apart from many livelihood issues, people do aspire for a constitutional reform. I also think that the Government should consider carefully whether it should expeditiously provide a platform for dialogue, even if it cannot put forward a very concrete proposal right away. I also think that this issue cannot be handled in one go. Since Secretary Raymond TAM has also involved in the work of the Commission on Strategic Development, he may have to deal with dozens of

proposals. Even so, I think consultation can commence because it takes time to carefully listen to the views of various groups and stakeholders.

In fact, after the demonstration on 1 July, I learnt from the press that a certain association of real estate agencies will also stage a protest on 7 July. As we can see, no matter what policy is implemented, the interest of certain groups may be jeopardized and this is not an issue that can be tackled by a constitutional reform alone. In fact, it is not the problem about the difference between the Central and local authorities, but it involves the entire community. Hong Kong is a capitalist society that implements a low taxation policy and free economy. Great disputes and controversies may arise if we are to increase welfare benefits and meet all the aspirations of the people. I believe we have to solve the problems with the public in a more rational and objective manner.

President, I so submit.

DR FERNANDO CHEUNG (in Cantonese): I believe that many Members of the pro-establishment camp or pro-Beijing people have attempted to downplay the significance of the march on 1 July. They would say that in a diversified society like Hong Kong, people have their own way of expression, some like to celebrate, some like to be treated to snake feasts, vegetarian feasts, moon cakes and rice dumplings, and some like to take to the streets. They consider that this phenomenon is inevitable as Hong Kong is a modern and advanced society and people can choose to do different things to suit their different needs. Besides, the number of people who took to the streets was arbitrary and there was no way to find out if there were really 100 000 or 80 000 participants in the march. If we claimed that 100 000 or 80 000 people took to the streets, they would say that over 200 000 people joined the activities in celebration of the reunification. Moreover, of the 7 million people in Hong Kong, how many had taken to the streets? Should we ignore the views of those who had not taken to the streets? As a matter of fact, those who had not taken to the streets were the majority.

These remarks are just self-deceiving, like an ostrich burying its head in the sand. On 1 July, though Typhoon Signal No. 3 was hoisted, hundreds of thousands of people still took to the streets, braving the heavy downpour and gusty winds. This is a photo taken by *Apple Daily* and to me, it is quite sensational. In the downpour, the policemen and policewomen had a tough time and they had our sympathies. On that day, a wheelchair-bound person joined

the march, fearing not the rain. Originally I had arranged about 30 wheelchair-bound people to participate in the march. But as the typhoon signal was hoisted at about 10 am that morning and rainy weather was expected, some organizations called off the march. In fact, for wheelchair-bound people to participate in the march, they have to reserve the Rehab Bus about half a month to one month ahead. Without the low platform buses, wheelchair-bound people cannot go to the venue of the procession because they cannot take taxis or minibuses. For those who live far away, they do need Rehab Bus service to go to the venue and that is rather cumbersome.

Frankly speaking, I really worried that some of these people would risk their life safety to participate in the march. It is the fifth year for LAU Wai-ming, Chairman of the Hong Kong Neuro-Muscular Disease Association Limited (HKNMDA) to participate in the march. The HKNMDA provides help to patients suffering from muscular dystrophy. There are not many such patients in Hong Kong and the 300-odd members of the HKNMDA should represent most of patients suffering from this disease. Why did he take to the streets five years ago? That was because he saw the need of people suffering from this disease. For those patients who are in the most serious conditions, their body function would decline to a point that they can no longer breathe on their own but have to be hooked up to a ventilator to stay alive. If they are hooked up to a ventilator, they basically need care round the clock. Just the medical expenses and the cost of hiring a helper — for round-the-clock care, one family member alone will not be able to cope with the work — will cost over \$10,000 a month. For a family with above average income, this amount may take up half or at least one third of the family's income, just to keep the sick family member alive. The patient has become the burden for the whole family. Mr LAU thus hopes that the Government would help people suffering from muscular dystrophy.

However, this problem remained unsolved after over a decade. Finally, we could not wait any longer and had to take to the streets on 1 July to tell other people that for those patients whose conditions were most critical, they had no choice in the face of life and death. If they chose to be hooked up to the ventilator, they would become the burden for the family and no one knew how long they would live. Hence some patients would rather die. As their families were fairly well off with some income, they did not want to apply for Comprehensive Social Security Allowance. But the Government did not have any policy to help them, and no progress had been made after a long time. Finally, on 1 July five years ago, he decided to take to the streets and his slogan

was "I want to go home". Why did he raise this slogan? Because some patients had to stay in hospital after operation and could not go home because their family members could not take care of them. I have a friend who decided to undergo an operation, hoping that he could spend more time with his family members. He wished to see his son get married and complete his university education. But after the operation, he found that his family could not take care of him if he went home. His only hope was just to go home. That was all.

After the establishment of the Community Care Fund, we put forward many proposals and had met with many people, including Chief Secretary Carrie LAM. We had also met with Henry TANG and submitted a proposal to Secretary Mathew CHEUNG, giving a detailed account of the expenditure and income involved in every case, and explaining how the Government could help these patients. After a long time, the Community Care Fund finally came up with a plan but so far only a dozen or so patients have their applications approved. The plan entails an income test and a means test and if the patient is receiving assistance from other trust funds, he is ineligible to apply. Why are the authorities so mean? What are our slogans for this year? They are "give me back the community care", "give me back the planning of residential care homes", "give me back my right to equal education", "employment quota", "special higher disability allowance from the Mental Health Council", as well as "barrier free environment". These are matters concerning the people's livelihood, their most basic needs.

President, without democracy, how can people have livelihood? Today, a retired disciplined services officer, Mr LEE, who is in his mid-fifties, said he wanted to do something that upheld justice and thus joined the march. He is even willing to participate in the Occupy Central movement. In order to uphold justice, he does not mind engaging in civil disobedience as he does not want to say he has done nothing when asked by the next generation.

Thank you, President.

MR JAMES TIEN (in Cantonese): President, Mr SIN Chung-kai's original motion aims at urging the Administration to face up to the dissatisfaction with LEUNG Chun-ying's Government expressed by the people participating in the march on 1 July this year and their relevant aspirations. Ms Claudia MO's amendment mainly requests the Government to immediately launch the

consultation on constitutional reform and safeguard freedom of the press. Mr Christopher CHEUNG's amendment requests the Administration to attach importance to the expectations of the silent majority of the public for maintaining Hong Kong's prosperity, stability and development, to alleviate the pressure of life of the grassroots and the middle class, and to facilitate various sectors in society to forge a consensus during the consultation on constitutional reform to be launched later. The Liberal Party thinks that the original motion and the two amendments reflect the problems facing Hong Kong today and will support both the original motion and the two amendments.

Although the original motion and the two amendments have mentioned the issue about election, we noted that the aspiration of the majority of participants in the march was the stepping down of the Chief Executive LEUNG Chun-ying, instead of the implementation of universal suffrage or the Occupy Central movement, as proposed by the organizer. This reminds us, the Liberal Party, of the marches over the years, in particular, the march on 1 July 2003 which left me with the deepest impression.

In that year, a record high number of hundreds of thousands of people took to the streets. I believe that many Members, including the President, who was a Member then, remember that at that time, there were an alarming number of negative equity property cases, the unemployment rate reached 9%, the business of hotels and restaurants was extremely poor after the outbreak of SARS, and coupled with the disputes over the legislation for the implementation of Article 23 of the Basic Law, all these troubles led to the people taking to the streets.

On the contrary, the unemployment rate of this year is only about 3.5%, negative equity assets cases are practically unheard of and there is no outbreak of diseases like the SARS epidemic. In fact, compared to the situation a decade ago, it seems that there are not too many problems in Hong Kong today. Is it true that, as claimed by the pan-democratic Members just now, the people truly think that all problems would be resolved so long as there is universal suffrage? It is not necessarily so. The governments of many foreign countries are returned by universal suffrage but their people may not be better off than us. The employment rates of many European countries are as high as 10% to 20% and populism has driven the governments of many countries to the brink of bankruptcy. I am not saying that direct election or a government elected by the people is without merits. Its biggest drawback however is that a government has to outdo the previous ones and it has to offer more welfare benefits, and the

accumulated result of these generous offerings of several terms of government will drive the government to the brink of bankruptcy.

We certainly do not wish to see this happen. On the contrary, with such a huge reserve, why does the Government not take better care of the underprivileged? At least, it will render Dr Fernando CHEUNG's remarks just now less touching or make it harder for those who participated in the 1 July march to forge so many consensuses.

In our view, the biggest and most important reason for demanding LEUNG Chun-ying to step down is that people do not feel good in having him as the Chief Executive. The Liberal Party cast a blank vote last year and many people queried why we were unwilling to support LEUNG Chun-ying to be the Chief Executive. The reason was, as stated above, we did not feel good about him. Was he competent enough to take up the post of the Chief Executive? Or could he recruit sufficient talents to assist him if he became the Chief Executive? Unfortunately, it seems that our worries are justified. We also hope that he would perform better. However, with so many people taking to the streets and his popularity rating sinking so low, as reflected in the recent surveys, should the Government do something? If so, will the problems be solved merely by responding to the request for universal suffrage or the Occupy Central movement?

We certainly think the Government should immediately conduct a consultation. What is in question now is not the Chief Executive Election in 2017 alone but the Legislative Council Election in 2016 as well. The legislative work for the 2016 Legislative Council Election must be completed in 2015; otherwise the work involving the registration of voters and many other aspects cannot be carried out in time. If the legislative work is to be completed in 2015, how can we wait till 2014 to start the consultation? If the Government thinks that by delaying the consultation, the people will be satisfied with the various policies to be implemented, thereby minimizing the opposition, this is only a wishful thinking. According to the present performance of the Government, its overall score a year later will not be any better than the current score and its constitutional reform proposals will hardly gain more support. Hence, the Liberal Party thinks that the consultation on constitutional reform package should be launched as soon as possible.

Moreover, there is another issue relating to the people's livelihood. The Financial Secretary is not here with us now but Secretary Gregory SO is now present and he is also in charge of economic development. The Government truly needs to take better care of the underprivileged in this affluent society. Otherwise, without social harmony, I wonder how many people will participate in the demonstration for livelihood issues.

President, my last point is how to build an effective government. Members from various political parties and groups all consider it necessary to re-examine the issues of ruling coalition and party politics under the Chief Executive's governance. This concept works in other societies because they practise party politics. It also works for the Beijing government because it is ruled by one party, the Communist Party, which can build certain continuity in any case. However, under the present system in Hong Kong, when the term of a Chief Executive is over, his whole governing team will be dissolved and the debate on all policies will have to start afresh. Therefore, people stage processions and demonstrations every year and it seems that the Government cannot achieve anything. Of course, I also hope that fewer people will participate in the march next year but we can only hope that the Chief Executive, LEUNG Chun-ying, will show Hong Kong people some results of his work. At least, he can have some achievements in certain areas, such as the alleviation of poverty and the problem of children born in Hong Kong to parents who are not Hong Kong permanent residents.

Thank you, President.

MRS REGINA IP (in Cantonese): President, I speak on behalf of the New People's Party in support of Mr Christopher CHEUNG's amendment but we will abstain from voting on Mr SIN Chung-kai's original motion and Ms Claudia MO's amendment.

Whether we support the march on 1 July or not, we cannot deny that the 1 July march has become a tradition in Hong Kong. I believe that we should treat this tradition with equanimity. We should take things as they come. There is no need for us to fear and tremble, and to be overly concerned about the number of people who will participate in the march even before 1 July. After 1 July, will someone be required to take the blame? I think that there is no need for such fear as the officials of the SAR Government, from the Chief Executive to

the principal officials, as well as other Members of the Executive Council, have all said before and after the march that no matter how many people participated in the march, the SAR Government would listen carefully to the aspirations of the people and would respond with their hard work.

Let us look at the aspirations of the participants in the march. Although the theme of this year's march is to strive for universal suffrage, various reports indicated that participants of the march had various aspirations, some of which were easier to tackle, such as insufficient support for the disabled or insufficient support for healthcare personnel. Regarding insufficient support for the disabled, the Community Care Fund has provided little help, as described in detail by Dr Fernando CHEUNG just now. But of course there are also some deep-rooted problems, such as universal retirement protection or the immediate implementation of universal suffrage, which are not easy to resolve. In fact, I have also heard colleagues talk about the issue of universal suffrage and they think that party politics should be implemented. As a matter of fact, President, you also know that party politics is now being practised in Hong Kong as the influence of political parties has become increasingly strong. But I believe it is against the Basic Law if Hong Kong is to be ruled by political parties because it is stipulated in the Basic Law that even if the Chief Executive is elected by universal suffrage in the future, he and his governing team will have to be appointed by the Central People's Government. Therefore, whoever becomes the Chief Executive should endeavour to form a ruling coalition with various political parties and groups in the Legislative Council. According to academic theories or experience in other countries, if members of this coalition come from different powers in this Council and reflects the various sectors in society, it has greater capacity to implement the policies effectively.

Returning to the issue about the march, while we should attach importance to it, we should not be over anxious, treating it as the SAR Government's annual licensing examination; neither should we succumb to the demand for the stepping down of whosoever. According to the analysis of some political science experts, Hong Kong is already a post-mobilization society, meaning that since the grand rally 10 years ago, Hong Kong has been called into action. Once it has been called into action, it is inevitable that someone wants to continue to call it into action every year. We can even look at the 1 July march more positively, treating it as a thermometer of public sentiments. The merit of processions and demonstrations is that it can manifest Hong Kong's freedom of expression and

freedom of assembly; otherwise how could Hong Kong attract people like SNOWDEN to come? Other than that, the other merit is that all the conflicts in society can be exposed, drawing the attention of all community leaders and government officials.

However, we, the New People's Party, will not support the original motion. The original motion urges the Administration to "face up to the dissatisfaction with LEUNG Chun-ying's Government expressed by the people participating in the march on 1 July this year and their relevant aspirations". I think it is perfectly acceptable or even reasonable for people to participate in the march to express their dissatisfaction with a Government and their relevant aspirations. No government and government officials are perfect and it is common for people all over the world to stage processions and demonstrations to express their dissatisfaction with their governments. But this kind of wording turns the problem into a problem concerning a person, targeting an individual and even deeming the whole government as the private property of one person. The New People's Party does not agree to this attitude and this kind of wording which direct against a person. The Hong Kong society has many deep-rooted problems and the seed of today's problem could have been sown yesterday and Hong Kong of today is influenced and shaped by the past. Therefore, I think we need to face up to the social problems but should not lay all the blame on one person or the team under one person.

Hence, the New People's Party will support Mr Christopher CHEUNG's amendment but will abstain from voting on Mr SIN Chung-kai's original motion and Ms MO's amendment.

MS STARRY LEE (in Cantonese): President, with the strong wind and heavy rain under Typhoon Signal No. 3, a large number of people chose to take to the streets. Most of them expressed their various aspirations for universal suffrage, democracy and political issues in a peaceful and rational manner, reflecting a fully mature civil society in Hong Kong. The Chief Executive and his team of accountability officials must listen humbly, consider carefully the reasons behind these aspirations and solve the problems at the root.

The aspirations expressed on 1 July were multifarious. Some strived for universal suffrage; some requested the Chief Executive to step down; some were

dissatisfied with the social welfare and medical benefits; and some objected to the extension of landfills, so on and so forth. Nevertheless, compared with 2003, the present economy in Hong Kong has improved and the employment situation is steady. There is neither deflation nor negative equity. Under this general situation, quite a number of people still took to the streets. The Government needs to look into the underlying causes which have driven them to do so. The Government must admit that there are a lot of long-standing deep-rooted problems in society, including serious shortage of land supply, unaffordable property prices and lack of upward mobility opportunities for young people. These problems are not easy to tackle. Having a deep understanding of the public discontent and expectations, the current-term Government is making efforts to deal with these problems. I hope members of the public will give the Government more time and space to rationalize these long-standing issues.

The implementation of universal suffrage is certainly conducive to addressing social conflicts and confrontations. Although consultation on constitutional reform has not yet commenced, relevant discussions have already started in the community. In this crucial period for the implementation of universal suffrage for the Chief Executive election, it is highly important to build up consensus. According to the Basic Law, any proposal on universal suffrage for selecting the Chief Executive shall require the endorsement of a two-thirds majority of all the Members of the Legislative Council. Under this arrangement, any constitutional reform proposal endorsed in the end shall be accepted by the vast majority of members of the public and Members of the Council. Thus the proposal will certainly be a compromise attained by each party making a concession. For this reason, to genuinely implement universal suffrage, the only way is to seek the biggest consensus in society rather than each party going to the extreme. In fact, expansion of differences and creation of confrontations cannot possibly pass through the high threshold of obtaining the consent of a two-thirds majority of all the Members.

Thus, the Government should make the best of this period to do the preliminary work properly, communicating with each stakeholder and listening to the views of political parties, scholars, members of the industrial and commercial sectors and local communities, with a view to seeking a consensus and paving the way for the implementation of universal suffrage in the future. Otherwise, the political system will make no headway, impacting on Hong Kong people in the end. However, during the 1 July march, some people blatantly burnt copies of

the Basic Law and advocated taking a path to universal suffrage in contravention to the Basic Law. Such mentality is rather dangerous and worrying.

The Basic Law is Hong Kong's mini-constitution. It is a consensus reached after prolonged discussions. I do not see the possibility that any proposal and approach of universal suffrage in contravention to the Basic Law will be accepted by the Central Authorities. Leading to a dead end, political development without the consent of the Central Authorities is infeasible. Eventually, it will only stop Hong Kong from making any headway in constitutional development.

After all, Hong Kong is a city under the principle of "one country, two systems". Indeed, universal suffrage under the principle of "one country, two systems" cannot be exactly the same as that in the West. How to find a solution accepted by both Hong Kong people and the Central Authorities requires rational discussion. This subject of universal suffrage for selecting the Chief Executive has been discussed for years. Through many people's hard work, we have now come to the last step which is a critical step. The worst scenario is that policies are brought to a standstill. If Hong Kong people do not want to come to a standstill and wish to select the Chief Executive together, they must rationally seek a proposal acceptable to all parties.

President, Hong Kong is a free and pluralistic society which respects individuals' right to choose. You may choose to take to the streets while I choose to go shopping and watch performances. We would not interfere with each other. However, earlier, some performing groups came under fire for attending the Dome Festival on 1 July and were questioned whether or not they would attend the march. Some people even smeared those who participated in the celebrations of the reunification by accusing them of pursuing self-interests and hankering after petty advantages. It grieves me deeply to hear of these accusations. I hope we would respect the different choices and different political stances of members of the public. Do not interfere with other people's freedom by language hegemony. Let us work together to protect the core value of the pluralistic Hong Kong society.

The Democratic Alliance for the Betterment and Progress of Hong Kong supports Mr Christopher CHEUNG's amendment because Mr CHEUNG's amendment is more comprehensive, covering the aspirations of different sectors in society. It also includes urging the Government to forge a consensus in a

rational and peaceful manner during the consultation on constitutional reform to be launched later, so as to pave the way for universal suffrage in Hong Kong.

President, I so submit.

MR LEUNG CHE-CHEUNG (in Cantonese): President, every year after the 1 July march, members of the community are always eager to compare the number of participants publicized by the organizing body with those released by the Government or other academic institutions. While I agree that the number of participants is important, it is not the most important. Instead of arguing on the figures, we should better spend more time to understand the aspirations of the participants.

All along, Hong Kong enjoys the freedom of speech and of assembly. Different pressure groups always participate in the 1 July march to express their aspirations by way of petition, and the themes vary greatly. For this year's 1 July march, in particular, the themes certainly include the immediate implementation of universal suffrage, and there were voices of dissatisfaction with LEUNG Chun-ying's Government. I nonetheless noticed that the procession also has other concerns, including the alleviation of poverty; retirement protection; labour and welfare; housing, environmental protection and even animal rights. A person, who is apathetic about politics and livelihood issues, told me that he originally intended to join the march for concern over animal rights, but worried that this request would be "politically hijacked" and he would be mistaken as a protester for universal suffrage, he therefore did not take part in the march. His worry really calls for our reflection.

President, as the community and the media have used to making complicated things simple, they have put an equal sign between the 1 July march and anti-government march. The original motion proposed by Mr SIN Chung-kai has neglected the aspirations of many other people. In the face of these voices, the media and the community should listen and show respect, whereas the Government should make proper response.

Over the past years, the 1 July marches were mostly staged peacefully, during which members of the public could express their personal views and fight for their interests. While the participants are fighting for their interests, I think

they should bear in mind the importance of mutual respect. It would be undesirable if someone uses this procession as a means to justify their provocative, insulting and injurious acts. Both society and this Council should clearly get this message across.

President, as the 1 July march has become an activity through which the general public and various organizations express their political aspirations and views on governance, we hope that the SAR Government would humbly listen to people's views and aspirations, and spend more time to seriously follow up on the various livelihood issues, with a view to improving its governance and win over people's confidence. Thus, we will abstain from voting on Mr SIN Chung-kai's motion.

For the amendment proposed by Ms Claudia HO, as the preamble is pretty biased, we do not agree with it either. In our view, though the governance of LEUNG Chun-ying's Government may not be totally satisfactory, there are various reasons leading to this situation. One possible reason may be the filibustering tactic adopted by some Members who disregarded public opinions and thus impeding the implementation of many policies. It is therefore unfair to put all the blame on LEUNG Chun-ying, accusing him of not listening to public views. What is more, I think that LEUNG Chun-ying's Government did listen to public views and has made quick responses. For example, LEUNG Chun-ying has, in response to the call of different sectors, including the Civic Party, requested the Central Government to withhold the "multi-entry permits" arrangement. When the Government introduced new initiatives to address the formula milk shortage, Mr Alan LEONG of the Civic Party had even openly expressed his support. Can we say that the implementation of the abovementioned policies introduced by LEUNG Chun-ying is not responding to public opinions, as Ms Claudia MO has described?

We support Mr Christopher CHEUNG's amendment. Although the 1 July march has become an important occasion where Hong Kong people expressed their aspirations, not all Hong Kong people want to put forth their requests to the Government by way of processions or protests. Therefore, while we agree that the Government should listen to the aspirations expressed on 1 July, we should not neglect the wish of other people who have not participated in the march for the maintenance of prosperity, stability and development in Hong Kong. People should not think that universal suffrage is the solution to all problems as problems

relating to governance could only be resolved if the Government seriously listens to people's requests.

President, I so submit. Thank you.

MR ALBERT HO (in Cantonese): President, on this year's 1 July, hundreds of thousands of Hong Kong people followed the proud tradition of expressing our strong aspirations through public processions and assemblies in a peaceful, orderly, rational and non-violent manner. Among the different aspirations, there is one common request, which is loud and clear, and it is the implementation of a genuine universal suffrage or the election of the Chief Executive by universal suffrage in 2017. If this aspiration cannot be met, we will move on to "Occupy Central, Poised to act".

Not long ago — probably only one week ago — the Convenor of the Executive Council Mr LAM Woon-kwong said that all functional constituencies should be abolished in 2020. Being the President of the Legislative Council, you do not speak much, but recently you did say that Hong Kong would be difficult to govern if the election of the Chief Executive by universal suffrage is not implemented by 2017. It is indeed praiseworthy for you two to make the above appeals in view of your positions. From this, it is evident where the hearts of the people of Hong Kong lie.

At present, the SAR Government is corrupt, and the performance and integrity of the three Chief Executives are going from bad to worse. Social conflicts have deepened and there are widespread grievances among members of the public. Hong Kong people can really stand no more. Worse still, as Members may be aware, election of the Chief Executive by universal suffrage in 2017 is a serious undertaking made by the Central Government through the decision of the National People's Congress (NPC). 2017 is precisely the 20th anniversary of Hong Kong's reunification, and we must make good preparation for this day. In fact, "dual universal suffrage" should have been implemented in 2007 and 2008, and Hong Kong has already wasted 10 years for no reason. If the NPC again gives us a "bounced cheque", what else can be said in future? Under this circumstance, we must, as a last resort, initiate the Occupy Central movement.

President, "Occupy Central" is a planned, large-scale civil disobedience movement to fight for the realization of genuine universal suffrage. We will continue to protest in a rational, orderly, peaceful and non-violent manner. I will be on the front line of the Occupy Central movement. We will attempt to break the law and be put behind bars in pursuit of a peaceful struggle. We will strictly adhere to our "five-nots policy". What are the "five nots"? In the face of the massive police force to maintain stability when we pursue civil disobedience on the front line, we will "not back off", "not resist arrest", "not be bailed", "not defend" and "not plead for lighter sentence". Unfortunately, as said by the American philosopher THOREAU, under a government which imprisons any unjustly, the true place for a just man is also a prison.

Today, the Government and many Members from the pro-establishment camp are not fighting side by side with the people for democracy. Rather, they have accused the Occupy Central movement of undermining Hong Kong's stability and economy. And yet, such accusation has turned the cause into the consequence and confused black with white. Because of their fear of the Occupy Central movement, they triggered fear in society. We noticed that the pro-establishment camp has recently mobilized business associations to step up publicity, and even made use of their influence in various District Councils to press forward various motions. However, President, these are meaningless moves as they are neither rationally convincing nor morally compelling. My gravest concern is, however, the force and conspiracy to sabotage the Occupy Central movement with ulterior motives. Some so-called nationalistic forces or local communist groups have prepared to provoke violence by mobilizing some violent crowds and mass movements in breach of the peace movement. Some people may even disguise as members of the Occupy Central movement. Therefore, here, I wish to reiterate, on behalf of those who have enthusiastically taken part in the Occupy Central movement, that all violent acts have nothing to do with this movement.

President, I do not oppose any proposal for discussion or negotiation as these are, after all, acceptable. But I have to make one point clear, and that is, our very bottom line is that a genuine election of the Chief Executive by universal suffrage should be held in 2017. No matter how the negotiation goes, this bottom line cannot be crossed. Dr Priscilla LEUNG just now called for compromise by both parties, but this is only her wishful thinking. What more can we compromise? I therefore reiterate that even if a discussion will be held, Members should bear in mind that so long as the genuine universal suffrage

cannot be implemented in 2017 as proposed, we will not have effective governance in Hong Kong, not to mention lasting peace and stability.

With these remarks, I support today's motion.

MR TONY TSE (in Cantonese): President, 1 July is not only the Reunification Day which is worth celebrating, but is also a symbolic day when people take to the streets to express their aspirations. The Basic Law has provided us with the rights to enjoy the freedom of speech, of procession, of demonstration and of assembly, and procession has become one of the channels through which many people can express their views or vent their dissatisfaction. The right of procession should be respected and protected so long as it is legally conducted. Likewise, people who did not take part in the procession should also be respected as they have both the freedom and the right to choose to take part in any activity. All members of the public have the right to choose to take to the streets on 1 July or take part in any kind of celebration activities. Thus, we should be accommodating and respect each other, and should not irrationally treat people with different views as enemies.

Some organizations and members of the public participated in the 1 July march to express their aspirations. Such rational and peaceful processions can truly manifest the valuable freedom of speech and of assembly enjoyed by people in Hong Kong. Regardless of the number of participants, the Government must sincerely and humbly listen to people's aspirations, and actively respond to their various concerns.

Undeniably, there are many problems in society, for example, the high property prices have made it difficult for young people to buy their own flats; the large disparity between the rich and the poor; the need for landfills as well as the conflict between development and conservation. From a rational point of view, these are long-standing problems and the current-term Government has shown great determination in resolving these problems. I therefore consider it unfair to put all the blame on the current-term Government, and request it to come up with a solution that satisfies most people or even completely resolve the problems in the short term.

The current-term Government has assumed office for about one year, and it has to face and tackle numerous problems. For example, it has met strong

opposition in reclamation and changing of land use for getting housing development sites. It can be said that the Government's governance is pretty difficult. I nonetheless consider it unfair to simply attribute this to the Government's failure to listen to public views. Looking back at the past year, the Government has worked hard to address many pressing issues, such as the implementation of the zero quota policy for "doubly non-permanent resident pregnant women" and the abolition of the Application List system. I therefore do not agree with Ms Claudia MO who said, in her amendment that "the Chief Executive LEUNG Chun-ying has not listened to public opinions". I certainly think that the Government still has room for improvement, so I hope that it will step up the co-operation, communication and co-ordination among Policy Bureaux and departments, with a view to continuously pressing ahead the work of improving people's livelihood and promoting economic development.

President, housing problem is one of the top priority tasks of the SAR Government and also the consensus of the Chief Executive and members of the public. Actually, with high property prices and relatively low salary increase, it would be difficult for people to buy their own flats. Even for the middle class or young professionals who can afford to buy their own flats, they are reluctant to turn themselves into "property slaves" and suffer an inferior living quality in view of the soaring commodity prices. Furthermore, they also worry that should the property price plunge in the future, they would have to suffer from negative equity. Therefore, many people hope that the Government can refine and extend the existing subsidized home ownership policy, rebuild the housing ladder and provide subsidized home ownership to assist the needy people from different strata.

Furthermore, Hong Kong's future is a matter that concerns with the well-being of all Hong Kong people. Earlier, there were reports about Hong Kong's decreasing competitiveness, which is definitely an alarm. The Government must seize this opportunity and time to thoroughly examine how Hong Kong's soft and hard power can be consolidated and enhanced from various perspectives. As this is one of the aspirations of many people and the industrial and business sectors, I hope that the Government will look squarely into it and address it.

As for the political issue, many people hope that the timetable for the election of the Chief Executive by universal suffrage will be implemented. In fact, the Government has stressed time and again that it would implement the election of the Chief Executive by universal suffrage in 2017 by strictly adhering

to the Basic Law and the relevant decision made by the Standing Committee of the National People's Congress. I therefore hope that Members will have confidence in the Government, just like me, and work towards the goal of implementing the election of the Chief Executive by universal suffrage in 2017 altogether.

Thank you, " 主人 " (zyu2 jan4) (meaning master)
President, *(Laughter)* I so submit.

(Some Members clapped their hands)

MR NG LEUNG-SING (in Cantonese): President, on the 1 July which has just passed, Hong Kong people celebrated the 16th anniversary of Hong Kong's reunification. Why would Hong Kong fall into the hand of an imperial colonizer more than a century ago? Why was China able to resume the exercise of sovereignty over Hong Kong in 1997? The history behind is worth studying and pondering. In fact, the reunification of Hong Kong to China is the century-old dream of the Chinese race, and is therefore worth celebrating.

Given that Hong Kong had been placed under colonial rule for more than a century, it was by no means easy to govern after the reunification. Over the past decade or so, Hong Kong has been an international metropolis practicing "one country, two systems" and has withstood the blows dealt by the world financial turmoil. This owes much to the rapid economic development of our Motherland. The Individual Visit Scheme and CEPA have also helped maintain Hong Kong's rate of employment and provide business opportunities for the servicing industry. If we have not reunited with China, I cannot imagine how Hong Kong could survive the economic setbacks when the United Kingdom was unable to fend for itself.

The new-term Government has assumed office for just one year, and the Chief Executive has worked with his politically appointed officials and the entire Civil Service to address the various development needs of the community. As the Chief Executive has set out in his "Report on the Work of the Current-term Government in its First Year", the key policy concerns include actively seeking land in response to the housing need; introducing Old Age Living Allowance; addressing problems relating to the "doubly non-permanent resident pregnant women" who have either made advance booking for delivery in Hong Kong or rushed through the border for delivery, and the consequential problems of

cross-boundary students and their admission to Primary One; multiple-entry permits to non-residents of Shenzhen; the short supply of baby formula and disruptions caused by parallel goods traders. In fact, it would be difficult to achieve perfect result in one year, and some policies do not have immediate effect. Nonetheless, as many people can see, the Government has tided over the difficulties. People who oppose whatever actions taken by LEUNG Chun-ying or the Government should not turn a blind eye to this. Also, it is regrettable that some people, who oppose for the sake of opposition, have called on others to take to the streets.

Before and after 1 July, the "Goddess of Conscience" had done something meaningless. She had taken the initiative to express concern about the Chief Secretary for Administration, who was allegedly not entrusted with important duties, and fabricated that the Chief Secretary "might resign". Borrowing the words of a former government official, this is an attempt to undermine the unity of the SAR Government with an aim to boost the number of participants. However, as expected, the organizing body has exaggerated the maximum number of participants of the 1 July march so that it is four times higher than that released by the academics. No wonder more and more people now regard such exaggeration as a special feature of Hong Kong's demonstration.

President, on 1 July, we did not only have procession, but also celebration activities, which is an evidence of a pluralistic community. Among the different aspirations are livelihood issues, employment, housing, transport, education, healthcare, sexual orientation, pet keeping and cycling. The Government may either take part in those activities or listen to their aspirations, with a view to improving various policies and responding to people's calls. As Members may be aware, "political reform" or "the stepping down of the Chief Executive" may not necessarily bring peace and resolve all problems. Social problem is not that simple. While housing is Hong Kong's top priority task, many advanced countries are facing a reduction of welfare and an increase in tax. Therefore, Hong Kong has been very lucky.

President, in the amendment, it proposes that the Government should "adopt appropriate measures safeguarding freedom of the press". I cannot help asking, does Hong Kong not have freedom of the press? The abovementioned groundless remark made by the "Goddess of Conscience" had been widely covered by different newspapers. What is more, an American intelligence expert, SNOWDEN, who had carefully planned to unmask the

hypocrisy of the United States, had chosen Hong Kong as the best place to blow his whistle. This is all because Hong Kong enjoys high freedom of speech and of the press, and has apparently attained the top position in the world. This is a truly convincing evidence.

President, 1 July has an important meaning because people of Hong Kong, who enjoy freedom and feel grateful, do have aspirations. The Government should therefore be pragmatic and reasonable, and work for people's well-beings and do what it should against resistance.

President, I so submit.

MR JAMES TO (in Cantonese): President, hundreds of thousands of people participated in the march on 1 July under the inclement weather. I am very touched. On the eve of the march, the Chief Executive made a report on his work in the past year, taking the credit and shirking the responsibility to his predecessor. He even said that he would not be complacent. However, in a newspaper interview, Convenor of the Executive Council LAM Woon-kwong made it clear that the performance of the current-term Government was worse than its predecessor. I find this interesting. While the Chief Executive said he would not be complacent, the Convenor of the Executive Council said the current-term Government was worse than the previous-term Government. Why did LAM Woon-kwong say so? He explained that the pro-establishment camp was not a genuine pro-establishment camp; it was a pro-Central Government camp and did not support the SAR Government wholeheartedly.

Another Executive Council Member Mrs Regina IP asked us to relax, saying that the march was a traditional and long-standing event, so we should take things as they come. Buddy, who is she? Although her New People's Party only has two votes in the Legislative Council, in her capacity as an Executive Council Member, she should hold herself accountable to what she said. She said that she should not be the only one to be held responsible for the march in 2003. Back then, she insulted the people, leading to 500 000 people taking to the streets. Today, at the end of the march, she asked us to relax, saying that processions are common in Hong Kong. Why is she unwilling to change her bad habits and continues to insult the people?

Mr LEUNG Che-cheung of the Democratic Alliance for the Betterment and Progress of Hong Kong said that many members of the public were a wolf in sheep's clothing and they did things that harm others without benefiting themselves. I do not exactly know what LAM Woon-kwong meant when he said pro-establishment camp was not pro-establishment camp. Is it because members of the pro-establishment camp have talked rubbish? Their remarks have offended the public, which has dragged down the rating of LEUNG Chun-ying's Government to a level even lower than its predecessor. President, an obvious reason is that we do not have universal suffrage. According to LAM Woon-kwong, this Government was returned by 1 200 people and these 1 200 people were indisputably loyal to the Central Government. Many colleagues of the pro-establishment camp have denied this, saying that the present system could be improved gradually. LAM Woon-kwong questioned how things could be done without universal suffrage. Nonetheless, he said this was only his personal view.

Many people shouted at top of their voice asking for genuine universal suffrage, but many of our colleagues asked for more time. LEUNG Chun-ying told us that there was ample time. LAM Woon-kwong is most ridiculous indeed, telling us that if the constitutional reform package could not be passed, the 70 Legislative Council Members, that is, all of us, would be sinners because the package should first be mulled over in Hong Kong society before it was submitted to the Central Authorities. But I hope Mr LAM Woon-kwong would understand one thing. If he said that the 1 200 people were loyal to the Central Government, and that the pro-establishment camp was not a genuine pro-establishment camp supporting the Government, but a pro-Central Government camp in truth, and they would support any package approved by the Central Government. If so, why did he say that the package should first be mulled over in Hong Kong? When should this mulling over be done? In 2015? Is there still ample time for mulling over the package?

Buddy, they should respect the people. People join the march not with a mentality that it is a traditional event. Although the participants this year, based on my observation, were not as angry as those of last year, they were ever more determined in demanding for genuine universal suffrage and for the consultation to commence expeditiously. The Central Government would have broken its promise if it does not implement genuine universal suffrage this time. In LAM Woon-kwong's words, a magnificent country has eaten its words. Broken promises are now very common, but Hong Kong people will become ever more

determined in asking the Central Government to implement universal suffrage. "Occupy Central" is only "child's play". Do not underestimate the determination of the people because they are fighting for the future well-being of Hong Kong and for the Chinese people, so that we will have a country which is more stable, rich and strong. This is what we should do.

DR JOSEPH LEE (in Cantonese): President, Mr SIN Chung-kai proposed a very meaningful motion today. Why? It is because the march on 1 July has been held for 10 years.

I wish to ask a question and wonder how the public officers here would answer. My question is, among the different aspirations voiced by the participants on the 1 July march in the past 10 years, how many of them have been taken on board by the Government? And what has the Government done? LEUNG Chun-ying responded by saying that he would listen carefully to people's aspirations and respond to them. I am not sure if he was just paying lip service, or he would truly keep his promise.

In fact, I have observed the march this year. No matter people marched with their family members, old and young, on their own or with members of different political parties, they were very special. Even more special is that this year is the 10th anniversary of the 1 July march. I do not know if this is good or bad In fact, I do not know how many people took part in the march and I do not attempt to argue about the accurate number of participants. But the fact is that people kept moving forward in the march, holding an umbrella in their hands. Certainly, some people may say that they only saw umbrellas, and wonder if anyone actually joined the march. I am just joking. Do not forget that under those umbrellas, there were people. There could be two or three people under an umbrella, with each one of them voicing an aspiration and chanting a slogan. In fact, the umbrellas cannot block their aspirations. What matters is whether the Government is aware of their aspirations?

Recalling 10 years ago, people joined the march to protest for Article 23 of the Basic Law, SARS or the financial turmoil. Their aspirations were related to economic problems. This year, we heard many different aspirations. Let us not talk about the most prominent aspiration for the moment, and talk about the housing problem which is now a very common issue. People say that property

prices are very high and they cannot afford to purchase a property, not even a flat under the Home Ownership Scheme. Then, there is the education problem of the children. Should they study in schools under the Direct Subsidy Scheme (DSS) or in government schools? The school fees of DSS schools are expensive and parents simply cannot afford. Or, should they send their children to international schools? What is the education policy of the Government? Will national education be taken forward? What will happen to them if they do not support national education? What if they support it? How should they explain to their children?

What about the poor people? President, I just met with a group of children and that is why I returned to the Chamber late. They are youth leaders who made use of the summer holiday to visit the Legislative Council and learn about our work. We had some discussion in the meeting. They raised a very interesting question, that is, since there were so many poor people in Hong Kong, how were we going to help them? That is precisely one of the issues raised in the march on 1 July. Certainly, we have to find ways to help those who are relatively poor, or the vulnerable group. How will the Government respond to this aspiration?

And there is the problem of the elderly. There is a subcommittee in the Legislative Council which examines the long-term care policy and the issues it discusses Every year, 5 000-odd elderly people passed away without getting a place in the residential care homes for the elderly. Actually, this issue is also one of the aspirations, which is about the people's livelihood. Has the Government done any work in this regard? In the past year, what has the new Government done? In the past decade, what has the Government done under these portfolios and in response to the aspirations of the marchers on 1 July? We need to take stock of what the Government has done and quantify its actions.

In fact, can those public officers present tell Hong Kong people which aspirations voiced in the 1 July marches in the past 10 years had been responded to by the SAR Government? If no responses had been made Most people participating in the 1 July march said that they wanted dual universal suffrage. Such demand was not raised by us, newspaper surveys also indicated that most people supported dual universal suffrage. This year is even more special. They showed their support of dual universal suffrage with umbrellas in their hands, fighting against the inclement weather. Be they sitting or marching with

an umbrella in hand, they hope to have the rights to vote, to be nominated or to nominate candidates in the elections held in 2016, 2017 and 2020. They hope that these rights will not be vested to a selected few.

I read a rather interesting newspaper article today. The writer asked "What if 'Long Hair' is elected?" If "Long Hair" is elected, it is a fact. It is a choice made by the people. If you are unhappy about it, do not elect him next time. Of course, universal suffrage cannot solve every problem. But people participating in the 1 July march wish to tell us, despite the rain, they want to have a right to choose. Under the present system, they do not have a right to choose. By then, they can make their own choice. It does not matter if they have chosen a rotten orange, a good apple or a sour lemon. As a member of the Hong Kong, they should have a right to make their own choice. This is very important.

Hence, I believe I hope that this year's march Of course, I may be day-dreaming No matter how many people have participated in the march This year's march is special as compared with those in the past 10 years in that people have braved the inclement weather to voice their aspirations to the Government. In fighting against the weather with the umbrellas, they hope that they can fight for genuine universal suffrage for Hong Kong and a right for everyone to make their own choice. As regards the candidate elected, we need not worry. People will take their own responsibility. People now do not have a right to make their own choice, and thus they may have many grievances and different opinions.

Besides, I hope the public officers present will not only focus on the dual universal suffrage, but also other livelihood issues which also have to be solved immediately. President, I may be longwinded. I really wish to ask how many issues related to housing, education, the elderly and the poor have been tackled in the past 10 years. This is the right moment to make a review on the past 10 years. I hope I do not know how many people here had taken part in a march. I hope that the efforts of those who had joined a march Adding the participants in the past 10 years together and it may takes up half of Hong Kong's population I hope that their efforts will not be wasted, and that the SAR Government will come to know that we call for dual universal suffrage and improvement of people's livelihood. Thank you, President.

DR HELENA WONG (in Cantonese): President, I do not know if God wants to test Hong Kong people this year. At the 4 June Victoria Park candlelight vigil, there was suddenly a torrential downpour. People were at a very awkward situation at the time, but many of them insisted on staying and lighting their candles. During the 1 July march, the sudden gusty wind and heavy rain was again a test on Hong Kong people. But we should be proud of ourselves because Hong Kong people have made world history.

Recently, a series of anti-government movements also took place around the world, but I think none took place during a typhoon. People took to the streets carrying an umbrella, wearing a raincoat or a pair of slippers; and the participants included the elderly, small children, people who are wheelchair-bound or aided with a walking stick, as well as infants sitting on the shoulder of their parents, carrying in their parents' arms or on their back. Despite the inclement weather, people still insisted on taking to the streets. The scene can definitely be listed in the Guinness World Records.

The whole world wondered why we did not celebrate the return of Hong Kong to its Motherland on 1 July, but took to the streets under the inclement weather, feeling indignant and dissatisfied. Surely, this is not a normal and rational act. The fact is that Hong Kong people were forced to such an insane state. I do not care whether 430 000 people had participated in the march. On 1 July, I was standing on an aluminum ladder looking at the far end and I could not see the start or the end of the procession. Despite the inclement weather, the marchers formed a very long procession. I must show my deepest respect to the people who took to the streets on 1 July because they have played their part in the road to democracy. I am moved by their spirit.

President, today, many Members have spoken about the spirit of Hong Kong people who took to the streets undaunted by the inclement weather. While they have different aspirations, they share two common aspirations. Members have repeatedly mentioned these two demands, which are, first, LEUNG Chun-ying should step down, and second, consultation on the constitutional reform should commence expeditiously and genuine universal suffrage should be implemented. They do not want universal suffrage with screening or a fake one. If the Government still broods on starting the constitutional reform consultation, the consequences will be serious. No one wants Central to be paralysed. No one wants to topple the Hong Kong economy. If it really happens, all Hong Kong people will have to pay the price. But why are people driven to such a

dead end and are willing to make such a heroic sacrifice? Why do people vow to fight for genuine universal suffrage, even taking the risk of being put to prison?

President, the fight for democracy did not start in the past one and a half year, but in the past 20 to 30 years. At the rally of the 1 July march, Reverend CHU, one of the leaders of Occupy Central movement said that he started waiting when he was middle-aged and he was now an old man, and he did not know how long he had to wait. Hong Kong people in fact have little patience. I also started waiting when I was young and now I am middle-aged. Some people did not live long enough, just like those 1 000-odd elderly people who passed away every year without getting a residential care place. Is it not the same for the fight for democracy? Yet, having seen those who took to the streets on 1 July, which was the day before yesterday, we are very confident that we can gain victory for democracy.

President, Dr Priscilla LEUNG questioned us just now, saying that our remarks are too extreme as if "universal suffrage can solve all problems". President, we have not misled the public. Hong Kong people only know too well that even if universal suffrage is put in place, it cannot solve all problems because democracy is not a panacea. But according to the wisdom obtained from the human history of the past hundreds of years, a democratic system has its merits over the dictatorship system.

President, we will insist on the implementation of universal suffrage. An opinion poll was conducted recently on the issue which Hong Kong people found most dissatisfied about the Government. They were most dissatisfied about two issues: housing problem and constitutional reform problem. The ratings for these two issues were very close, which were chosen by a similar number of people. Hence, we should abandon those remarks such as "we want food coupons, not poll cards", or "we should concentrate on people's livelihood and disregard political reform which can be considered later", and so on. The results of the opinion poll clearly show that while people hope that their livelihood can be improved, they also hope that a fair election system can be put in place in Hong Kong.

President, although no one ever said that universal suffrage can solve all problems, it is not a just system if the Chief Executive and Members of the Legislative Council were not returned by universal suffrage. Even if the Chief Executive is very capable and is a person of integrity, people will not consider

him their representative or find him credible and legitimate if he does not have public mandate and is returned by a coterie election, and in this way, he can hardly initiate any changes boldly and confidently.

President, we hope that Hong Kong can have a fair and just system, and the starting point to achieve this goal is through a Government and Legislative Council returned by universal suffrage, so that public opinions can be expressed through an appropriate and fair channel.

President, I hereby urge the Government (particularly the Constitutional and Mainland Affairs Bureau) to expeditiously kick start the consultation on the constitutional reform because Hong Kong needs to start the debate on the constitutional reform package as soon as possible.

Thank you, President.

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

MR WU CHI-WAI (in Cantonese): On 1 July, no matter how many people took to the streets, it is an indication that many people in society were extremely frustrated and disappointed about the governance. In fact, no matter how a government is established, we have to ask a core question and that is, whether it can render effective governance; and whether it has the trust of the people that it can take forward policies.

Do we recall the high popularity rating of TUNG Chee-hwa when he took office? However, his housing policy which he forced through in order to sustain an annual production of 85 000 flats and his subsequent attempt to legislate on Article 23 of the Basic Law had casted doubt on the credibility of the SAR Government, ending up in his resignation on the excuse of foot pain. Donald TSANG is an elite from the Civil Service. When he took office, people had high expectation of him. However, as events unfolded, he was found not as willing to take responsibilities and was incapable of leading his governing team effectively. In his seven-year governance, he neglected work about the constitutional system, and in this regard, the new-term SAR Government is the same. We often put the blame of the current problems on the previous-term

Government. In fact, all previous Governments had not faced up to all kinds of problems, such as land supply, housing supply and social welfare policies.

How come the policies implemented by the SAR Government officials, who are returned by a coterie election, hand-picked and trusted by the Central Government, have all along differed so greatly from people's expectation? I do not know whether the pro-establishment Members have seriously thought about this question. Can we say that when the opposition Members pick on the Government and put forth their opinions and viewpoints on government policies from a different perspective, they are standing in the way? If so, in the recent case on the landfills, is the coy stance of the pro-establishment Members a hindrance to the policy administration of the Government? Hence, we should carefully think about why the SAR Government cannot govern effectively. We should not put the blame on the opposition camp or the pan-democrats for standing in the way; or, as some colleagues have said, "You always talk about democracy. Why is democracy so good? People in many democratic countries can hardly make a living. If democracy takes root in Hong Kong, who can guarantee that this system can solve all problems in Hong Kong and people can live peacefully ever after?"

Quite to the contrary, I wish to point out that coterie elections have been practiced for over a decade. In an unjust and undemocratic system, a separate voting system is adopted to ensure that the pro-establishment and pro-Beijing Members can take control of Council meetings with 10-odd votes, and consequently, the credibility of the Government's administration is undermined. Have the Central Government or pro-establishment Members seriously think about this question? If they have not thought about it and criticized that the pan-democrats' proposal of solving social conflicts through political reform, constitutional reform and genuine universal suffrage would bring problems common in other democratic societies to Hong Kong, such as indiscriminate use of public money, bankruptcy, people living in hardship, and so on, they are only telling the discredits of the democratic system, without mentioning the credits of the system.

There must be pros and cons to every political system. As Dr Helena WONG has said, the democratic system has stood the test of time in the past few hundred years and is proven more effective in maintaining the authority of the Government and solving social conflicts. If we do not adopt this system, what

other system can we adopt? Should we continue to adopt a coterie election and end up in a situation where everything is out of control?

Last but not least, there is one more question we should ask. That is, is the Chief Executive the one to blame for the present predicament? In order to address public queries on the Government's administration, this Council proposed to invoke the power conferred by the Legislative Council (Powers and Privileges) Ordinance to conduct an investigation into this issue, so that we can give justice to the Government. However, the proposal was vetoed by the pro-establishment Members. If they think that the Government is so trustworthy, they should give justice to it through a trustworthy mechanism. But they refused to do so. As a result, people do not trust the Government and the channel that can fundamentally solve the problem is now lost, and people's distrust of the governance continues. Without the trust of the people, it will be very difficult for the Government to implement policies, which definitely would provoke (*The buzzer sounded*) a large number of people to protest on 1 July.

President, I support the motion. Thank you.

DR CHIANG LAI-WAN (in Cantonese): President, 1 July is a big day for Hong Kong; it is the day of the reunification. While some people happily participated in the carnivals and attended the concert, some chose to express their aspirations by joining the procession. In a way, I think both are positive. In a society which is free and open, people are willing to express their views, and the march on 1 July is only a channel for them to express their aspirations. Hong Kong is a pluralistic and free society. The Government should humbly listen to different voices and pool wisdom together with concerted efforts, so as to benefit the people. This is the best encyclopedia on administration for the Government.

A few Members said just now that many people who participated in the march on 1 July called for the resignation of LEUNG Chun-ying. Is it so? I noted yesterday that *Ming Pao Daily* interviewed the marchers and asked them their reasons for participating in the march. Almost half of them wanted to fight for dual universal suffrage. I can understand their aspirations because in the previous two Chief Executive elections, I believe many people were annoyed by the omnipresent media coverage and the daily surveys conducted, asking them whom they would support. Yet, these were not their concern since they did not

have a right to vote. Hence, this year they joined the march on 1 July to fight for universal suffrage. I think this is their natural reaction to reflect their views.

In fact, many Hong Kong people hope that they can elect the Chief Executive in 2017 by "one person, one vote". But when the Government has not even hammered out the proposal, some people already named the proposal as bogus universal suffrage, demanding that they wanted genuine universal suffrage. Former Legislative Council Member Martin LEE enthusiastically put forth a proposal which he believed to be an option to achieve genuine universal suffrage. But as soon as he made public his proposal, it was tagged as false representation of universal suffrage. Then, what is genuine universal suffrage? Is the universal suffrage in Japan, which has changed eight Prime Ministers in 10 years, genuine or false? Is the universal suffrage in Egypt, which has recently experienced nation-wide riots, genuine or false? More outrageous is that Mr LEE Cheuk-yan just called loudly that "We have to 'Occupy Central' and Hong Kong wants universal suffrage" in the Chamber, and I thought he nearly yelled, "Fellow people, follow me and attack!"

Universal suffrage is a process to achieve democratic governance. I often wonder whether democracy is infinite, and whether nowadays we can do whatever we like as long as we use democracy and freedom as our excuse. Children who do not listen to their parents would not be smacked and at most would only be briefly scolded by their parents. More and more young people show no respect to their parents, they fear not their parents as they only pursue personal democracy and freedom. Some teachers are helpless when handling rebellious students, they are excessively tolerant to these students and even appease them out of fear. The original intent of developing democracy is good. However, does it mean that democracy can allow one to practice civil disobedience, exercise absolute freedom, defy law and order, disregard morality and do whatever one wants?

Democracy is fundamentally based on social ethics. When the ethical standard has reached a certain level of maturity, democracy will take a forward stride. If not, democracy will only become a weapon for certain people to gain personal benefits, neglecting the need to attain a common good for ethics and justice, which is a prerequisite of democracy. Some people yearn for the American-style democracy and freedom. But we have to bear in mind that the American-style democracy is built on ethics because the United States is a religious country and over 70% of its people are Christians. Many Christians

treat people and handle matters with love, endurance and tolerance, just as the teaching in Chapter 13 of 1 Corinthians of the Bible, that is, "It (Love) always protects, always trusts, always hopes, always perseveres. Love never fails." President, in order for Hong Kong to successfully move forward to democracy and universal suffrage, we must build democracy on morality. When students would say good morning to their teachers and parents, when young people would offer seats to the elderly in the MTR and on the bus, and when people who walk their dog would naturally pick up their dogs' droppings, the development of democracy in Hong Kong is mature and hopeful.

President, here, I also wish to say that I am glad to see the carnivals, concert and procession on 1 July had each proceeded peacefully, despite under Typhoon Signal No. 3. I would also like to commend members of the police force who have served the public wholeheartedly under the inclement weather from morning till night. I salute to them.

I so submit. Thank you, President.

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

MR LEUNG KWOK-HUNG (in Cantonese): Fortunately, I speak after Dr CHIANG Lai-wan. If not, I cannot comment on her remarks. First, what is the use of ethics? Ethics is not for regulating other people; it is for regulating ourselves. If we ourselves can be regulated by ethics, it will become social ethics because everyone practices it. She said Hong Kong people do not practice morality. Leaders should take the lead in practicing morality, so as to regulate themselves. A leader should not get a reward if he does not deserve it. If no one elects him, he should not take office. Those 1 200 people are bred to the same kind, like a bunch of idiots gathering together. They are a manifesto of people without morality and a manifesto of idiots who can ride roughshod over 6.9 million people. As I have often said in interviews, the Communist Party ate the fruit of revolution and then shit on its people.

There are almost 80 million members in the Communist Party. He wants to be a model in order to stand for election. That is fine, but why does he have to preach? Would Jesus commit atrocities when he preached? When Jesus preached, he performed miracles and showed his kindness and love. He took

actions. He would not think that filthy people did not deserve to be his followers. He even washed the feet of a woman. Saint Peter said those without sin could throw stones at her. Jesus clearly knew that Judas would betray him, but he forgave Judas. Jesus also knew that Saint Peter would deny him three times before the rooster crowed the next morning, but he still forgave Saint Peter.

That is what a model should be. That is the spirit of forgiveness of democracy. There is a person who does not fit in the model. He said, "Buddy, I am now in power and you have to cover my back according to Article 4 of the Basic Law." Buddy, you whip the horse to run faster but without being fed, the horse would run slowly, and you are not happy. This reflects that the master is only concerned about his wishes, although the horse has not been fed, he still whips it. This is the core of the question.

I heard just now that many Members said you cannot force others to accept your views. But, buddy, why should the 6.9 million people be forced to accept the candidate chosen by the Communist Party? Can they explain why it has to do so? We are just trying to be reasonable. They keep saying that we cannot force others to accept the views of marchers, no matter how brilliant and righteous, tall and handsome, or justified they are. But we have not done so. We only strive for equal rights for all people.

Of course, that would incur losses to them, buddy, because they are the privileged class. While some people own five granaries of rice, some people have nothing to eat. If someone takes some rice out from the granaries and share with those who are almost starved to death, what crimes has he committed? Besides, how come some people have five granaries of rice? It is because they have committed all kinds of atrocities and forced others to submit to their rule. Can slaves be on an equal footing as the slave owner? If the slaves want to reassume their right, they have to get it back from the slave owners. Do you understand?

Buddy, if what they said is true, the May Fourth Movement would have to be reinterpreted. President, no wonder the May Fourth Movement has now been reinterpreted and it turns out that the Movement is about harmony. This is a novel interpretation that I have never heard of after so many years of studies. The two concepts of the Movement, namely democracy and science were not about harmony; the appeal to resist foreign power and uproot domestic traitors

was also not about harmony. I really cannot figure it out. How remarkable the brain-washing education is. It turns out that the May Fourth Movement is about harmony. Is it about music? I had better stop my wild talk and speak on today's topic. I originally wish to talk about the motion, but I was triggered by their remarks and could not help refuting them.

Ms Starry LEE said that we cannot stray from the framework of the Basic Law. Buddy, can the Basic Law not be amended? President, can it be amended? Every constitution can be amended. Dr CHIANG Lai-wan, as you are so patriotic, I give you a chance to answer my question. Please answer immediately how many times the Constitution of China has been amended? Do you know the answer? I let you reply. President, please do not say that I have strayed away from the motion. Do you know how many times it has been amended? Please answer. I promise that

PRESIDENT (in Cantonese): Mr LEUNG, please face the President when you speak.

MR LEUNG KWOK-HUNG (in Cantonese): If the President kicks you out of the Chamber, I would walk out with you. Answer me, how many times?

PRESIDENT (in Cantonese): Please face the President when you speak.

MR LEUNG KWOK-HUNG (in Cantonese): President, would you please ask Dr CHIANG Lai-wan whether she knows how many times the Constitution of China has been amended.

I believe she does not know the answer.

(Dr CHIANG Lai-wan appeared to be making a response)

I let you answer.

(Mr LEUNG Kwok-hung sat down)

PRESIDENT (in Cantonese): Members cannot sit down when speaking. Mr LEUNG Kwok-hung, please continue.

MR LEUNG KWOK-HUNG (in Cantonese): Let me tell her the answer. It has been amended four times. If the Common Programme of the Chinese People's Political Consultative Conference was also included, it has been amended five times.

The Common Programme endorsed by the Political Consultative Conference was adopted as the constitution by the Government upon the establishment of the People's Republic of China. The Constitution had then been amended four times, and sometimes the amendments were ridiculously amended. So why is the Basic Law not amendable? Ms Starry LEE said it would be dangerous if we stray away from the framework of the Basic Law. Then, can it be amended? They said they wanted universal suffrage. President, look at this book. We should do something about it. With repeated inclusion of the amendments and pages of decisions made by the Standing Committee of the National People's Congress (NPCSC) stapled to it, buddy, the book has become something like this. Indeed, even the decisions made by the NPCSC have become part of the Basic Law.

President, people taken part in the march came from different walks of life. I tell you, the slogan which asked for the stepping down of LEUNG Chun-ying topped the list. Whenever I shouted that slogan, I heard people saying foul language, and people would echo the same slogan. The righteous people gathered together united. In fact, we asked for dual universal suffrage. Yuk-man was condemned when he burned the Basic Law. Today, I would not burn the Basic Law because I know the President would definitely kick me out. But I can tear it apart, can't I? I would do it now to show my support of Yuk-man. The Basic Law is enacted for the people. In the past, a group of people was chosen to formulate the Basic Law. Today, it is used to stop us from implementing universal suffrage. I surely will tear it apart and I would do it slowly.

(Mr LEUNG Kwok-hung tore the Basic Law apart and threw it to the ground)

I will not burn the Basic Law today, so that you people cannot complain that I have turned the Chamber into a mess. I know your trick.

President, if we do not tear down the framework of the Basic Law, we are not powerful enough to break away from the shackles that the Communist Party has put on us and not powerful enough to kick away the slave owner.

PRESIDENT (in Cantonese): Mr LEUNG, please pick up the paper scraps that you have thrown onto the ground. Does any other Member wish to speak?

MR WONG YUK-MAN (in Cantonese): President, Hong Kong was hit by a typhoon on 1 July this year as Strong Wind Signal No. 3 was hoisted by the Hong Kong Observatory, with heavy rain and wind in many places over the territory I sounded as if I am now reporting on the weather. Notwithstanding the torrential downpour, 430 000 people still took to the streets to express their anger towards the Hong Kong Communist regime headed by LEUNG Chun-ying — Mr "689". How deplorable this regime must be such that people did not go shopping or dating on a public holiday, and they also sacrificed their family time in order to take to the streets and voice their anger? How corrupt this Government must be such that people fear not the rain and wind, and still participate in the march to voice out their anger? How shameless this Chief Executive is such that he still turns a blind eye to the wrath of the people?

I would like to respond to the speeches just made by Members. Some expect me to respond to the Honourable "YUEN Qiu"; I think it is a waste of effort to do so because we are at different levels, our views are poles apart, or as the saying goes, "Each one has his own trumpet, playing different tunes", and hence, I will not respond to her speech. However, Ms Starry LEE openly criticized me for burning the Basic Law, claiming that such behaviour was undesirable, and that constitutional reform should be taken forward under the framework of the Basic Law. Sorry, that is exactly what I intend to do, that is, breaking the framework of the Basic Law. This has all along been my aspiration over the years as I never acknowledge the Basic Law. Some people say that in that case, I should not be a Member. Buddy, I am a Member returned through direct election, and I am elected by the people.

Speaking of the Basic Law, as I have said in this Chamber numerous times before — we had mentioned this point when taking forward the "five geographical constituencies referendum" — Annexes I and II to the Basic Law clearly stipulate the three-step mechanism for constitutional reform, yet the National People's Congress (NPC), by its interpretation of the Basic Law in 2004, decided against the implementation of dual universal suffrage in 2007 and 2008, and introduced the five-step mechanism for constitutional reform. By its decision in 2007, the NPC even unilaterally violated the undertaking in relation to Hong Kong's constitutional reform previously made by Communist China, and once again decided against the implementation of dual universal suffrage in 2012.

Just now, Mr Charles Peter MOK said that they used the old banner which strived for "Implementing dual universal suffrage in 2012", hoping to highlight the debt owed to us by the Government. Although somewhat far-fetched, Mr Charles Peter MOK can still reason it that way, very much in the spirit of Ah Q. As a matter of fact, this was the joint manifesto of the pan-democratic camp in the 2008 election. But when the Legislative Council passed the constitutional reform package proposed by the Government in June 2010, they relinquished the fight for implementing dual universal suffrage in 2012 for they had been subdued under the framework of the Basic Law, while we should be seeking breakthroughs. Hence, in 2010 we considered that the pro-democracy camp's fight for universal suffrage over the past two decades was a total failure; I have also failed as I was also involved in the fight for the development of a democratic political system during that time. Therefore, we resigned to conduct a *de facto* referendum and return the power of decision in relation to constitutional development to the people. What we did at that time was exactly to negate the Basic Law. At that time, although only 500 000-odd people had voted, could you just eat all those votes? The demand of the people was crystal clear, they wanted to implement universal suffrage as soon as possible.

At that time, we proposed the implementation of dual universal suffrage in 2012, yet the Civic Party's view was slightly different from ours. They only proposed the implementation of genuine universal suffrage as soon as possible, without mentioning 2012 specifically. Honourable Members, who have actually violated the Basic Law? Secretary, where is the dignity of the Basic Law? What is your countermeasure? You just follow the order from "Grandpa". Now that "Grandpa" has yet to make a final decision, the Secretary is complacent while LEUNG Chun-ying plays dumb. The situation is just as simple as that.

What is so sacred about the Basic Law? Those who say so likewise do not believe in the sanctity of the Basic Law. Dr CHIANG Lai-wan, do you believe that the Basic Law is sacred? Do you know how the Basic Law was enacted? Of course, you are muddled; how would you know! You probably do not know how the Basic Law was drafted. Let me tell you, back in 1990, I had already written research articles about the Basic Law.

Therefore, the Basic Law is totally crap. Many years ago, the President and I attended a seminar on constitutional development held by the Chinese University Long Men Zhen (中大龍門陣). I wonder if the President still recalls the incident. At that time, I threw a copy of the Basic Law onto the ground, and you bent down to pick it up; I said it was crap, yet you picked it up and was eventually jeered at by the students. Sorry, if someone and I speak on the same occasion, it is difficult for them not to be jeered at. Turning back to

PRESIDENT (in Cantonese): Mr WONG, the truth is that when I picked up the Basic Law, everyone was dead silent. So please do not distort the truth. Please continue.

MR WONG YUK-MAN (in Cantonese): Of course, you were jeered at. It is meaningless for you to argue with me now. Afterwards, somebody told me that of those

PRESIDENT (in Cantonese): Mr WONG, you have digressed. Please speak on the motion.

MR WONG YUK-MAN (in Cantonese): Okay. If I have digressed, you, as the President, should not argue with me, right? During the Legislative Council Election in 2004, had your party not indicated the stance of supporting the implementation of dual universal suffrage in 2007 and 2008? Mr Jasper TSANG, are you provoking me? Had the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) not indicated that dual universal suffrage should be implemented in 2007 and 2008? I do not want to dig up the past either. During the Legislative Council Election forum in 2004, you joined

the election, leading Mr Christopher CHUNG, Miss CHOY So-yuk, and so on, and you had clearly stated the stance of fighting for the implementation of dual universal suffrage in 2007 and 2008, right?

As people in this city are half-man, half-devil, what more can I say? That is the reality of politics, but I will not accept this situation. Just like some people advocate the idea of occupying Central, why do I have reservation about it? With so many people participating in the march yesterday, we could have occupied Central! We have already occupied Central, so to speak, and I even wrote a book — *My self-defense in Court* — with a print of 3 000 copies. Had it not been the rain, they would have been sold out. The situation now is messy because we cannot raise as much money as originally expected. There is a price to be paid in the fight for the implementation of universal suffrage, and this is a price we are willing to pay.

Why can't the Basic Law be burnt? Why can't the Hong Kong Communist regime be overturned? This Government is destined to be overturned; it is just that some people neither have the strength nor the guts to do so. What purposes do it serve for the continued existence of this Government? The Government is administered entirely with inferior officials who only know small tricks. Lacking the ability of self-inspection, they smear others in order to clear their own names. They consider themselves acting in stand-up comedies, with an ego that is too big for their britches. Hundreds of thousands of people have participated in the 1 July march. No matter what calculation method is adopted, there would be at least 200 000 people; even if there were only 100 000 participants, they are still citizens of Hong Kong, right? How many of them were shouting "LEUNG Chun-ying, step down" on that day?

PRESIDENT (in Cantonese): Mr WONG, your speaking time is up. Does any other Member wish to speak?

MR PAUL TSE (in Cantonese): President, regardless of the number of participants in a march, we should face squarely the demands expressed by members of the public who took to the streets amidst wind and rain. Nonetheless, I want to digress slightly by talking about the incident which took place at the Hong Kong Academy for Performing Arts a few days ago. My initial reaction was that why did the students resort to that step because that day

was, after all, an important date for them. I also wonder whether they would regret when they grow older as one of their major life events was somewhat marred. Afterwards, I read some articles written by the students revealing their inner feelings. They were also agonized when making such a major decision of whether they should sacrifice this memorable day in their life. In this regard, I have an alternative thought. President, what I want to say is that the Chief Executive LEUNG Chun-ying had on that day put up a so-called reluctant smile, or as someone put it bluntly, a false smile. If a leader is supposed to have the three outstanding qualities of being wise, kind-hearted and courageous, I think he is certainly very courageous because even when being treated rather insultingly as such, he insisted on facing it directly and boldly. Regarding the qualities of being kind-hearted and wise, I think different people will have their own views as to whether he is kind-hearted, and I need say no more; as to whether he is wise, I also have some reservation because I wonder if being courageous only means facing the situation directly and boldly?

President, some people say that Hong Kong's problems are no big deal; they are just problems between China and the United States. So long as China and the United States do not engage in warfare, making some noises is no big deal at all. But what actually are Hong Kong's problems? Another more important question is perhaps our anti-Communist sentiment or our acceptance of the Communist Party regime. Of course, this problem will never be resolved, or I even think that it cannot be resolved in the near future or in the future. Of course, many historical factors are involved, but I cannot say more due to the time constraint. But what we can do or try to do is to control or minimize this anti-Communist sentiment as much as possible, instead of magnifying it, or even resorting to the method adopted by the Chief Executive LEUNG Chun-ying as I just mentioned, that is, daring to face it directly and boldly. This method is like a fly heading straight towards a glass panel, resulting definitely in direct confrontation that only brings injury to oneself without finding a way out. We should stop, stay calm and think about what better ways are available to deal with this problem.

President, although Hong Kong is a tiny place, I think its political problems are no less complicated than those in many places in the Middle East, and so on. Of course, Hong Kong is neither plagued by racial problems like in Singapore, nor religious problems which are often found in many places. But I am afraid that our society can become very divisive depending on whether we are ideologically anti-Communist or not. In a divisive society, genuine consensus

can hardly be forged and quality democracy can hardly be achieved because once this subject is brought up, discussion can no longer go on without rational thinking. Just now, Mr WONG Yuk-man has already fully displayed this irrational mode of expression.

President, under the circumstances, what should be done? Of course, there is no easy answer. Nonetheless, perhaps we can consider one method, that is, to minimize the conflicts as much as possible. President, what methods can be used? For example, even if we consider something undesirable or unacceptable, we should avoid it as much as possible provided that we do not violate any law or tarnish national prestige. We can perhaps think out of the box. Should the "courageous" method of the Chief Executive LEUNG Chun-ying be slightly changed temporarily so that he just concentrates on his work as usual, without the need for him to take the brunt all the time? Can the Chief Secretary for Administration or other officials who are less trouble invoking be responsible for lobbying and negotiation? These are all possible methods.

More importantly, the current Government is seemingly very anxious to make some achievements, so much so that it has immediately boosted all the work it has done in its Report on the Work of the Current-term Government in its First Year. In fact, the people have made their own assessment, and the Chief Executive's statement that he will not be complacent has upset them even more. This statement shows that the Chief Executive has courage but lack wisdom or strategy. I think this is time when he should step back and ponder on how to downplay or minimize the people's anti-Communist sentiment. The Chief Executive himself is merely a representative. If this sentiment is not properly reined in or constrained, I am afraid that everything we say is just useless.

Simply put, many people say that "a person who lacks trustworthiness is good for nothing"; there is really no need to elaborate further, it is futile to speak any more. But what is really the question? Take the example of a court case. Many people think that a case is won by the party with reason on his side. But I am afraid that when it comes to court cases, the jury or the Judge makes the decision not based on reasons, but on sentiments. Sentiments hold the key, while reasons are just used to package the Court's decision more nicely. Hence, I think the current problem faced by the Hong Kong Government (and even the Beijing Government) is how to work more in terms of people's sentiments. In this regard, I think the President is wiser than me and has more ideas, and I hope

he can give make suggestions in due course. I hope we will no longer raise some rather unrealistic questions here anymore. On the contrary, in face of any major rift and dispute, we must first deal with people's sentiments if we want to proceed forward, regardless of whether we are dealing with the constitutional reform or any other policies.

Now that I have dozens of seconds left, I would like to make a suggestion. I suggest that we can, by drawing reference to the establishment of the Preparatory Committee for the Hong Kong Special Administrative Region in the yesteryear, set up an organization as soon as possible, to bring together different aspirations for the forward development of the constitutional system held by various parties. The Administration can even provide more support to this organization so that various parties can sit together — even if all the disputes cannot be resolved immediately, we will at least have the opportunity to candidly put in more efforts to address the issue of sentiments, as well as to express our views. Actually, that is one of the steps in moving forward slowly. If we insist on using the existing method of direct confrontation, I am afraid that we will only get seriously hurt. Thank you, President.*(The buzzer sounded)*

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr SIN Chung-kai, you may now speak on the two amendments. The speaking time limit is five minutes.

MR SIN CHUNG-KAI (in Cantonese): President, first of all, I would like make a response in respect of Ms Claudia MO's amendment. Of course, some Members also pointed out just now that as Ms Claudia MO's amendment has criticized the Chief Executive for not listening to public opinions, they would not support it.

Actually, this is just a general comment. Has the Chief Executive really not listened to public opinions? Results of all public opinion surveys, including those about people's satisfaction level with him and the SAR Government, are in fact at record-low since he came into office, with scores below the passing mark.

As regards people's confidence towards "one country, two systems" and the Central Government, the scores are quite low or keep hitting record lows.

Moreover, LEUNG Chun-ying even published a report on his work on 28 June (that is, two days before the anniversary of the reunification). In response to questions from the public and reporters, he even said clearly that he would not be complacent about those performances. When a Chief Executive has got a failing score, but still said that he would not be complacent; has he really take heed of the public opinion?

The latter part of Ms Claudia MO's amendment is about how to allay public resentment and launch consultation, which coincides with what I said in my opening speech just now. Hence, we will support Ms Claudia MO's amendment. Mr Christopher CHEUNG's amendment specifically raises several points as follows. First, he has deleted the wording "the dissatisfaction with LEUNG Chun-ying's Government" and "and their relevant aspirations" — this is something we cannot accept. As a matter of fact, among the hundreds of thousands of people participating in the march, we can see that — as mentioned by many Members in their speeches just now — many of them demanded the stepping down of LEUNG Chun-ying.

Mr Christopher CHEUNG has further amended the motion by saying that we should attach importance to the silent majority of the public. Of course, we should attach importance to the silent majority, but as I have also mentioned just now, the silent majority have already expressed their opinions clearly. Let me repeat. The so-called net popularity rating in various public opinion polls is a measurement of people's satisfaction with the Chief Executive or whether they still support him as the Chief Executive; in this regard, the disapproval rate of LEUNG Chun-ying as the Chief Executive is 55%, while the approval rate is 27%. The net popularity rating of -28% is the view of the silent majority. I hope Mr Christopher CHEUNG will look at these figures for they are the views of the silent majority.

According to the same survey (conducted in mid-June), in respect of people's satisfaction level with the SAR Government, the dissatisfaction rate was 51% and the satisfaction rate 20%, giving a net satisfaction rating of -31%. This is a record high dissatisfaction rate since the SAR Government came into office.

Mr Christopher CHEUNG also mentioned "Occupy Central" in his speech, and criticized the movement harshly. I would like to stress one point, "Occupy Central" is the outcome, not the cause. What is the cause? "Occupy Central" only comes into existence because we do not have dual universal suffrage; "Occupy Central" only comes into existence because we do not have genuine dual universal suffrage. As evident from various phenomena, including those I mentioned in my opening speech, from QIAO Xiaoyang to Executive Council Member CHENG Yiu-tong, or even the Chief Executive himself, they are all stalling the consultation of the constitutional reform. Is this the driving force that compels people to take to the streets again, even though they have taken part in the march for 10 years? The Central Authorities have, time and again postponed the timetable for universal suffrage from 2007 to 2012, or even to 2017 and 2020. What can the people do? Please answer me: What can the people do?

We are forced by the Government to "Occupy Central", and it is not something people want to see. People only want to see the implementation of dual universal suffrage in 2017, so that the Chief Executive can be elected on the basis of "one person, one vote" in 2017. Can the elected Chief Executive do a good job? We can only resign to fate as we select the Chief Executive ourselves. Under the existing coterie election, as the Chief Executive is preordained by the Central Authorities, rather than chosen by the people, he does not have legitimacy. This Legislative Council also distorts public opinions. Hence, we need to fully implement dual universal suffrage to respond to the aspirations of the people. Therefore, I oppose Mr Christopher CHEUNG's amendment.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, I have to thank 32 Members for expressing valuable views on Mr SIN Chung-kai's original motion as well as the amendments proposed by Ms Claudia MO and Mr Christopher CHEUNG. Apart from me, Secretary for Constitutional and Mainland Affairs and Secretary for Commerce and Economic Development will also make a brief response to Members' views and the aspirations of the people participating in the march on behalf of the SAR Government.

Firstly, I must stress that the SAR Government has clearly heard the voices of the marchers. Regardless of the number of the participants and the theme of the 1 July march, the Government will stand to safeguard people's freedom of

procession and of assembly; respect their freedom to express views in a peaceful and legitimate way, and look squarely into their aspirations. As the Chief Executive has said, we will humbly listen to the public and analyse their aspirations, and then seriously consider improving governance in a pragmatic manner.

The SAR Government understands people's aspirations and expectations on various livelihood issues. In the face of the rapidly ageing population, the serious disparity between the rich and the poor and the many deep-rooted social and livelihood problems, our governance does have a lot of room for improvement. Therefore, in the past year after the current-term Government assumed office, we have seriously listened to different groups. We have not evaded from those controversial issues which are closely related to people's well-beings, but have even courageously taken one step forward to explore and tackle with them. On the livelihood issues, the current-term Government has also shown its commitment, sought change while maintaining stability, discarded the old mindset and responded to public aspirations with pragmatic actions. This is also evident from our work to care for the elderly and assist the vulnerable and the poor. I will also make a brief response to people's aspirations for housing, healthcare and environmental protection on behalf of the SAR Government.

Firstly, I wish to speak on our financial commitment in improving people's livelihood. Take labour and welfare as an example. We have been investing heavily in regular welfare programmes and services to help the disadvantaged groups in society. In 2013-2014, our recurrent expenditure on social welfare is \$55.7 billion, an increase of 31% over the revised estimate of \$42.7 billion for last year.

In view of the ever-increasing financial commitment, the focus of the current-term Government in the past year has been to provide support for the millions of the grassroots and the needy. This reflects that: (a) We have actively responded to people's aspirations, and the obvious examples are the introduction of the Old Age Living Allowance (OALA) and the establishment of the Commission on Poverty; (b) We are bold in tackling controversial issues, such as setting up the Standard Working Hours Committee and commissioning a consultancy study to comprehensively examine the proposed retirement protection; (c) We are ready to challenge and break away from the established mindset, like actively exploring the feasibility of portable welfare benefits and

studying the proposed carer allowance for the elderly; (d) We are bold in making groundbreaking decisions and implementing effective measures, for example, efforts have been made to devise the poverty line and introduce the Guangdong Scheme.

Many marchers and Members have expressed concern about how the financial support for needy elders in Hong Kong can be enhanced, which is also an issue of widespread public concern. In this connection, within one year after assuming office, we have pursued the implementation of the OALA. This is a brand new measure which aims to fill the gap between Old Age Allowance (commonly known as "fruit grant") and CSSA. It seeks to enhance the financial support for needy elders aged 65 or above in Hong Kong. With effect from April 2013, eligible elders will receive an OALA of \$2,200 every month. So far (as at the end of June 2013), the Social Welfare Department (SWD) has provided OALA for more than 330 000 elders and it is estimated that about 400 000 elders will benefit in the end.

The Guangdong Scheme for the provision of "fruit grant" is another elderly-oriented measure that keeps abreast of the times, which is also a groundbreaking attempt to move towards portable welfare benefits. The SWD will introduce the Guangdong Scheme by November 2013, so that Hong Kong elders who have chosen to reside in Guangdong can still receive OAA without having to return to Hong Kong every year. After obtaining some actual experiences in the payment of "fruit grant" from the Guangdong Scheme, we will seriously consider the payment of OALA to elders in Guangdong. To make full preparation for the implementation of the Guangdong Scheme, last Friday (28 June), I visited Guangzhou and met with officials of the Department of Civil Affairs of Guangdong Province and the Hong Kong and Macao Affairs Office of the People's Government of Guangdong Province.

I also understand that there has been widespread public concern about inadequate elderly services at present, and I totally agree that the existing system and measure do have room for improvement. Over the past year, we have opened our ears to hear the views of the general public and the industry, and have actively considered various new initiatives to enhance the supporting services for the elderly.

While "ageing in place as the core, institutional care as back-up" is the mainstay of our elderly policy, more have to be done to properly develop the

supporting services for "ageing in place as the core" to ensure that most elders can spend their twilight years in the community. To this end, we have made a breakthrough. We plan to launch the first phase of the Pilot Scheme on Community Care Service Voucher for the Elderly in September 2013. The SWD will issue up to 1 200 vouchers in the eight selected districts, and the value of each voucher is as high as \$5,800 per month. This Pilot Scheme will adopt the "money-follows-the-user" approach, so that the elders can flexibly choose the necessary community care services, thereby encouraging different service providers to enter the market and promote diversified development of community care service for the elderly.

We will strive to increase the number of subsidized residential care places for the elderly through a multi-pronged approach. From now on to 2015-2016, we will provide about 1 200 additional subsidized residential care places. Apart from purchasing places from private residential care homes for the elderly (RCHEs) under the Enhanced Bought Place Scheme and build new contract RCHEs, we will continue to identify sites for new homes. With regard to the identification of sites for new homes, the SWD has maintained close contact with the relevant government departments, with a view to reserving sites in new development and re-development projects as far as practicable for setting up elderly service facilities. We have earmarked sites in eight development projects for the construction of new contract RCHEs. The Labour and Welfare Bureau is actively exploring with the social welfare organizations, via the Hong Kong Council of Social Service, how to make better use of the land owned by the non-governmental organizations through re-development or *in situ* expansion to provide diversified subvented and self-financing facilities.

The current-term Government's care for the elderly and person with disabilities is also manifested in the expedient expansion of the coverage of the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (commonly known as the "\$2 Scheme"). In August 2012 and March 2013, the Scheme was extended to cover bus and ferry respectively, thereby enabling the elderly and eligible persons with disabilities to enjoy a concessionary fare of \$2 per trip. At present, an average of 660 000 people ride on MTR, buses and ferries every day and benefit from the concessionary fare. We estimated that the expenditure for this financial year is \$600 million. We will extend the Scheme to eligible children with disabilities aged under 12 in the first half of next year, and are exploring the possibility of extending the scope to cover to green minibus.

I notice that some people have requested the Government to expedite the construction of residential care homes for persons with disabilities (RCHDs). We have been actively identifying suitable premises for setting up RCHDs through long, medium and short term planning. In this regard, we have been actively studying the feasibility of redeveloping the former sites of Siu Lam Hospital in Tuen Mun and Kai Nang Sheltered Workshop and Hostel in Kwun Tong into integrated rehabilitation services centres as early as possible. Subject to the findings of the technical feasibility study, these two projects can provide a total of about 2 000 places of day training and residential care services for persons with disabilities. According to the present planning, the SWD has earmarked sites in 14 development projects for the construction of new subsidized RCHDs from 2013-2014 to 2017-2018. Together with some *in situ* expansions, we estimated that an additional 2 713 residential care places will be provided. These measures can help relieve the shortage of such places.

On the other hand, the Community Care Fund (CCF) has introduced the Special Care Subsidy for the Severely Disabled since 2011 to provide the beneficiaries with a monthly subsidy of \$2,000. Last year, it has also introduced the Provision of Special Subsidy to Persons with Severe Physical Disabilities for Renting Respiratory Support Medical Equipment to provide the beneficiaries with a monthly special subsidy of up to \$2,500 to relieve their financial burden, thereby facilitating persons with severe disabilities living in the community and with financial difficulties to receive the necessary nursing care and support. Furthermore, we are actively considering the provision of additional support for persons with severe disabilities who use respiratory support medical equipment, so as to enable them to purchase medical consumables relating to respiratory support medical equipment. This is an active response to the concern of Dr Fernando CHEUNG.

Some marchers have expressed concern about the alleviation of poverty, and I am aware that helping the grassroots and the disadvantaged groups is one of the pressing aspirations of the marchers. The current-term Government is duty bound with regard to the alleviation of poverty, and we have therefore adopted a proactive attitude. Soon after the Chief Executive resumed office, he set up the Commission on Poverty (CoP). Under the chairmanship of the Chief Secretary for Administration, it reviews the poverty problems in Hong Kong and its causes, and formulates the relevant policies with a view to achieving the social effect of preventing and alleviating poverty. It can be said that an important step has been made. The CoP will devise the poverty line within this year for measuring

poverty, assist the formulation of policies and assess policy effectiveness. Devising poverty line is not the only work of the CoP. The six task forces underpinning the CoP will formulate focused poverty alleviation measures to prevent and alleviate poverty, and promote the upward social mobility of the grassroots.

Meanwhile, we will launch various pilot schemes through the CCF. One is an attempt to provide greater incentives under the CSSA system to encourage the able-bodied recipients to take up employment and move towards self-reliance. Some members of the community suggested that a pilot scheme on savings accounts be implemented through the CCF to save up the earnings not disregarded under the Disregarded Earnings arrangements for the CSSA recipients who are in employment. When the total amounts of savings exceed a specified level, the total saving amounts will be released to the CSSA recipients who will then leave the CSSA net. The Social Security and Retirement Protection Task Force and the CCF Task Force under the CoP are working hard to follow up on the commencement work of the relevant pilot scheme.

Another example of thinking out of the box is enhancing the support services for carers of the elderly. We agreed that the provision of a carer allowance for the elderly is worth considering, and is in line with the principle of "ageing in place". The Elderly Commission has preliminarily discussed the idea of introducing a carer allowance, and the CCF Task Force of the CoP will also examine and follow up on the feasibility of introducing this pilot scheme.

In fact, since its establishment, the CCF has launched 19 assistance programmes for target beneficiary groups including children, the elderly, persons with disabilities, patients, new arrivals and ethnic minorities. People outside the existing safety net or the coverage of the Government's short-term relief measures have been successfully identified and provided with immediate assistance, and so far more than 100 000 people have benefited under these programmes. In addition, close to 200 000 people have benefited under the programme to provide a one-off allowance to new arrivals.

The CCF has also implemented measures on a pilot basis to help the Government identify those measures that have been proven effective for incorporation into the regular assistance programme. For example, the programme providing subsidy to needy patients of the Hospital Authority for the use of Samaritan Fund subsidized drugs has been incorporated into the regular

assistance programme since September 2012. The Government is also studying the incorporation of the following programmes into the regular assistance programme, which include the training subsidy for children who are on the waiting list of subvented pre-school rehabilitation services; the subsidy for Tenant Purchase Scheme flat owners on CSSA, and provide primary schools with lunch subsidy for students from needy families.

Furthermore, the CCF plans to re-launch the "Subsidy for low-income persons who are inadequately housed" programme, and include the elderly beneficiaries under the "Subsidy for low-income elderly tenants in private housing" programme as target beneficiaries. There are views that the present definition of "inadequately housed" is so narrow that households living in sub-divided units with individual entrance doors cannot benefit. To enable those "N have-nots" to directly benefit from the programme, the CCF has relaxed the definition of "inadequately housed" to benefit more sub-divided households. The enhanced programme will likely be launched before the end of this year. According to preliminary estimation, the number of beneficiaries will exceed 70 000 households (close to 200 000 persons) and will incur an expenditure as high as \$500 million. It can be said that our poverty alleviation work is not only progressing, but also deepening.

To further alleviate the problem of working poor, the current-term Government has improved the Work Incentive Transport Subsidy Scheme right at start. Starting from the claim month of this year, applicants may choose to apply on an individual or household basis (which is commonly known as the "dual-track" approach). Also, the income and asset limits have been relaxed. Individual-based applications can be made from this month onwards at the earliest, for an allowance of up to \$3,600 for the period between January and June 2013. As the relaxed measure has increased the flexibility and openness of the scheme, I trust that more grass-roots workers would benefit, thereby further alleviating the problem of working poor.

After the approval of an additional \$200 million funding commitment by the Legislative Council Finance Committee, the Labour and Welfare Bureau has, since October 2013, enhanced the short-term food assistance service projects (commonly know as "food bank"). This includes extending the service duration from a maximum of six weeks to a maximum of eight weeks. We will also increase the amount of subvention granted to the operating organizations by 10%, so that they can have greater flexibility in providing food assistance of various

kinds and with different combinations according to the needs of the service users, with a view to enhancing the effectiveness of this timely measure to assist the grassroots.

Some Members have mentioned the legislation on standard working hours. I have stressed time and again that the current-term Government has definitely not evaded from the issue of standard working hours. We have set up a high level special committee in April 2013, which comprises representatives from the Government, employers and employees, academics and members of the community, to follow up on the findings of the policy study on standard working hours conducted by the Government earlier. This special committee will hold its second meeting this month. It is precisely because standard working hours is a highly controversial issue that the entire community must be involved in the discussion. The special committee will pragmatically and thoroughly review any issue that may have far-reaching implications on the employees and even the entire economy before deciding on the way forward.

We also notice that some organizations and individuals have requested for universal retirement protection. I am sure Members would agree that retirement protection is a very complicated and controversial topic. So far, a consensus has yet to be forged in Hong Kong and there are divergent views in the Legislative Council. Notwithstanding that, the SAR Government cannot and will not evade from this important issue. Therefore, in March 2013, the Social Security and Retirement Protection Task Force under the CoP has invited Professor Nelson CHOW to conduct a study to review the existing three-pillar retirement protection system, and make recommendations for improvement. Also, he will comprehensively examine the different views and options put forth by the community. The study is expected to be completed within a year, after which the CoP will decide on the way forward.

Housing is the issue of the gravest concern to members of the public, and tackling the housing problem is a top priority of the current-term Government. At present, the crux of the housing problem is a lack of supply, so we will adopt a supply-led approach to achieve our policy objectives for housing. Public rental housing (PRH) is the key to resolve the housing problem of low-income people who cannot afford the rent of private housing. By increasing the supply of PRH flats, we hope to assist people eligible for PRH, including eligible people who are "inadequately housed", to secure public housing. For those who have pressing housing needs, the compassionate rehousing and Express Flat Allocation Scheme

of the Hong Kong Housing Authority (HA) may help. We have also provided temporary shelters for households affected by clearance operations through the provision of transit centres and interim housing.

Regarding the supply of PRH units, during the period between 2012-2013 and 2016-2017, the Government has provided sufficient land for the HA to build a total of 79 000 PRH units. In the medium term, in response to the increasing demand for PRH by the public, we will adopt a new production target of at least 100 000 units in total for the five years starting from 2018.

We are equally concerned about the aspirations for home purchase of the low to medium income families. The current-term Government has decided to resume the construction of Home Ownership Scheme (HOS) flats and grant land to the Hong Kong Housing Society for building some kind of subsidized sale flats, and regard them as the core of public housing. Our planning target is to provide some 17 000 new HOS flats over four years starting from 2016-2017 onwards and thereafter about 5 000 HOS flats per year. The first batch of about 2 100 HOS flats to be completed in 2016-2017 will be constructed in mid-2013 and will be released for pre-sale by the end of 2014.

The Long Term Housing Strategy review is now in full swing. The review will establish the housing needs of specific groups (for example, the poorly-housed households, elderly, non-elderly singletons, youngsters and first-time home buyers) in the community and ascertain the priorities in addressing those needs; assess the PRH Waiting List position and explore ways to optimize the use of PRH resources; review and project medium to long term demand for public and private housing, with a view to mapping out a housing supply strategy. We will release the consultation document in September 2013, to be followed by a three-month public consultation.

Some marchers requested the Government to improve public healthcare services, which include shortening the waiting time at Specialist Outpatient Clinics. The increase in waiting time at Specialist Outpatient Clinics is mainly attributable to the ageing population in Hong Kong, which is associated with a higher prevalence of chronic diseases and in turn gives rise to an increased demand for healthcare services. On the other hand, the capacity of the Hospital Authority in providing services is constrained by the lack of manpower in the public healthcare sector and lack of space for certain hospitals. This year, the Hospital Authority will set up new case clinics and conduct additional doctor

sessions to manage an additional 13 000 specialist outpatient cases. We expect that medical manpower shortage problem will improve when the number of medical graduates starts to go up.

With regard to public concern about the landfills, the focus of the "Blueprint for Sustainable Use of Resources" published by the Environment Bureau in May is precisely the reduction of waste at source. It aimed to achieve a 40% reduction in waste disposal in 10 years, and proposed to drastically reduce the landfilling rate from presently 52% to 22%. We will press ahead with these proposals.

President, the SAR Government knows very well that "nothing that concerns the people's livelihood is a trivial matter". Over the past year, we have tided over the difficulties by listening to public opinions and doing real work on livelihood issues. We heard the voices of the marchers and are fully aware of the need to exert greater effort to improve people's livelihood. I wish to point out that the current-term Government has embarked on a number of reforms for the livelihood policy, and they take some time for us to see the effect (*A Member shouted in his seat*) They cannot be achieved in one step, and I hope members of the public will understand (*A Member shouted in his seat*) The entire SAR Government will work with one heart and continue to address people's pressing needs

PRESIDENT (in Cantonese): Secretary, please hold on. Members should not shout in their seats and please observe the Rules of Procedure. Secretary, please continue to speak.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): The entire SAR Government will work with one heart and continue to address people's pressing needs, and try our best to do real work for the people.

President, I so submit.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, first of all, I would like to thank the Members who have spoken. Just now some Members have expressed concerns about the economic

development and I will make a brief response highlighting the issues relating to the policy area of the Commerce and Economic Development Bureau.

However, before making a response, I would like to talk about the march on 1 July that many Members mentioned today. The weather was terrible that day with gusty winds and torrential rains but people still

(Mr WONG Yuk-man stood up)

PRESIDENT (in Cantonese): Secretary, please hold on. Mr WONG Yuk-man, what is your point?

MR WONG YUK-MAN (in Cantonese): A quorum is not present.

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

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

PRESIDENT (in Cantonese): Secretary for Commerce and Economic Development, please continue.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, today many Members mentioned that despite the bad weather on 1 July with strong gusty winds and heavy downpour, people still participated in the march to express their various aspirations. We all know that no matter how bad the weather is, what follows will be a sunny day. The people have for years exercised their right to take to the streets to express their views, and that is exactly a manifestation of the SAR Government's endeavours to uphold the core values highly cherished by the people of Hong Kong.

Whether the people take to the streets or voice their opinions, I believe they act out of "love", their love for Hong Kong and their home. Our biggest assets

are our flexible, versatile and resilient talents. I believe that with everyone's efforts, Hong Kong will not only have a sunny day today and tomorrow but will also have a rainbow.

Back to the economy, the Chief Executive has said on various occasions that many livelihood issues are closely related to the economic development. Only when the economy has sustainable and relatively rapid growth will we have sufficient capacity to solve the long-standing and deep-rooted problems in society such as housing, poverty, youth employment and upward mobility.

The Chief Executive published the Report on the Work of the Current-term Government in its First year last Tuesday (25 June). In the introduction he clearly points out it is the key governance initiative of the Government "to resolve the long-term social problems by economic development" and "economic development" is the first of the five key administration areas. From this we can see that the Government attaches great importance to the development of the economy.

The formulation of a comprehensive industry policy is one of the important aspects of the Government's work in the development of the economy. The Chief Executive has also stated in the Policy Address that the Government will capitalize on the opportunities available, and together with the "appropriately proactive" approach, makes Hong Kong well placed to diversify the industries to meet the needs of the people for start-up initiatives, investment, business operation and employment.

The Economic Development Commission established in January this year is now exploring ways to utilize our long-standing edges and the opportunities offered by our country. It will focus on exploring the overall strategy and policy to broaden our economic base, promote our long-term development, and identify industries which present opportunities for Hong Kong's further economic growth. The Commission will soon hold its second meeting, and the four working groups under it are already in full swing. They will examine the present situation and explore the development needs of various trades and industries from different perspectives. Priority will be given to addressing relevant subjects to identify the policy measures required. We are confident that members of the Commission will present specific and feasible proposals to the Government to facilitate the promotion of Hong Kong's long-term economic development.

President, small and medium enterprises (SMEs) are the pillars of Hong Kong's economy and the Government has always attached importance to their development and provided support in various areas to enhance their competitiveness, so that employers and employees of SMEs can enjoy the economic fruits.

Apart from the aforementioned measures to facilitate macroeconomic development and support SMEs, the Government also implement measures to support individual pillar industries and emerging industries with competitive edges, hence while Hong Kong can capitalize on the opportunities provided by the priority pillar industries, it can also keep abreast of the times, so that our economy can be more diversified with greater competitiveness.

The Financial Secretary had already pointed out clearly in the Budget that the traditional pillar industries, including trading and logistics, tourism, financial services and business assistance and professional services have been the major driving forces behind Hong Kong's economic development. Therefore, we will expand and strengthen the edges enjoyed by our pillar industries to consolidate their driving force for economic development.

On the other hand, the Government has also formulated a number of measures to nurture the emerging industries, in particular, to promote the development of the innovation and technology, and the creative industries.

The Government has spared no efforts in creating a favourable environment for the development of the innovation and technology industries in order to foster collaboration among the Government, industry, academia and research sectors through the provision of better support in terms of hardware, policies and resources.

The Chief Executive had also announced in the Policy Address that the Government would step up its efforts to promote the development of the creative industries. The Government collaborates closely with the industries through Create Hong Kong to promote the development of creative industries. The Finance Committee of the Legislative Council approved in May this year our funding application to inject an additional \$300 million into the CreateSmart Initiative, so as to support more projects that are conducive to the development of creative industries.

We will continue to listen closely to the views and aspirations of Members and the public, and will promote further economic development from the perspective of overall economic development strategies and structure. We will also develop the pillar industries which Hong Kong has always enjoyed advantages and nurture the emerging industries so that the economic development will be more consolidated and diversified, and the general public can share the fruits of economic success as well.

Thank you, President.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, just now, the Secretary for Labour and Welfare and the Secretary for Commerce and Economic Development have respectively responded to livelihood and economic issues. Next, I will respond to issues on equal opportunities, press freedom and constitutional development.

On the front of equal opportunities, the SAR Government will continue to ensure, through public education and publicity, that persons of different sexual orientations and transgendered persons can enjoy equal opportunities. We will strive to eliminate discrimination against them and nurture a social culture and values that support pluralism, tolerance and mutual respect.

In this financial year, we have allocated additional resources to facilitate the work on equal opportunities for persons of different sexual orientations and transgendered persons. Such work includes subsidizing meaningful social events through the Equal Opportunities (Sexual Orientation) Funding Scheme; promoting the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation to public bodies and private enterprises; and organizing different promotional and publicity programmes, including production of Announcements in the Public Interest.

Besides, we also established on 10 June this year the Advisory Group on Eliminating Discrimination against Sexual Minorities, through which members will be invited to provide concrete views on matters of concern of the sexual minorities and related issues, particularly about the areas and seriousness of discrimination against the sexual minorities in Hong Kong and the strategies and measures to eliminate such discrimination. I anticipate that the Advisory Group

can assist the SAR Government in taking forward the work of sexual orientation discrimination in this regard.

Today, Ms Claudia MO proposed an amendment to express her aspiration to defend freedom of the press. I wish to reiterate that freedom of speech and of the press are basic rights of Hong Kong people. These rights are protected under the Basic Law and the laws of Hong Kong. The media in Hong Kong plays an active role in monitoring the Government. It can extensively and freely comment on local and foreign affairs as well as the policies and work of the Government.

Like members of the public, the SAR Government values and treasures the freedom of the press and of speech that we now enjoy. These are important core values of Hong Kong and also important elements that maintain Hong Kong's status as an international metropolis and enable the sustainable development of our society. The SAR Government will remain unswerving in upholding freedom of speech and of the press and will provide an appropriate environment with least regulation for the free and vibrant development of the press sector.

President, on the front of constitutional development, I wish to reiterate that the Central Government, SAR Government as well as the Hong Kong public have a common vision, which is to forge ahead the constitutional development of Hong Kong and implement universal suffrage for the Chief Executive Election in 2017 in straight accordance with the requirements of the Basic Law and the related explanations and decisions made by the Standing Committee of the National People's Congress (NPCSC), and this is also an important policy objective of the current-term Government.

Today, many Members have asked the Government to expeditiously commence the consultation. I can understand their concern and, in a certain perspective, it is reasonable as well. Meanwhile, we also attach great importance to people's concern about economic and livelihood issues. That is why the SAR Government has placed a greater focus on economic and livelihood policies in the past year. Despite the fact that the consultation document on the constitutional reform is not yet published, the SAR Government has all along kept in view the opinions expressed by different sectors of society on constitutional development. In the past year, we have also met with different people to exchange views on constitutional development, so as to properly prepare for the next step, which is to commence the consultation.

Many Members have indicated in their speech their wish of implementing universal suffrage for the Chief Executive Election in 2017. Likewise, I also hope that this goal can be achieved and will strive to do so. However, we need to be pragmatic in order to successfully achieve this goal, and we must bear three points in mind.

First, the consultation and the constitutional reform package have to be handled in straight accordance with the Basic Law and the related decisions made by the NPCSC.

Ji Pengfei, Chairman of the Drafting Committee for the Basic Law, explained the "Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (Draft)" at the Third Session of the Seventh National People's Congress on 28 March 1990. From his explanation, we can summarize the design of the political system of the HKSAR into four major principles, which are:

- (1) meeting the interests of different sectors of society;
- (2) facilitating the development of the capitalist economy;
- (3) having a gradual and orderly progress; and
- (4) conforming to the actual situation in Hong Kong.

As a matter of fact, the success of Hong Kong is attributed to members of various sectors of society, as well as members of various trades and industries, who, irrespective of their ranks and positions, perform their duties well and work in concerted efforts with other people in all these years. The design of the HKSAR's political system has always premised on the above four major principles and has progressed gradually towards democratization in an orderly manner since the reunification. I hope that in the days to come, Members can base their discussion on the Basic Law, the decisions of the NPCSC and the four principles I just mentioned.

Second, concerning the upcoming work, we need to recognize that the Central Government has its constitutional role, powers and duties in the development of our political system. Let me cite two simple examples and Members will understand the constitutional role of the Central Government. For instance, in accordance with Annex I of the Basic Law, the constitutional reform

package and the election method of the Chief Executive by universal suffrage must be approved by the NPCSC. In terms of the selection method of the Chief Executive, there are three steps to be followed, namely nomination, election and appointment; and the appointment is actually to be made by the Central People's Government. Hence, apparently, the Central Government does have its constitutional role, powers and duties in respect of the election system and the appointment of the Chief Executive.

I thus hope that Members will try to better understand the views of the Central Government on the development of our political system in the upcoming discussion because I believe that understanding the Central Government's points of view and its constitutional role is an indispensable factor to complete the five steps of the constitutional reform so as to elect the Chief Executive by universal suffrage in 2017. Certainly, as the SAR Government, we will discharge our duties and reflect to the Central Government the majority view of the people, which is the aspiration of electing the Chief Executive by universal suffrage.

Third, we need to understand that the Legislative Council has the power to determine the constitutional development. According to the Basic Law, any proposal must be endorsed by a two-thirds majority of all Members of the Legislative Council. I thus hope that Members can set aside their established stance and bear in mind the overall interest of Hong Kong, and strive to minimize differences and forge a consensus on the goal of electing the Chief Executive by universal suffrage as the next step of the constitutional development. Together, we will realize this common wish of the people of Hong Kong.

President, I wish to reiterate that it is the common wish of the Central Government, SAR Government and Hong Kong people is to forge ahead the constitutional development in Hong Kong and implement universal suffrage for the Chief Executive Election in 2017. I hope that we can work concertedly and strive to realize this wish together. I sincerely look forward to the Chief Executive Election in March 2017 when people of Hong Kong and I can cast our votes at the voting stations and elect our Chief Executive by one person, one vote; and four years later on 1 July, we can witness together the historic moment when the candidate returned by universal suffrage and appointed by the Central Government swears in as the Chief Executive.

President, in the past few years, people have participated in different kinds of activities on the anniversary of the establishment of the HKSAR on 1 July, in order to express their different views and aspirations. Some people chose to

participate in celebration activities and performance programmes to celebrate and commemorate the return of Hong Kong to her Motherland and becoming a SAR of our country. On the other hand, some people chose to participate in march to express their views on issues about Hong Kong's economy, people's livelihood and the political system. This precisely reflects that Hong Kong is a pluralistic and open society where every member of the public can make their own free choice based on their stance, views and values. We must respect the different choices made by different people, rather than forcing our own views on others. This is the very essence of democracy and a genuine realization of the spirit of democracy.

As a matter of fact, democracy is not just expressed in an election system. It is also an attitude, one that requires us to practice the tradition and culture of mutual respect, diversity and tolerance in our daily life. In the progression to universal suffrage, our society still needs to be prepared both in terms of hardware (that is, the design of the election system) and the software (that is the building up of the spirit of democracy).

President, no matter what activities people have participated in on 1 July that has just passed, I believe they have a common starting point, that is, they regard Hong Kong as their home, hoping that society can continue to make progress and people can live in peace and work happily. I believe, as long as different sectors of society can stand united, respect each other, be more communicative and accommodating, society can face up to the various challenges ahead.

As a matter of fact, since the reunification, the people of Hong Kong have gone through different trials together. There were natural disasters and political storms. But every time we straddled the difficulties together by holding steadfastly to our positions, entrenching in our strengths, staying united and helping each other. The SAR Government hopes that in the days to come, we can take forward the development of society together with the general public.

Thank you, President.

PRESIDENT (in Cantonese): Ms Claudia MO, please move the amendment to the motion.

MS CLAUDIA MO (in Cantonese): President, I move that Mr SIN Chung-kai's motion be amended.

Ms Claudia MO moved the following amendment: (Translation)

"To add ", as the Chief Executive LEUNG Chun-ying has not listened to public opinions," after "That"; and to add ", and at the same time adopt appropriate measures to allay public resentment, including immediately launching consultation on constitutional reform and safeguarding freedom of the press" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Claudia MO to Mr SIN Chung-kai'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.

(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 five minutes.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Tommy CHEUNG, Mr Frederick FUNG, Dr Joseph LEE, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr Frankie YICK, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK, Mr IP Kin-yuen and Mr CHUNG Kwok-pan voted for the amendment.

Mr Abraham SHEK, 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, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Mr TANG Ka-piu, Ir Dr LO Wai-kwok and Mr Tony TSE voted against the amendment.

Dr LAM Tai-fai and Mr POON Siu-ping abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mr Alan LEONG, 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 WONG Kwok-hing, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr CHAN Han-pan, Miss Alice MAK, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted against the amendment.

Mr Paul TSE abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 32 were present, 13 were in favour of the amendment, 17 against it and two abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 16 were in favour of the amendment, 11 against it and one abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MR ANDREW LEUNG (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Facing up to the aspirations of the people participating in the march on 1 July" 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 "Facing up to the aspirations of the people participating in the march on 1 July" 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): Mr Christopher CHEUNG, you may move your amendment.

MR CHRISTOPHER CHEUNG (in Cantonese): President, I move that Mr SIN Chung-kai's motion be amended.

Mr Christopher CHEUNG moved the following amendment: (Translation)

"To delete "face up to the dissatisfaction with LEUNG Chun-ying's Government expressed by" after "urges the Administration to" and substitute with ", in addition to facing up to the assessments by and aspirations of"; and to delete "and their relevant aspirations" immediately before the full stop and substitute with "in regard to the performance of LEUNG Chun-ying's Government on policy administration in the past year, attach importance to the expectations of the silent majority of the public for maintaining Hong Kong's prosperity, stability and development, including adopting effective measures to drive Hong Kong's sustainable economic development, enhance its competitiveness and improve people's livelihood, so as to alleviate the pressure of life of the grassroots and the middle class; and facilitating various sectors in society to forge a consensus on achieving the ultimate goal of universal suffrage through rational and peaceful channels during the consultation on constitutional reform to be launched later". "

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Christopher CHEUNG to Mr SIN Chung-kai'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.

(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 Abraham SHEK, Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr Albert HO, Mr James TO, Mr Frederick FUNG, Dr Joseph LEE, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK and Mr IP Kin-yuen voted against the amendment.

Geographical Constituencies:

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mrs Regina IP, Mr Paul TSE, Mr Michael TIEN, Mr CHAN Han-pan, Miss Alice MAK, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG voted for the amendment.

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mr Alan LEONG, Mr LEUNG Kwok-hung, 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 against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 32 were present, 23 were in favour of the amendment and nine against it; while among the Members returned by geographical constituencies through direct elections, 32 were present, 14 were in favour of the amendment and 17 against it. 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): As Mr SIN Chung-kai has used up his speaking time, he therefore may not reply.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr SIN Chung-kai 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 WONG Ting-kwong rose to claim a division.

PRESIDENT (in Cantonese): Mr WONG Ting-kwong 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 Tommy CHEUNG, Mr Frederick FUNG, Dr Joseph LEE, Dr LAM Tai-fai, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr Frankie YICK, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK, Mr IP Kin-yuen and Mr CHUNG Kwok-pan voted for the motion.

Mr NG Leung-sing voted against the motion.

Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Kin-por, Mr IP Kwok-him, Mr Steven

HO, Mr YIU Si-wing, Mr MA Fung-kwok, Miss CHAN Yuen-han, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok and Mr Tony TSE abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Ronny TONG, Ms Cyd HO, Mr Paul TSE, Mr Alan LEONG, Mr LEUNG Kwok-hung, 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 motion.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mrs Regina IP, Mr CHAN Han-pan, Miss Alice MAK, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 32 were present, 14 were in favour of the motion, one against it and 17 abstained; while among the Members returned by geographical constituencies through direct elections, 31 were present, 18 were in favour of the motion and 12 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion was negatived.

PRESIDENT (in Cantonese): Second Member's motion: Formulating a population policy.

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

I now call upon Mr IP Kwok-him to speak and move the motion.

(Some Members talked loudly)

PRESIDENT (in Cantonese): Members will please remain silent. Mr IP, please speak.

FORMULATING A POPULATION POLICY

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

Population is a basic component of a country or region. Population size, quality and distribution will have a direct impact on national or regional development. If the population of a country or region is so large that it is beyond the affordability of natural resources or society, the development of the country or region will be affected. Likewise, if the population is too small or there is an imbalance in demographic structure, it will also lead to such problems as population ageing, inadequate or even poor labour force, and so on. In the end, a wide range of social problems will occur, and economic development will be impeded. As Hong Kong has little land but a large population and lacks natural resources, manpower resources have become the cornerstone of its success. A comprehensive population policy has become all the more crucial to Hong Kong's future development.

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

In late 2012, the population of Hong Kong stood at 7.17 million. According to the 2011 Population Census, between 1981 and 2011, Hong Kong's population saw an increase of 1.96 million, with the average growth rate in every five years falling gradually from 3.3% in 1981 to 0.6% in 2011. In retrospect, Hong Kong's overall population growth has shown a general trend of slowing down.

Deputy President, the birth rate in Hong Kong has been falling drastically since the 1970s and gone below the "natural" replacement level of every 1 000 women bearing 2 100 children. Over the past two decades, the birth rate in Hong Kong has continued to fall and reached a record low of 901 in 2003. According to the Hong Kong Population Projections 2012-2041, Hong Kong's birth rate will remain at a relatively low level, which is even lower than that of many developed countries or regions, such as Japan, Sweden, Australia, the United Kingdom, the United States, and so on.

On the contrary, with sustainable improvement in healthcare technology, hygiene and living environment, Hong Kong's per capita life span has continued to grow. Hong Kong is now among the world's cities of long life expectancy. According to the Government's statistical projection, Hong Kong's population will meet the World Health Organization's definition of "Super Aged Society" in 2023. By then, one in every five persons will be an elderly person, and the elderly population will reach 1.6 million.

Manpower resources are the key to promoting sustainable development of the economy. However, "an ageing society with fewer children" will lead directly to diminished labour force, structural ageing and an imbalanced supply of labour. According to the Government's latest demographic and labour force projections, despite the continued slow growth in Hong Kong's overall population, the labour population growth will retreat from its peak and begin to decline in 2018, or in five years' time, and reach 3.4 million in 2041, which is 90 000 fewer than the 3.49 million recorded last year, that is, in 2012. More importantly, according to the Government's forecast in the Manpower Requirement Projection to 2018, even if the peak of the overall labour population in 2018 is reached, Hong Kong will still see a slight manpower supply opening. Should the forecast be correct, Hong Kong's manpower supply opening will definitely continue to widen, thereby impeding the sustainable development of Hong Kong's economy. The situation is indeed worrying.

Furthermore, the dwindling labour population will cause Hong Kong's economic production and internal consumption market to shrink. As a result, the Government will receive less tax revenue, and its financial sustainability will be affected. However, this situation was seldom mentioned in the population policy studies conducted in the past. I think it is worthwhile for the Administration to conduct an in-depth review when drawing up a new population policy.

Deputy President, from a societal point of view, the falling birth rate will seriously affect the overall population and the structure of every household. With the year-on-year fall in the ratio of the young population, population ageing will gather speed. Furthermore, the reduction in the number of family members caused by the falling birth rate will directly undermine the function of the family in providing care to the elderly and further aggravate the burden on the younger generation from supporting their parents. In the end, the responsibility of providing family care might need to be shifted further to the social welfare system. I believe the previous mindset of "raising children for old age" will have to be changed to "the father supports his son, and his son will in turn supports his own son".

On the other hand, according to the population census completed in 2011, the two major age groups of Hong Kong's population in 2011, one aged between 45 and 49, and the other between 50 and 54, will add up to around 1.3 million, or 32% of the overall labour population. However, these people will reach retirement age one after another in the coming decade. It can be anticipated that population ageing in Hong Kong will gather speed, and the challenge thus posed is imminent.

Regarding the challenges posed by "an ageing society with fewer children" and other population problems, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) has completed a report earlier and submitted it to the Chief Secretary for Administration. We have put forward a number of recommendations, including introducing child nursing subsidies, a three-tier retirement protection pension, operating Hong Kong-style subsidized schools in Shenzhen in order to divert cross-boundary school children, and so on. However, as time is running out, I will concentrate on the goal of the population policy and the framework for policy implementation in elaborating on the views of the DAB. As for other recommendations, other colleagues from the DAB will explain them in their speeches later.

Although Hong Kong began to formulate a population policy in 2003, the community has never been engaged in comprehensive and extensive discussions on the objective of the population policy. Furthermore, with the lapse of a decade, is the goal set back then still applicable at this moment in time? This issue in fact warrants careful deliberation.

The population policy formulated in 2003 was targeted at enhancing the quality of the population to enable Hong Kong to become a knowledge-based

economy and a world-class city. Originally, there was nothing wrong with this target, but from today's perspective, this economy-driven goal appears to be incapable of responding to Hong Kong's falling birth rate and ageing population, according priority to Hong Kong people, and such strong aspirations in the community as facilitating family reunions and the integration of new arrivals into the community. For these reasons, the DAB thinks that the Government should re-examine and propose a new population policy objective which can strike a balance between economic development and social development. The new objective should comprise the following three elements. First, an elderly policy should be formulated to address the ageing population. Second, priority should be accorded to Hong Kong people, which means that the birth rate in Hong Kong should be raised as the first and foremost initiative to boost population growth before considering further steps to enlist overseas talents and attract overseas immigrants. And third, the needs of families, including family reunion, cross-boundary family support, and assistance to new arrivals to integrate into society, should be catered for.

Deputy President, as the population policy involves extremely complicated issues and various policy areas, and the anticipated demographic situation is ever-changing, the DAB considers it necessary for a dedicated department to be set up to track the demographic changes continuously, collate, analyse and study the data, as well as co-ordinating the effective implementation of cross-policy initiatives, monitoring the implementation of policies, and reviewing existing policies in due course.

Despite the reorganization of the Steering Committee on Population Policy (SCPP) by the new term of Government last year to highlight the importance it attached to the formulation of the population policy, it will take a long time for the policy to bear fruit after its implementation since it is a long-term major policy like those of housing and education. Furthermore, the policy needs review and adjustment from time to time. For these reasons, the DAB thinks that the SCPP should be made permanent and adequate resources be provided for it to set up research and administrative support departments to assist with its work.

The DAB adopts an open-minded attitude towards the design of a standing framework for the implementation of the population policy. But most importantly, the population policy must be implemented by a dedicated organization, instead of being subject to the respective administration priorities of

Policy Bureaux in a piece-meal manner. Otherwise, the population policy will repeat the mistake of the Report of the Task Force on Population Policy (2003), which had a grand opening but ended with a quiet finale, rendering Hong Kong's population policy to remain elusive and serve no real purpose at all.

With these remarks, Deputy President, I beg to move.

Mr IP Kwok-him moved the following motion: (Translation)

"That manpower resources are the cornerstone of Hong Kong's success, but with the average age of the population continuing to rise and the fertility rate fluctuating downwards, Hong Kong has gradually become 'an ageing society with fewer children', and such a trend of demographic change will pose a severe challenge to Hong Kong's sustainable development; in this connection, this Council urges the Government to expeditiously announce a comprehensive population policy, and conduct public consultation on the objectives of the population policy and related recommendations; at the same time, the Government should establish a dedicated population policy implementation framework to facilitate the co-ordination and continuous promotion of the short, medium and long-term population policies, and regularly review the effectiveness of various policies and make timely adjustments to them, so as to address the challenge of demographic change to society."

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

DEPUTY PRESIDENT (in Cantonese): Dr Kenneth CHAN, Mr James TO, Ms Claudia MO, Mr IP Kin-yuen, Mr Gary FAN, Ms Cyd HO, Mr Frankie YICK and Mr Kenneth LEUNG wish to move amendments to this motion, while Mr Tommy CHEUNG wishes to move an amendment to Mr Frankie YICK's amendment. This Council will now proceed to a joint debate on the motion and the amendments.

I will call upon the above Members to speak in the above order, but they may not move amendments at this stage.

DR KENNETH CHAN (in Cantonese): Deputy President, a consensus reached in the research and analyses conducted by the United Nations and the academia is that population policy is not simply a heap of data. Nor is it economic-oriented or merely in pursuit of productivity and labour force.

Of course, as a serious academic issue, a population policy concerns the present state, transformation and trend of the demographic structure arising from such phenomena as birth, death, immigration and migration. However, it has more to do with birth, death, illness and old age, as well as the planning of and preparation for the well-being of people on all fronts. Hence, according to the consensus of the international community, population policies must be people-oriented and take into account the well-being of all people, so that everyone can lead a more contented and meaningful life.

In fact, as mentioned by Mr IP Kwok-him just now, the population policy formulated in 2003 cannot be considered a policy. It is just a very sloppy attempt without a very clear conclusion. During the process, the authorities concerned made no efforts to communicate with the people of Hong Kong for a consensus, let alone any strategy, principle, direction, organization or structure. Hence, I welcome the current efforts steered by the Chief Secretary for Administration, Mrs Carrie LAM in reviewing the population policy.

Among the many discussions on Hong Kong's population policy, I would like to mention in particular a statement issued by the Catholic Diocese of Hong Kong which sets out some of their expectations in respect of the future SAR Government. The statement reads (I quote), "In order to resolve the social conflicts arising from the population problem, the SAR Government should formulate a long-term and sensible population policy. In addition to considerations for economic benefits, it should fully implement the people-oriented spirit and take into consideration the well-being of all community groups." (unquote)

We find that among the 7 million-odd people in Hong Kong, 60% of them were born in Hong Kong and the other 40% are immigrants from elsewhere. Since the reunification, we have heard many issues raised by the SAR Government about Hong Kong's falling birth rate and ageing population. However, the moves that followed were no more than conspicuous gestures to plan for various immigration schemes such as the Capital Investment Entrant Scheme, Quality Migrant Admission Scheme, Admission Scheme for Mainland

Talents and Professionals, or schemes facilitating some non-local graduate immigrants to stay in Hong Kong. It appears that when members of the public see such gestures, they will only feel more worried and nervous instead.

As asked by Mr IP, has the Government paid attention to the well-being of Hong Kong people and those born in Hong Kong? They cannot see how much contribution these immigration policies can make to Hong Kong as a whole in "making up for" its poor birth rate or resolving its ageing population problem. Their general feeling is: We have been exploited and taken to serve as some people's springboard or safety net. The SAR passports or permanent identity cards have indeed opened a door of convenience for these new immigrants coming from all parts of the world, especially the Mainland.

How much do they know about Hong Kong? Are they determined to stay in Hong Kong? Are they aware of Hong Kong's special features and core values? Do they have respect for our systems? The purpose of the debate proposed by me in this Council last week on "Enhancing the quality and quantity of local tertiary education" is to bring up this issue again. We must guarantee that subsidized places are provided for students meeting the admission requirements for tertiary institutions, instead of leaving them to the market at the mercy of the industrialized education system, under which they can only fend for themselves, work out their own solutions, and pray for a better future.

Deputy President, when it comes to encouraging childbirth, the Government is actually more than willing to offer tax concession to the middle class to encourage childbirth. Of course, I am one of the beneficiaries. In a Question and Answer session held in this Council, I particularly asked the Chief Secretary whether the Government gave special cares for the middle class but inadequate attention to the grassroots in respect of, for instance, child minding services, home care allowances, and so on. Even if this policy direction is inadvertent, it can produce an objective result that people will naturally associate it with this question: Is the Government planning certain eugenic policies?

In fact, a written question concerning elderly services has been raised today because many elderly people are waiting for elderly and social care services. However, they might still be waiting until their death. Recently, we have also encountered problems such as inadequate school places in the North District, shortage of places in international schools, and a wide range of pressure exerted

by the Individual Visit Scheme policy on different communities in Hong Kong. All these problems are actually related to the population policy.

The Government of the previous term advocated the "provision of a columbarium in every district", which showed that it had no planning for the population policy. It merely closed its eyes and asked the people to share the misfortune. Such a mentality is attributed to its inadequate thinking of and preparation for the population policy, thereby leading to disputes, conflicts and defects in the policy.

Deputy President, I have particularly raised four points in my amendment today. Regarding birth rate — as I mentioned just now — I hope that, in addition to the provision of tax concession for the middle class, the Government should have a clear planning for the people of Hong Kong as a whole, regardless of their backgrounds and social strata, in respect of infant and child minding services, 15-year free education, quality education, living environment and housing demand.

Second, without the formulation of a population policy, all planning for public services will only be reduced to empty talks, empty ideas and empty words. As every district has its unique demographic structure, I think that adjustments should be made in different areas of social services and policies in the light of population stability or mobility features.

As regards talents, I hope to point out again that the policies on immigration and right of abode used to give people an impression that they were too simplistic and predominately looking northward to the Mainland. They lacked co-ordinated population policies and were implemented under a strategy without any principles. Neither were there discussions and debates in which all the people were engaged. Actually, this policy of importing population will very often create a hotbed for conflicts.

Deputy President, I particularly wish to highlight the problem of one-way permits. Of course, I understand that the one-way permit policy is decided solely by the Mainland. However, I believe all provinces and municipalities in the Mainland will keep a stringent check on their population movement policy. So, why is Hong Kong unable to do so?

According to statistics (from 1 July 1997 to the end of 2012), a total of 762 044 persons have come to Hong Kong under the one-way permit policy since the reunification. However, in responding to a question raised by this Council on 20 March this year, the SAR Government pointed out that it saw no justifications and needs to alter the existing system and would only exchange views with the relevant authorities in the Mainland to relay the aspirations of various sectors. But the point is: How can we exchange views and relay the aspirations? Actually, we have no idea at all.

Of course, it is stated clearly in Article 22 of the Basic Law that the power of vetting and approving the number of persons who are allowed to come to Hong Kong, whether for short or permanent stay, lies entirely in the hand of the Mainland Government. However, I would like to point out that, even if the Basic Law is not amended, we still have to rely on the consultation and collaboration of the Governments of the two places. This is why I particularly raise the fourth point, which is about the one-way permit policy. I hope the Hong Kong SAR Government can discuss actively with the relevant departments in the Mainland ways to enhance the transparency of the system for vetting and approving one-way permits. They should also discuss the ways to deal with the existing practices for dealing with one-way permit applications, which are varied in different places with different rules, thus leading to corruption and malpractices. Although some people believe that they can queue up and wait for their turns, this is actually not the case. People who have money and know who to turn to may have their waiting period shortened or even jump the queue. Regarding these complaints and the appeal mechanism, Hong Kong must strive thoroughly for the vetting and approval powers in accepting new immigrants from the Mainland.

Deputy President, the discussions on the population policy are certainly complicated and diversified. Fortunately, we can still find a group of committed and vigorous academics in Hong Kong. In particular, I would like to mention Prof Helen SIU, Prof Richard WONG, Prof Johannes CHAN and another group of Social Science professors. They have continued to collaborate over the past couple of years to make suggestions on Hong Kong's population policy and demographic structure. A special book written by them, entitled *Hong Kong Mobile: Making a Global Population*, is now available in the library of the Legislative Council. The speech delivered by me just now is actually based on the efforts made by these academics.

I hope I will hear no more complaints often made by Prof Nelson CHOW that when he attended discussions on the population policy in the past, he found that many government officials only knew his name (*The buzzer sounded*) without remembering what he had said

DEPUTY PRESIDENT (in Cantonese): Dr CHAN, your speaking time is up. Please sit down.

DR KENNETH CHAN (in Cantonese): I so submit.

MR JAMES TO (in Cantonese): Deputy President, it was in 1997 that I first began to pay attention to the problem of population ageing and be concerned about population policy. At that time I went with Prof LAU Siu-kai, who had not joined the Government yet, to give a talk in a university in the United States. During the return flight, which lasted for more than 10 hours, Prof LAU was reading only one book. I asked him what he was reading. He said that the book was about the problem of population ageing in future. Then he said to me that the situation would be very bad in future and that did not just apply to Hong Kong but throughout the world. The world would be affected by population ageing and there would be drastic changes and political and economic upheavals. As he is a professor of sociology, he is very concerned about the problem. From that time onwards, I started to study the problem in my political party. I find that the problem is really very serious. As the problem is very complicated, we could not complete a preliminary report on the problem until five years ago. Although we said humbly that it was only a preliminary report, we have actually made a few dozen recommendations to the Government in it.

The Democratic Party understands that if the Government does not deal with and face up to this problem, the situation in future will only deteriorate. About the problem, many people will think of encouraging people to give birth to more children. The Democratic Party has undertaken a detailed study about the experience in other places. We would suggest that when it comes to encouraging childbirth, a neutral policy should be adopted. For people who really want to give birth to children, we hope to remove the barriers for them. For example, we notice that now there are 7 000 couples who are on the waiting list in the public hospitals for scientific reproduction and artificial insemination

treatments. They have to wait 11 to 31 months on average. Why is the waiting time so long? The main reason is that the relevant resources are really too few. While waiting time is so long in the public hospitals, the fees charged by private hospitals are very expensive. A treatment would fetch \$80,000.

I would like to disclose something which can be regarded as privacy. I have had artificial insemination service. For me, even if I consider myself as a middle class person, it is no fun when I have to pay some tens of thousand dollars each time. However, the baby we have is the result of natural birth. The problem is, if a couple really wants to give birth to a child It is because there are many restrictions in public hospitals, for example, the age ceiling is 40 years and at most three treatments are given. In fact, for many people, they only care about making money when they were young and they had many worries, so when they have resources or have bought their homes and can lead a stable life, they would be very anxious to give birth to children. I still remember that more than 10 years ago, one or two officials of very senior ranks — I do not think I want to disclose their names — told me that I should stop making delays. This was because I might not succeed when I really wanted to have a baby. About these 7 000 couples on the waiting list in public hospitals who really want to have babies, can the Government do something to reduce their waiting time so that they can have what they want?

In addition, when talking about population policy, if we do not deal with the problem of the right to vet and approve one-way permit applications, I do not think the problems can be solved. Of course, even if we choose to ignore vetting and approval right, we should at least talk with the Central Authorities. To be honest, we would prefer to take in young people. But the Mainland Government may have its own considerations. However, if the Central Government can give a satisfactory reply to all our demand, is it necessary for us to have a vetting and approval right? My reply is that it is not in such circumstances. But the problem is, we have put up our demand for so long, but it seems that there is no response at all. I would think that a full right to vet and approve one-way permit applications would be the best. This is because if we have this right, not only can we decide on people of which age bracket whom we want to take in, but consideration can be given to other factors to tie in with our social developments.

On the other hand, the Democratic Party is of the view that we have to prepare for population ageing. After making reference to the experience in other

countries or places, the Democratic Party believes that Hong Kong should set up some funds in advance for the elderly population. A report compiled by the Organisation for Economic Co-operation and Development points out that by 2030, the elderly population in the Netherlands would reach one quarter of the total population. Therefore, a fund was set up in the Netherlands to give the elderly persons some retirement protection after the year 2020. A certain amount of money would be injected each year and the interest accrued is used for retirement protection purpose. In Ireland, the government there announced that 1% of the GDP would be used to set up a fund to tackle the problem of expenses related to population ageing.

Deputy President, we have made some calculations and we find that if we do not begin working on this now, every year of delay will mean that the community will be assured a year later. Hence the Government cannot act slowly as this is actually a very urgent matter. We also know that such matters take time to ferment. There is also a need for the citizens to know why a fund for the elderly should be set up. Many sociologists say that if people of this generation do not make preparation in advance for problems of retirement and population ageing, they will shift the political responsibility I suppose that in future the democratic system still exists and I hope that universal suffrage in 2017 is real. Experience from other societies shows that when there are more elderly persons, the expenses and investments in society will incline more to that side. If that happens, no matter how the Government will explain, like saying that it is only when money is invested in the young people that there is a future for society When the Deputy President and I become old, we may be open-minded and we agree with this view. Many people still think that it is not acceptable when the elderly persons are not happy and they do not have enough money to spend, but the Government still talks about investing in the future.

If we do not make any preparation beforehand and set up a system and make it well-established and accepted by the people as a norm or standard, political and economic matters will easily become distorted in future. The result will be that the Government may be unable to do anything because of the reason of political accountability. By that time the elderly persons may think that this is tantamount to delaying the protection for their life and they cannot enjoy the benefits. Hence there will be great problems.

Deputy President, at last I wish to talk about the problem of children born of "doubly non-permanent resident pregnant women". Actually, this problem

has existed for a long time but the Government does not deal with it. As seen from another perspective, these children born of "doubly non-permanent resident pregnant women" can be a way to arrest the speed of population ageing. Many of these children from the Mainland are actually permanent residents of Hong Kong. And if more of these children come here to attend schools and integrate into Hong Kong society and the cultural and economic systems, it would be a good thing. However, I would think that we should accept them sincerely. If we still discriminate against people who have become permanent residents or even draw lines and impose restrictions in many of our institutions, I am sure there will be no stability and harmony in our society. I hope therefore that the Government can make preparations well in advance. It must interact with the community and forge a common ground and take into practice these policies as soon as possible.

MS CLAUDIA MO (in Cantonese): Young women in Hong Kong seem to have little interest in bearing children. One of the main reasons for that which everyone knows is they do not have much confidence in the future. What I am talking about is not "fiscal cliff" as such but a "confidence cliff". It is true that money is a problem, but it has not yet come to the proportions of a dangling cliff.

Birth rate in Hong Kong has all along been low but in recent years, this has become incredibly low. It is correct for us to formulate an immigration policy and a population policy. We import talents and outstanding talents and we have a policy for investment immigrants. People who have worked and lived in Hong Kong for seven full years can apply to be a permanent resident. In the area of admission of talents, 80% of these people are immigrants from Mainland China but the number of quality migrants among them is very small. As far as I know, the number of applications approved every year is very few and the quota is only 1 000 persons. As for capital investment entrants, these are people who come to Hong Kong and speculate on properties. They push property prices up and these people who come here to buy flats have become Hong Kong citizens. I do not really know whether what they have done for Hong Kong is good or bad. Of course, we also have fake marriage cases. There are people who leave the territory after obtaining the right of abode by false marriage. According to reports from some weeklies, now there are 600 000 people applying for working visa.

What I have mentioned are practices we often see in all civilized societies. They apply especially to places where people want very much to emigrate and settle, instead of leaving after emigration. Those babies born of "doubly non-permanent resident pregnant women" belong to another problem. I will leave it to other Honourable colleagues who have proposed amendments in that respect. What I am most concerned about personally are the 150 Mainland residents who settle here every day in the name of family reunion.

During the time before 1997 and shortly after 1997, it is believed that there were still many family reunion cases. For these families, their members had been separated owing to reasons like the Cultural Revolution and so on and many family problems were caused. However, it is already 16 years since the reunification. Do we still have the problem of family reunion? Family reunion is a humanitarian value and indisputable human right recognized by the United Nations. Previously many people said that this right to vet and approve a daily quota of 150 one-way permit applications should be taken back. I was a bit hesitant after hearing that. This is because this touches on the issue of family reunion. It is hard for us to say no to humanitarian values like motherly love and family reunion.

This was the case until I took a ferry from Macao to Hong Kong one day. The passenger sitting next to me was a new arrival woman. She told me that she had waited for more than 10 years before she was issued a one-way permit. It was because a sum of \$150,000 had to be paid if the vetting and approval procedure was to speed up. In other words, she jumped the queue. This can be said to be an open secret. My feeling at that time was that at last she had come and she had not waited in vain for all these years and she could come here to settle. But that is still a question of corruption and it is a problem found on the Mainland and has nothing to do with Hong Kong. Against a background of "one country, two systems", we have no idea as to how long the line of people waiting is, how a deal is closed under the table and what are the tricks to enable one to slip through the back door. This is because all these have nothing to do with Hong Kong.

However, we are hearing more and more of such cases during the past couple of years. What we are talking about is by no means strong evidence that can be submitted to the Court. I learn from talking with people I know and to my great surprise, that about the daily quota of 150 one-way permits issued, each one from this quota can be speculated to such an exorbitant fee as

RMB 1 million yuan. This is so because each one in the quota carries a price tag and with it people can come here to settle. This is still a problem of corruption on the Mainland and it has nothing to do with Hong Kong even if it really exists. This is because we cannot eliminate the problem on their behalf. But more and more people say there are people who resort to using false family reunion cases and arrange some people to come here. The situation is like poll rigging. It is said that because of this scheme, at least 400 000 to 500 000 underground members of the Chinese Communist Party have come to settle in Hong Kong.

Some people may say that this is only a rumour. I know that this Council is not a court of law and I am not a lawyer. I am not saying that I can give any evidence to prove this. However, the view or accusation about this kind of rigging or planting certain people in Hong Kong is not expressed or made by some ordinary persons but by some experienced China reporters and China experts. Why does Beijing arrange so many members of the Chinese Communist Party to come here to settle? I think Members all know that this move is to dilute or water down the Hong Kong population, and in other words, change the pattern of our thinking.

The Basic Law stipulates that Hong Kong shall have "a high degree of autonomy" and apart from matters of national defence and foreign affairs, Hong Kong is to enjoy "a high degree of autonomy". But we can see that this "high degree of autonomy" is on constant decline and we cannot help but feel the dread. The amendment I propose today, in my own words, is "given that in accordance with the spirit of the Basic Law, the HKSAR Government enjoys a high degree of autonomy and is vested with executive power except in defence and foreign affairs, and society generally considers that this should include the power of vetting and approving the entry of immigrants, the authorities should therefore change the current practice and fully exercise Hong Kong's power of vetting and approving the entry of immigrants". About the current admission of talents scheme and the Quality Migrant Admission Scheme, these are certainly schemes for us to vet and approve of the applications and Beijing cannot say that a person is a talent in IT or finance and the person can be allowed to come here. These applications are vetted and approved by Hong Kong.

In an article published in the *Hong Kong Economic Journal* today, LAM Hang-chi talks about exactly the same thing. He points out in the article that as we all know, under "one country, two systems", apart from military and foreign affairs, the Hong Kong SAR has most of the autonomous powers and it is the

general hope of the people of Hong Kong that there can be substantive powers which can realize the principle of "Hong Kong people ruling Hong Kong". This is a lawful, logical and reasonable demand. These words sound very familiar to us, right?

About this dilution of the population which I have just mentioned, what is it for? It is for the elections. This can be said to be an indirect and even a direct way to rig polls. This enables people who trust in the Mainland way of doing things to come to Hong Kong and at least they can hope to assimilate the people of Hong Kong with their way of thinking. The second thing is to exert control on people's thinking. When the Communist Party wants to rule, seize power and hold the reins of power, we all know that it will need first to have things like troops, tanks, aeroplanes and guns. The next thing is control people's thinking. It is said that the people of Hong Kong are like whining children and they do not have the right kind of thinking and so their brains have to be washed.

I find that there are amendments which propose that with respect to the power to vet and approve 150 one-way permits daily, the Hong Kong Government should discuss with the Central Government and take part in the vetting and approval work. I regret to say that this idea smacks too much of begging and imploring. But I know every person has his or her own view and they may differ from mine in fighting for something. For me, I just hope to point out in black and white and shout loud and clear that Hong Kong is entitled to taking back the powers to vet and approve one-way permit applications. Thank you.

MR IP KIN-YUEN (in Cantonese): Deputy President, the focus of my speech today is on the lagging of Hong Kong's population policy behind the current situation. In 2003, the Government first published the Report of the Task Force on Population Policy. At that time the economy of Hong Kong was in the doldrums. When officials formulated a population policy, their main consideration was how to reduce the burden on public finance, such as imposing more restrictions on the eligibility of new arrivals in applying for welfare benefits and to accept capital investment entrants and so on.

The report at that time made a recommendation that a review should be conducted on the population policy and the implementation of the related schemes every year, and a report be published every two or three years. Have

the authorities done these? This recommendation has not been put into practice. The result is that the population policy lags behind the times. For example, it was not until 2010 that the stipulation under which a person who invested in properties worth \$6.5 million might be granted the right of abode was cancelled. Another example is that those babies born of "doubly non-permanent resident pregnant women" can only be addressed from the perspective of population policy in 2012 to 2013 when it was announced that a policy of zero quota would be adopted. Prior to that, consideration was made only from the perspective of the shortage of healthcare services or healthcare services as an industry.

The Progress Report 2012 of the Steering Committee on Population Policy was released last year. It has updated population information, reported on the progress of the policy and examined issues like Hong Kong elderly persons going to the Mainland to lead a retirement life and babies born to "doubly non-permanent resident pregnant women". The entire Report does not show any strategic considerations and the recommendations made are all patchwork solutions. No mention is made of any major policy and social investment such as retirement protection fund or improvements to education.

The above two reports view population policy from the perspective of the implications on public expenditure and the provision of human resources, with patchwork solutions given to problems. As a matter of fact, a population policy involves views on the role of a family and retirement life, how to allocate social resources, how to undertake good urban planning, how to enhance quality in the population, the value of population mobility and how to resolve potential conflicts. The key to all these issues lies in the worth of human beings, and all such concepts are realized in our perspectives, as well as each policy and measure we adopt.

On specific measures to implement a population policy, two things are most important. One is to do a good job in projection and the other is to find out good solutions in the light of the projection. This is planning and making timely responses. In the case of education, we are really very disappointed and we can say for sure that first of all, the Government's projection is very confusing. Even if there is some projection, there is no good planning. We do not see that the Government is capable of solving all the problems properly. A typical example is the problem of cross-boundary school children. The way how the problem of cross-boundary school children is tackled can be seen as a classic example of confusion in planning.

In December 2009, the Subcommittee to Study Issues Relating to Mainland-HKSAR Families under the House Committee of the Legislative Council urged the Government to look into the reasons of the surge in the number of cross-boundary students, analyse the background of these students and propose long-term measures. The Subcommittee demanded that the Government should take follow-up action, provide background information on the cross-boundary students and their parents and consider undertaking thematic studies on the background of cross-boundary students and find out if their parents are Hong Kong residents and so on. It is hoped that these moves can meet the needs of cross-boundary students and devise long-term plans. It is unfortunate that the Education Bureau has not responded to the above demands from the House Committee of this Council and the Bureau has not taken any action.

In 2012, the Progress Report makes a number of recommendations, including the following:

- (i) In the long run, the Government should enhance its projection mechanism to make projections of the demand for education services from children born to single or doubly non-permanent resident pregnant women so that planning for school places can be undertaken;
- (ii) The Government has to ensure that eligible school children who need to receive education in Hong Kong are provided with enough school places; and
- (iii) The authorities will adopt or explore a number of measures to increase the supply of school places and for better use of school buildings.

However, the Education Bureau has neither made any effective projections on the number of cross-boundary school children over the next few years, nor has it provided figures in a reply to a question raised in this Council in February this year on some simple distribution figures like the number of children born of single or doubly non-permanent resident pregnant women in the cross-boundary school children studying in kindergartens and primary schools, and the number of school children whose parents are Hong Kong permanent residents. If we do not have such simple information, we can never make any accurate projection on the increase or decrease in the number of cross-boundary school children in the next

few years. If this is the case, how can we rely on the Education Bureau to formulate good policies in this respect?

The Education Bureau seems to think that the coming of children born of "doubly non-permanent resident pregnant women" to study in Hong Kong or cross-boundary school children which results in a shortage of primary school places is only a temporary problem. So it will not build more schools. As for other plans, it will only try to address the problems when they appear. The problems which appear this year will be solved this year. Therefore, although many measures have been rolled out this year, the authorities will only begin to think at this moment about what should be done next year.

Children born in 2007 will begin to enrol in primary schools this year. During the period between 2007 and 2012, not only the number of babies born of Mainland women in Hong Kong has increased rapidly, the number of babies born of "doubly non-permanent resident pregnant women" has also been on the rise. The number of babies born of "single non-permanent resident pregnant women" is also growing steadily. We can foresee that the number of cross-boundary school children will only be increasing in the next few years and thousands of additional primary school places will be required. There is also a possibility that tens of thousands of such place will be needed. It is still a big question as to how the existing school buildings can provide more classrooms and school places rapidly and how teachers can meet the demand. There are uncertainties about these problems now and we have no idea what will happen next year, let alone two years later.

In this year's allocation exercise for Primary One school places, the Education Bureau encouraged the parents to accept cross-district enrolment for their children. However, a return mechanism has been launched soon afterwards, leaving the parents very much confused. The Secretary claims that he will deal with the problem by presenting a basket of recommendations but the proposal as reported by the media yesterday is that all the government and subsidized primary schools in Hong Kong will increase two places for one class on a voluntary basis, and a list of schools for cross-boundary school children is compiled to facilitate enrolment by these cross-boundary school children. I am very much worried because there may be cases that cross-boundary school children who cross the border in North New Territories have to take some means of transport to go to a school on Hong Kong Island. Under this proposal, such cases are highly probable.

Another problem about formulating and implementing a population policy is to have good specific measures following the projection. An example is that many population projections show clearly that there will be a marked trend of population ageing and dwindling of the working population as a result. Unless there is a substantial increase in productivity, this drop in the working population will lower the quality of life in Hong Kong, undermine our competitiveness and hamper the momentum for economic growth.

What can be done to increase productivity? In the face of such a situation, a logical conclusion is to change the education system into a high value-added system which propels the transformation of ours into a knowledge-based economy. In such circumstances, why do we not work hard to improve the education for our young people and train more talents? Why it happens that a committee is set up only after so much delay on implementing 15-year compulsory education? Why is it that after repeated discussions, small-class teaching can only be implemented in the primary schools? Since there is a decrease in the number of secondary school students, why can small-class teaching not be put into practice in secondary schools? Why have subsidized places for degree and associate degree programmes not been increased after so much delay? All these problems should be solved.

A fall in population is precisely a good opportunity to improve education. The authorities, however, have not seized this opportunity. On the other hand, the entire education system is turned into a big chaos. People can just lament the loss of such a good opportunity for improving the education system in Hong Kong. Another issue we have to face is that children of ethnic minority have not been given good education and treatment. A point which should be noted in any population policy is that every person is born a human being and should be given good human values. At the same time, we must do a good job in planning and attach more importance to accurate projection in order to find good solutions. Only in this way will there be hope in our education and society as a whole. Thank you.

MR GARY FAN (in Cantonese): Deputy President, the population policy is the most vital among all policies because in drawing up policies on housing, education, healthcare, urban planning and so on, it is necessary to make reference to such factors as population growth, population distribution and population structure. But insofar as its population policy is concerned, the Government of the Hong Kong Special Administrative Region (SAR) has been wasting time and

letting opportunities slip by over the years. Not only has it failed to formulate a long-term population policy, it has not mapped out an ideal population blueprint with specific objectives for maintaining the competitiveness of the overall population in Hong Kong.

Deputy President, the SAR Government has even neglected the social problems in respect of education, welfare and housing brought by the some 200 000 babies born in Hong Kong to parents who are not Hong Kong permanent residents ("doubly non-permanent resident babies") in the last decade who will come to Hong Kong after growing up. On the other hand, the Government has repeatedly made wrong projections of the population growth in recent years, resulting in serious discrepancies in various policies. The recent attempts of the Development Bureau to grab land blindly are a case in point.

Deputy President, my amendment mainly consists of two parts. The first part calls on the SAR Government to take back the powers to vet, approve, and review one-way permit applications, whereas the second part calls on the SAR Government to discuss with the Central Government on initiating the procedures for amending the Basic Law to abolish the right of abode in Hong Kong enjoyed by "doubly non-permanent resident babies", so as to tackle the problem at root and thoroughly resolve the issue of babies born in Hong Kong to Mainland parents.

Deputy President, according to the projections made by the Census and Statistics Department (C&SD) in July 2010, the population of Hong Kong will be 8.89 million in 2040. However, after the 2011 Population Census, the C&SD, in its latest population projections published in July 2011, substantially revised the estimated population for 2041 downward to 8.47 million, showing a discrepancy of 420 000 people between two estimates made by the Government within a year. After Chief Executive LEUNG Chun-ying took office, or to be more exact, before he actually took office, he vowed that measures would be taken to achieve a "zero quota" for pregnant Mainland women whose spouses are not Hong Kong permanent residents ("doubly non-permanent resident pregnant women"). I think the future population in Hong Kong will be estimated to come down further.

Deputy President, according to the same set of population projections, it is estimated that between mid-2011 to 2041, there is a natural decrease (deaths less births) of 38 000 and the net movement of Hong Kong residents (inflow less outflow) will be a net inflow of 1.44 million persons. In other words, the Government projects that in the next three decades, the population growth in

Hong Kong will rely on inward migration, especially new arrivals from the Mainland.

The Government mainly relies on the new arrivals who come to Hong Kong under the One-Way Permit Scheme as a major source of population growth, but the One-Way Permit Scheme is administered by the Mainland and the Government does not have the powers to vet and approve their applications. The Neo Democrats considers that the situation is unsatisfactory and this cannot improve the quality of population and ease the problem of population ageing in Hong Kong.

According to the 2011 Population Census, from 2011 to My apology, Deputy President. What I mean is that between 2001 and 2011, a total of over 400 000 people came to Hong Kong with a one-way permit, of whom 55% aged between 25 and 44. Besides, according to the report on "Recent employment situation of new immigrants from the Mainland of China" published by the Government, Mainland arrivals were generally less educated. The vast majority of Mainland arrivals only attained secondary education or below, and only about 8% of them had received post-secondary education, far smaller than the 23% for the entire population of Hong Kong.

Deputy President, as we all know, as many as 78.2% of the new immigrants in Singapore have attained post-secondary education. Hong Kong is indeed no match for it. On the other hand, the report that I have just mentioned also shows that over 80% of the Mainland arrivals were engaged in lower-skilled jobs, mainly as service workers and shop sales workers and in elementary occupations. Deputy President, while the Government has said openly that the new immigrants can alleviate the problem of population ageing in Hong Kong, the actual situation has turned out to be just the opposite as the new immigrants have nevertheless become a burden to us and primarily cannot be of any help to the future development of Hong Kong.

One-way permit applications are, at present, unilaterally vetted and approved by the Mainland, and Hong Kong has no say at all. Hong Kong is a special administrative region of China and yet, we do not have the full powers to implement our population policy. For example, even LAI Changxing of the Yuanhua smuggling case could obtain a one-way permit with which he managed to obtain a HKSAR passport. This shows that the Chinese Government is frivolous in vetting and approving one-way permit applications. If Hong Kong

does not take back the powers to vet and approve one-way permit applications, the door of Hong Kong will be left open wide. In an era when global population movement is most convenient, I can only describe the existing population policy of Hong Kong as being riddled with loopholes and outdated.

(THE PRESIDENT resumed the Chair)

As the President and many Members will know, all municipalities and towns in the Mainland has in place a household registration system, and all countries in the world also have their own immigration system for screening and selection of new immigrants. In Hong Kong, we have neither the household registration system of Mainland cities nor the vetting and approving system of foreign countries to control the inflow of new immigrants from the Mainland. This is very unusual. In other words, the "high degree of autonomy" of Hong Kong pales in comparison not only with Macao but also with Mainland provinces and municipalities with respect to their control over household registration.

President, another serious policy blunder of the SAR Government is its failure to thoroughly resolve the issue of babies born in Hong Kong to Mainland parents over the years. The number of "doubly non-permanent resident babies" increased from 620 each year in 2001 to 35 736 each year in 2011, totalling 170 000 over the last decade. The Government has done nothing over the years and turned a blind eye to the problem of "doubly non-permanent resident pregnant women". With children born in Hong Kong to Mainland parents coming to study in Hong Kong when they reach the school age, the problem of cross-boundary students has thus emerged and as a result, local students in Hong Kong have to attend schools in other districts.

This year, 200 local students who live in the North District have to attend schools in Tai Po, and schools in Tai Po, North District and even Yuen Long have to increase the number of their classes in order to accommodate a large number of cross-boundary students. In fact, the Government should have long foreseen the education needs of these students whose parents are not Hong Kong permanent residents. But why has it all along turned a blind eye to the problem?

President, even though Chief Executive LEUNG Chun-ying has adopted administrative measures to resolve the problem of "doubly non-permanent

resident babies" since he took office, little success has been achieved. We understand that over 100 "doubly non-permanent resident pregnant women" give birth in Hong Kong monthly, which is high in number. As I said at the meeting of the Legislative Council last week, some reporters have found that the "doubly non-permanent resident pregnant women" only have to pay handling fees of around RMB 100,000 yuan and they can take self-financed taught master degree programmes provided by certain universities in Hong Kong. In this way, they can openly and legitimately come to Hong Kong to give birth. Obviously, so long as "doubly non-permanent resident babies" can acquire the Hong Kong permanent resident status in accordance with the laws of Hong Kong, there will still be mainlanders coming to Hong Kong to give birth by hook or by crook.

President, I wish to emphasize that the population policy of Hong Kong is now faced with crisis, and this is not consistent with the international practice. Family reunion is only a factor for consideration under the immigration policy and the formulation of other immigration requirements does not constitute discrimination because no matter how open a place, society or country is, it is still impossible for it to admit new immigrants from all over the country or from all over the world. It is only when a reasonable population policy is formulated in line with the local aspirations and development needs of Hong Kong that unnecessary hostility and hatred can be prevented. While we have to cherish the new arrivals, it is also necessary to draw up a concrete integration policy to ensure that the new arrivals recognize and support the core values of Hong Kong. To this end, we can start by taking a target-specific approach in education.

Chief Secretary, I urge the Government not to idle away its time anymore.

President, I so submit.

MS CYD HO (in Cantonese): President, although I do not see many Members in the Chamber now, I am not going to request a headcount because I think sometimes we tend to speak in a more humane way during small group discussions, and this suits our discussion on the population policy today.

The Government has always been equating the population policy simply with the financial burden brought by an ageing population, such as the increasing expenditure on healthcare and welfare accompanying it. This is why it only seeks to absorb young immigrants to replenish our less productive population.

In fact, we are barking up the wrong tree if we look at the population policy from this perspective. Let us take a look at the original motion proposed by Mr IP Kwok-him. It mainly mentions "a severe challenge to Hong Kong's sustainable development". Some Members also mention the planning of education services or social services in various districts and suggest that the population policy should focus on manpower and training of talents in order for positions at various levels and manpower resources to dovetail with each other effectively. These proposals are all made from an economic perspective.

However, the population policy is more than this. As Dr Kenneth CHAN has just said, the population policy should be people-based; it should be based on the well-being of the people and premised on the people. It should not regard people as cost. If the population is merely taken as productivity cost, we cannot say that we have handled the population policy properly. Population policy should take into account what each person has gone through after they were born, what their needs are, how they go through different stages of life and find their own positions and be provided with suitable care they need in their life.

Therefore, family policy is indeed an integral part of the population policy. The family policy that we are talking about does not just emphasize the birth rate or whether our population can be adequately replenished, and so on. Rather, what we have to look at is this: When many families are "one-child families" nowadays and these "princes" and "princesses" do not have siblings to fight with for toys or clothes in their upbringing, and as they do not know how to get along with others, nor do they know how to accept failure or how to face setbacks and adversities in life after they have grown up, what kind of a person will they become? They will easily become self-centred. Will they have a sufficient sense of responsibility and be understanding, accommodating and patient enough to maintain a marriage? Indeed, it is a great challenge to maintain a marriage. Besides, will they be responsible enough to become parents? When the parents of these people who are the only child in the family grow old, they will have to take care of two elders all by themselves as they do not have siblings to share the burden, what will they do then?

After this generation of "one-child families", the next generation will be families without cousins or relatives. Of course, people would not have to pay visits to their relatives during the Chinese New Year then, and the many traditional customs or rituals would cease too. But if these children in "one-child families" do not have enough communication with their parents, what

other elder members of the family would there be to pass on their life experience to them? Or if these children in "one-child families" are single and after their parents have passed away, they will become singleton elderly and how are they going to face ageing and sickness in their twilight years? Who will be there to remind them of their physical and intellectual degeneration? While the Government can provide them with a healthcare, dental or elderly living allowance, who will be responsible for providing emotional support to these singleton elderly when they face the process of becoming fragile and falling sick as they grow old?

Therefore, the population policy must include a family policy. It must include a mutually dependent relationship among family members, so that each person knows from their daily living since childhood and from their contacts with other people at the very early stages of their life that everyone has the responsibility of taking care of each other and that everyone should love and support each other. Population policy should not just encourage people to give birth because people who do not like to take care of other people and are accustomed to living independently on their own will not be interested in raising children when they have grown up; nor will they be interested in becoming a parent.

There is also a group of homosexuals with different sexual orientation in our society. They cannot register for marriage under the existing system; nor is there a legal basis for them to set up a family, and they are even discriminated against by some people in society. Therefore, when we discuss the population policy, we absolutely cannot neglect this one tenth of the population. We should expeditiously legislate to recognize the statutory procedures for homosexual union. We should also recognize that not only heterosexuals need family support, homosexuals also need the support of family. They hope that when they enter into a union, they can have the blessings of their family and relatives openly and legitimately and maintain a relationship of mutual love and mutual dependence with their family members. As for the transsexuals who are even fewer in number, they are really in a very, very small minority in our society. In June this year, the Court of Final Appeal ruled that the Government should introduce legislative amendments in 12 months to protect the right to marriage of transsexuals under the legal system of Hong Kong. All these are within the scope of the population policy and the Government cannot neglect them.

Turning back to the social costs, I have made two proposals in my amendment. One is about universal retirement protection. Whether at the personal, family or social level, we should make early plans for retirement protection. Therefore, those of us in the Labour Party have all along urged the Government to immediately allocate \$50 billion for establishing a seed fund for universal retirement protection. This sum of money is actually the hard-earned savings of Hong Kong people. It is the savings of Hong Kong people, which they have placed with the Government, after paying the indirect tax under the high land price policy. The Government now has a reserve of \$2,500 billion and should allocate \$50 billion from it for establishing a seed fund. After Prof Nelson CHOW completed the study at the end of this year, consultation should be conducted in the community as soon as possible to look into how a system of tripartite contribution from the Government, business and the public can be implemented in order for the public to be provided with retirement protection expeditiously.

It is entirely the responsibility of the Government to allocate \$50 billion from the reserve for the purpose. We dare not say that this is the actual amount of money required because many data on population ageing and retirement protection are in the hands of the Central Policy Unit (CPU). I think the CPU has provided these raw data to Prof Nelson CHOW. Will the Chief Secretary confirm it later on? Apart from Prof Nelson CHOW, many other academics also hope to access these data. For this reason, since these data can be provided to a government-appointed committee, I call on the CPU to make public the data, so that academics in the community can work together for a more accurate and feasible proposal. After Prof Nelson CHOW's recommendations are published, we can discuss the various proposals more comprehensively.

Without replenishment from new immigrants, our population has actually decreased rather than increased. In 2003, Hong Kong had a population of 6.73 million and it has now increased to around 7.3 million this year. But after making calculations according to the statistics of the Government, we found that 440 000 people have come to Hong Kong with a one-way permit on the ground of family reunion. There are also 176 000 "doubly non-permanent resident babies", 56 700 talents from the Mainland, some 2 000 professional talents, and some 17 000 investment immigrants, adding up to a total of 690 000 people. In other words, had we not absorbed these groups of immigrants, our population would have recorded a decrease. In this connection, some Members pointed out earlier that the Government's calculation is wrong, and I think with the changes

made to the policy on "doubly non-permanent resident babies" alone, the Government will have to revise downward its estimate of the future population from 8.9 million to 8.3 million. Hong Kong is a very crowded city already. Should we have a population of 8.3 million? If we are using the immigration policy to replenish the ageing population, have we thought about the situation that in a decade's time, 10% of our population are people with a cultural background different from ours? This will be a great challenge to any society. In vetting and approving applications for settlement in Hong Kong, have we included a set of cultural values in the requirements for application, so that apart from immigrants who come to Hong Kong on the ground of family reunion, we can also absorb a group of immigrations who share similar views with us on human rights, rule of law, clean governance and the established core values of Hong Kong, rather than just considering from an economic perspective?

President, due to time constraints, I cannot explain the proposal on making changes to the requirements for investment immigrants but it is actually stated very clearly in the amendment. I hope that the Government will not purely seek to absorb "hot money", but also consider whether these investment immigrants will provide actual job opportunities for Hong Kong.

Thank you, President.

MR FRANKIE YICK (in Cantonese): President, advanced countries and territories all over the world attach great importance to the amendment of the population policy, because the population policy is precisely a reflection of the development blueprint of a country or territory. The Government of the Hong Kong Special Administrative Region (SAR) has over the last decade established a task force and a committee to study the population policy and proposed admission schemes for talents, quality migrants, and so on. In May last year, the Steering Committee on Population Policy (SCPP) published the Steering Committee on Population Policy Progress Report 2012. Much to our regret, the report mainly responds to the problem of Mainland pregnant women whose spouses are not Hong Kong permanent residents giving birth in Hong Kong. It was not a comprehensive, forward-looking and scientific study report on the population policy. The report also lacked long-term and concrete measures and direction for the population policy.

In December last year, the Government restructured the SCPP by including in its composition members of the business, social service, healthcare, and education sectors. The SCPP is tasked to look further into the social and economic challenges brought by changes in the demographic structure of Hong Kong in the next 30 years. It will also recommend strategies and practical measures. We have no idea about the work schedule of the SCPP; nor do we know when its recommendations and measures can be put into practice.

In fact, given an ageing population, a decline in productivity and an ineffective policy on the training of talents, there has been a lack of blue collar workers and technical talents in various trades and industries. Nor can manpower resources dovetail with the development of the industrial structure, thus resulting in a serious mismatch of resources. All these are nothing new at all. The SAR Government has been clearly aware of these problems for a decade. Regrettably, the manpower training policies and measures proposed by the Government, whether in the short, medium or long term, are lacking in punch and far from comprehensive. As a result, we have wasted a lot of time and missed many good opportunities.

We in the Liberal Party, being representatives of the commercial sector, small and medium enterprises and the middle class, are most concerned about the shortage of talents. If the problems regarding the training of talents and shortage of talents are not addressed, the economic development of Hong Kong would face a myriad of obstacles. Hong Kong would then lose the momentum for sustained development and its competitiveness would fade gradually. Therefore, the training of talents and the shortage of talents are the top priorities of the population policy and we cannot afford making any mistake.

According to the information provided by the Government before, the supply of manpower at the levels of upper secondary, craftsman, technician and sub-degree will seriously fall short of the demand, with a shortfall of about 22 000 workers being expected in 2018. How can we make up for these 22 000 workers? This is indeed worrying. The construction industry and the transport industry which I represent have long been unable to hire sufficient workers, while the automobile and aircraft repair and maintenance industries have been unable to attract a sufficient number of new entrants of a young age to join their industries. Aircraft repair and servicing in Hong Kong has all along been held in high repute for its efficiency and quality. Many North American airlines have chosen to carry out major repair and maintenance works in Hong Kong. This year, the

aircraft repair and maintenance industry has a target of hiring 1 000 workers but as it is unable to recruit sufficient manpower, some European and American airlines have chosen to carry out their repair works in neighbouring places or countries. It means that the local industry is losing some of the clients and this will definitely deal a blow to the development of Hong Kong into an aviation hub in the long term.

Therefore, the part of education policy in the population policy must be diversified. Great efforts must be made to enhance vocational training. The Government and the authorities should vigorously encourage those young people who are not interested in the mainstream education to take career-oriented curriculum programmes in various professions and industries organized by the Vocational Training Council or the Hong Kong Institute of Vocational Education, so that while new blood can be injected into various trades and industries, the sustainable development of society as a whole can also be taken forward.

On the other hand, while we expect to see an increasing number of graduates with a university degree, are there so many new vacancies requiring a university education level in the job market to accommodate all university graduates? This is open to question. In the end, a mismatch between jobs and manpower resources may be resulted and people who hold a degree will be forced to take up jobs that require a lower level of education. This will be a waste of social resources, and it will be impossible to put their capabilities to best use and give full play to their talents. Therefore, there is indeed a pressing need for the Government to comprehensively study the issue of how manpower resources can dovetail with the industrial structure. Otherwise, just as we see in the aircraft repair and maintenance industry, which has a part to play in upgrading the competitiveness of the aviation industry and the economy of Hong Kong, if the trade is still unable to recruit sufficient manpower, the enhancement of Hong Kong's overall sustained competitiveness would be no more than empty talk.

We in the Liberal Party have proposed that the Government should encourage and support education providers to set up more senior secondary schools for students who have completed Secondary Three or Secondary Five to take diversified and practical courses in subjects such as industry and commerce, design, tourism and art because some students do not like or are not suitable for subjects provided in ordinary mainstream secondary schools. If there are more senior secondary schools in Hong Kong for these students to pursue further

studies and give play to their talents, it will be helpful to nurturing talents in various fields.

President, next, I wish to talk about how we can improve the immigration policy of one-way permits. In fact, Mr Vincent FANG already put forward our views last year. Over the past two years, the daily quota of 150 has almost been used up because Mainland residents who are commonly referred to as "overage children" are allowed to come to Hong Kong for settlement. The situation is different from that before 2010 when the daily quota was around 120 then. As the number of these "overage children" applying for settlement in Hong Kong will gradually decrease one day, the SAR Government should start discussing with the Mainland the proposal of changing the existing arrangement that the Mainland has full powers to vet and approve such applications by allowing Hong Kong to have secondary powers to vet and approve these applications. Consideration should be given to transferring a certain number of this quota of 150 for attracting people who do not meet the requirements of the Admission Scheme for Mainland Talents and Professionals and the Quality Migrant Admission Scheme but have attained a certain education level to apply for settlement in Hong Kong, thereby upgrading the quality of the immigrants. This is also a proposal that we in the Liberal Party have made over the years.

Thank you, President. I so submit.

MR KENNETH LEUNG (in Cantonese): President, I have proposed an amendment to Mr IP Kwok-him's motion. I would like to explain my reasons for proposing the amendment.

The importance and urgency of formulating a population policy has been mentioned over and over again by the past Governments and this Council before. For example, in the past few terms of the Government, the Task Force on Population Policy was set up in 2002 and it was stated clearly that the main objective of Hong Kong's population policy is to ensure that the population policy can maintain and promote the development of a knowledge-based economy. The SAR Government also established the Steering Committee on Population Policy (SCPP) in October 2007 to monitor and co-ordinate the work relating to the population policy.

President, looking back on the work of the Government in respect of the population policy, I think there are two major problems. First, the scope of the policy measures is too narrow. For example, the Chief Executive said in the 2010-2011 Policy Address that the SCPP would be asked to focus its study on two topics. Firstly, it will examine ways to support elderly people to settle in the Mainland after retirement if they so wish; and secondly, it will look into the impact on living and other practical problems brought by children born in Hong Kong to Mainland women returning to Hong Kong for study. On the other hand, the SCPP has failed to make long-term and forward-looking planning in the light of the current situation in society. For instance, the Steering Committee on Population Policy Progress Report 2012 was published in May 2012. Although the Report did highlight many pressing problems, the key point that I wish to make here is that it only highlighted problems without suggesting solutions to the problems, nor was there a review of the extent to which the Government can play a leading role in the existing population policy. In view of this, I propose my amendment in the hope that the Government will, in taking forward the population policy, propose to the community specific recommended measures and objectives and also set a timetable for formulating and implementing the population policy.

According to the statistics of the Census and Statistics Department, the fertility rate in Hong Kong was around 1.2 in 2011, which means that each woman of child bearing age gave birth to only 1.2 children. Of course, this is a slight improvement when compared to an all time low of 0.9 in 2003, but 1.2 still lags behind the ideal rate of 2.1 which is recognized internationally, meaning that each woman of child bearing age should give birth to 2.1 children in order to make up for the loss in population. To increase the fertility rate, it is not adequate to rely solely on policies or tax concessions or even cash allowance as provided in some countries. I have mentioned this point in this Chamber before and was given a reply by the Chief Secretary. In fact, the most important factors are certainly that firstly, childbearing is a personal choice and secondly, housing and education are more important considerations. Over the past decade or so, the policies of the SAR Government in these two areas have been inconsistent and failed to provide a direction, and this has made the public feel at a loss. Therefore, in order for couples to have a stronger desire to give birth, I think that in addition to making use of the policies or tax concessions or cash allowance, it is also very important to address the problems in housing and education in Hong Kong.

President, please allow me to go a bit further in my discussion on this issue. While number of colleagues in the Chamber have stressed that the low fertility rate at present is a serious problem and that population ageing will have a negative impact on the structure of society, I hold another view. I would like to stress here that in order to address this problem in the demographic structure, it is not a solution to the problem by purely increasing the population growth rate. In fact, when we consider this issue, we should handle population ageing and the slowing down of the population growth separately. To address the ageing of population, what we have to do now is to make arrangements properly for the retirement of this generation of the workforce after two or three decades. We understand that our current population, whether men or women, should probably live to 80. So, the retirement arrangements that I am talking about here are for their retirement in 20 or 25 years. The objective is to ensure protection for their future living.

Certainly, we are now discussing the problem of a low fertility rate but let us think about this: If the population growth is slowing down or even if there is a zero growth, it may not necessarily have a negative impact on society. Why? If the population growth rate falls but if it falls at a pace slower than that of the Gross Domestic Product (GDP), or if the GDP can even remain unchanged, a decrease in population will cause the per capita GDP to increase rather than decrease and in other words, the productivity of each person will be enhanced. A low fertility rate may mean better development for society as a whole. This is a point which has been discussed by many sociologists. We will have more space for living and more choices, and each person is in a better position to enjoy the social resources.

Another problem with the population policy is the problem of immigrants. Since the reunification, the number of children born to Mainland pregnant women whose spouses are not Hong Kong permanent residents plus the quota under the One-Way Permit Scheme of the Mainland have brought a total of 770 000 new arrivals to Hong Kong, compared to only some 10 000 Mainland arrivals whose applications were vetted and approved by the SAR Government, including immigrants under the various talent admission schemes and investment immigrants. Such an imbalance between the two figures has reflected that the SAR Government has lost the power to make plans for its population.

In foreign countries, each country has its own immigration system and in the Mainland, each province or municipality has its own household registration

system whereby they can choose the immigrants required by them or who can live in them. Although Hong Kong is a special administrative region, under "one country, two systems", we must have our own development-led approach and sound planning on population. This is the key to the long-term development of society. The Professional Commons already proposed in 2012 the introduction of a point system for technical immigrants. We hope that the various immigration schemes, including the Admission Scheme for Mainland Talents and Professionals, Quality Migrant Admission Scheme, and "Immigration Arrangements for Non-local Graduates", can be merged to become a point system for technical immigrants under which such factors as age, education attainments, experience or professional qualifications can be used for calculating the points. Under this system, everyone who wishes to obtain the right of abode in Hong Kong is required to make an application through the same mechanism. This will enable us to group the different immigration policies under the same framework and hence putting the population policy onto the right track.

Without a long-term population policy and the power to vet and approve applications for the right of abode, the SAR Government can hardly vet and approve applications from foreigners for settlement in Hong Kong in accordance with the actual needs of society, and it can hardly make long-term projections in respect of land and public facilities. If the SAR Government does not have the power to vet and approve applications from Mainlanders for settlement in Hong Kong, loopholes would be created and this would encourage or even breed incidents of corruption and decadence.

I hope that the Government will expeditiously formulate a comprehensive population policy blueprint and set a timetable for implementation, so as to improve the policies on education, manpower and welfare for dovetailing with changes in the population structure.

President, I so submit.

PRESIDENT (in Cantonese): Time has just passed 9 pm. We will continue with the meeting until the end of this motion debate. I think we should be able to finish all the items on the Agenda for this meeting before midnight.

MR TOMMY CHEUNG (in Cantonese): President, Mr Frankie YICK has clearly explained earlier that the population policy of Hong Kong cannot respond to the existing acute manpower shortage and the situation where vacancies are left unfilled.

Specifically, small and medium enterprises, micro enterprises and large enterprises have all been unable to recruit sufficient manpower and the problem has become so serious that it has reached a critical point. Signs of a sharp decline in investment similar to that in late 1980s have started to emerge. Recently, many members of the catering sector have told me that they dared not make further investment.

President, as no one knows when the population policy in the medium and long term will be implemented, I urge the authorities to take on board my proposal to allow various industries and trades to admit relevant overseas talents in the light of the actual situations. It is still useful even if it is adopted as a short-term measure, for it can at least alleviate the manpower shortage and stop the problem from worsening.

Although various immigration schemes are in place in Hong Kong to attract overseas professional talents or investors, including the General Employment Policy, Admission Scheme for Mainland Talents and Professionals and Quality Migrant Admission Scheme, these three schemes have only absorbed no more than 200 000 talents for Hong Kong over the years, which is insignificant when compared with that of Singapore. We should know that in 2012, close to a quarter, or some 1.2 million people, of Singapore's population are low and middle skilled workers imported from overseas.

Like Hong Kong, Singapore does not have natural resources and possesses only a port. Hong Kong used to fare better than Singapore because there were times when we had an abundant supply of manpower resources and investors considered that our workers were good value for money. Singapore knows itself and its enemies so well that it has actively imported labour over the years. In its Population White Paper published early this year, the Singaporean Government talked about the importation of workers at length, stating clearly the need to make preparation properly for sustained economic growth.

On the contrary, Hong Kong's population policy is still under study. The existing talent admission schemes are nevertheless sloppy and far from thorough.

Worse still, they are regressing, completely failing to address the problem of a mismatch of manpower resources. Nor can they help promote industrial development in Hong Kong.

In fact, the number of workers applied for importation under the Supplementary Labour Scheme has increased year after year. In 2012, the number of workers applied for importation was as high as 5 922, more than double of the number two years ago. But the number of workers approved was only 1 942. The rate of successful applications has dropped year after year, from 50.4% in 2010 to 32.8% in 2012.

Last week, a group of members in the catering sector who operate western restaurants poured out their grievances to me, complaining that the Immigration Department has adopted increasingly stringent criteria for vetting and approving applications for work visas, resulting in their applications being rejected all the time. They said that Hong Kong's policy on investment has regressed rather than progressed and they predicted that in less than two years, Hong Kong will be 10 years behind Singapore.

In fact, the authorities may not understand that each place has a unique eating culture. Take Spanish paella as an example. If it is not cooked by their local people, it is very difficult for its unique flavour to be brought out. Regrettably, the authorities do not understand this point and have put many obstacles in the importation of Chefs. Approval is granted only to the admission of Head Chefs or managers, whereas such professionals as Sous Chefs and Pastry Chefs who are urgently required by the industry can hardly be approved for importation. This policy for vetting and approving applications has dealt a heavy blow to the quality and pluralistic development of the catering industry.

As I have always said, we must not just focus on the few overseas professional talents imported, because after they have come to Hong Kong, they may create 20 or 30 job opportunities. Should this not be considered more important by us?

The catering industry aside, the many industries with which I have come into contact are also faced with a shortage of manpower. Towngas has recently told me that as the gas pipe at Kai Tak needed to be replaced, they hired a huge barge for the works but could not hire welders even after the barge had moored for a few weeks. It finally took them a long time to finish laying the pipe. In

fact, Towngas does not have sufficient technicians for laying gas pipes either, and this has often caused delays to the works.

The construction industry is faced with the same problem. Apart from construction workers who are seriously in shortage, even the professionals, such as surveyors and engineers, are also inadequate. This has slowed down the progress of the construction of buildings and caused the building construction costs to rise continuously, which has led to more problems relating to the people's livelihood.

President, there has long been a shortage of doctors in public hospitals too, with a total shortfall of 290 doctors this year. Doctors in private hospitals are also insufficient. Many doctors in public hospitals have been poached to work in private hospitals, resulting in excessively long waiting time at specialist clinics in public hospitals and exorbitant fees in private hospitals.

The fact is that nobody is willing to take up low skilled jobs, such as dish washers, cleaners, drivers and healthcare workers, and these jobs are faced with a serious shortage of workers. Frankly speaking, it is not easy to import low skilled workers either, for these workers are also in dire need in the Mainland. In Shenzhen and Dongguan, high wages have to be offered in order to hire these workers. Even if Hong Kong is open for labour importation, they may not necessarily come to Hong Kong. If Hong Kong continues to shut its door to foreign labour, how can we know whether workers in other places would like to work in Hong Kong?

President, there are two levels for labour importation. The first is to import high and middle skilled talents to promote the development of the industrial structure and speed up the restructuring of Hong Kong into a knowledge-based economy, thereby providing young people with a good employment environment with chances of upward mobility. The second level is to import low skilled workers to make up for the workforce which is falling short of the demand, thereby resolving the problem of continuous ageing of the population.

I urge Members to take an open attitude. I think that so long as we can conduct accurate and in-depth evaluation of the actual situation in various industries and trades, provide training and education suitable for local professional talents, and also strike a balance and introduce effective support

measures, the importation of labour will only make the pie bigger and bigger. It is only when sustained development can be achieved in various trades and industries that more local employees will be benefited and better still, this can increase their opportunities for transformation and upgrading.

President, I so submit.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, first of all, I must give a warm welcome to the motion debate proposed by Mr IP Kwok-him on "Formulating a population policy". Eight Members have proposed their amendments respectively. Mr Tommy CHEUNG has proposed his amendment to amendment and this shows that the scope covered by the population policy is very broad indeed and the policies and measures associated with it are diversified and the goals are different.

Irrespective of the stands that the Members may take, the debate today is a very timely one. On the one hand, it enables me to report to Members the work of the Steering Committee on Population Policy, which I serve as the chairman. On the other hand, it also gives me an opportunity to listen to views from Members as early as possible and this will prepare the way for the public engagement exercise on the population policy, which will be carried out later this year.

President, when I speak in this session, I wish to share with Members some basic ideas of the Administration on this major issue of population policy.

Although we have not "continuously conducted population policy studies" as Dr Kenneth CHAN has said, over the past decade the Government has released two reports published by the second-term Government in 2003 and the third-term Government last year respectively. These two reports devote substantial lengths to deal with some pressing current social problems. For example, the 2003 report deals with the pressure exerted by new arrivals to Hong Kong on social welfare. In the 2012 report, a substantial part is devoted to the problem of babies born of "doubly non-permanent resident pregnant women". Perhaps a comprehensive population policy like the one envisaged by Mr IP Kwok-him has not been devised for long-term planning, so we have activated studies on population policy again. We hope that we can discuss with members of the public seriously and handle some long-term and challenging issues.

A characteristic in the governance of the current-term Government is that with respect to major policy areas, we have to talk about some policy convictions first. Regarding a population policy, the Chief Executive in his election manifesto has listed some very clear concepts. The Chief Executive is of the view that since there are no natural resources in Hong Kong, human resources have become the only resources we can rely on in the sustainable development of society and the economy. The basic objective of a population and manpower policy is to ensure and enhance the quality of life and development opportunities continuously for the people of Hong Kong so that people of different abilities can give play to their skills and serve the society.

The major guiding concept of a population policy is to consider the potentials and needs of the people of Hong Kong. Every person should have their potentials developed and foreigners should be admitted to solve the problem of shortage in the workforce and special talents. The aim of admitting talents is to strive for the maximum competitive edge for Hong Kong. In the implementation of the policy, the interest of the Hong Kong people must be safeguarded and new arrivals to Hong Kong should also be assisted to integrate with the society. The success or failure of a population policy is related not only to the social and economic development of Hong Kong but also the question of whether people of different racial background can mix harmoniously in our society.

When Members hear about these policy convictions, they can imagine that the policy objectives to be proposed this time on population policy are broader than the policy objective adopted in 2003, which was to drive the development of Hong Kong into a knowledge-based economy.

In the first two meetings of the Steering Committee on Population Policy after its reorganization, the policy objectives of a population policy were discussed. The objectives of a population policy should take into account both social and economic needs and they should be expanded to include also other objectives not related to the economy. Such objectives are to drive social development and foster social tolerance and integration, thus enabling people to give full play to their talents and that all the people can enjoy a quality life. Of course, the policy objectives also include the development and training of talents so that the population of Hong Kong is constantly in line with its economic development.

I am very glad to hear that irrespective of whether it is Mr IP Kwok-him, who proposes this motion debate, or other Members, they seem to agree with this policy objective. In the public engagement activities which will commence later this year, we will invite members of the public to express their views on the policy objective of the population policy.

The formulation of any policy would require active participation from the public and it would be best if the public can be enlisted to discuss the issues concerned. This issue of population policy may lead to a very high level of public participation because it covers a very broad scope, from birth, growing up, studies, work, marriage, childbirth to getting old. These are all related to the population policy. People of different ages and background may have their own views. Since the issues involved are broad and deep, public discussions held previously failed to focus and could not reach a consensus. Therefore, in the public engagement exercise to be launched later this year, we have an obligation to prepare well and lead the community to systematic consideration and discussion on issues in population policy which are vital to the future development of Hong Kong. This will enable members of the public to understand the pros and cons of different policies for them to make decisions and to have in-depth discussions.

I can make it clear that the discussion today should not and will not remain at a level of principles and concepts. What we want to discuss is that given the unique conditions of Hong Kong, what specific measures will be effective and who are to provide the financial resources required by these measures. Our target is to turn these proposals into an action agenda that can be put into practice and worked on. Therefore, what we discuss today is something very constructive. This is because irrespective of the many specific measures found in the original motion and the amendments, what can be found are a wide range of matters ranging from the planning of public services to removing obstacles in giving birth to children and even the admission of talents.

In order that heated discussions on population policy can result, the public should be made to fully aware of the gravity and urgency of the problem. Therefore, please allow me to repeat here that the population of Hong Kong will age rapidly. Our estimate is that when it comes to 2041, one in every three of the citizens of Hong Kong is an elderly person aged above 65. The most important impact brought about by the change in age structure of the population

is a decline in workforce. It is estimated that five years from now, that is, in 2018, the size of the workforce will begin to shrink. The pace of economic growth will slow down. This echoes the original motion which says: "such a trend of demographic change will pose a severe challenge to Hong Kong's sustainable development". The base for salaries tax will get narrower further. At the same time, the number of elderly persons will increase drastically. Coupled with the continuing rise in public demand on requirements in service quality in healthcare, elderly care, and so on, we predict that this will exert pressure on the sustainability of public finance. In the face of these challenges, I do not think that keeping the *status quo* is a viable policy option for us.

The Government of the present-term attaches great importance to population policy and we had therefore reorganized the Steering Committee on Population Policy in December last year. Scholars, experts and people from all walks of life have been appointed to the Steering Committee. This will help us in canvassing opinion. The Steering Committee is chaired by me personally and ex officio members come from various policy secretaries and department heads. The Steering Committee is a high-level framework which is also interdepartmental and cross-bureau. It aims at helping the Government formulate and take forward comprehensive policies and measures. It will conduct reviews regularly on the effectiveness of all policies and measures for their optimization in the light of demographic changes. The Steering Committee has held four meetings up to now.

We plan to commence a public engagement exercise later this year. On the one hand, we will explain to members of the public about the urgency of the issues the impact of such issues on them. This is to enhance public understanding of these issues. On the other hand, we will listen extensively to views expressed in order to forge the widest consensus in society on these controversial issues. I understand that this is not easy to achieve but I do hope that with the help of this public engagement exercise, the public can understand the challenges and opportunities we all face and that we can handle all these issues from a positive and macro perspective.

Now the Steering Committee and its secretariat are exerting their full efforts in organizing the public engagement exercise and the consultation papers. I expect that the motion debate today will give us valuable opinion on the subject so that we can enrich the contents of the consultation paper we are presently

drafting. President, I will speak later to respond to certain specific opinion raised by Members, especially on the one-way permit system. Thank you, President.

MR CHAN HAK-KAN (in Cantonese): President, as a matter of fact, this motion from Mr IP Kwok-him is very timely. It is because we can see that for so many years, there are only study reports on population policy but there is no comprehensive policy on population. The Chief Secretary has admitted that earlier.

As the population of Hong Kong develops freely without any planning, many social problems have emerged. I can cite some examples. The problems of babies born of "doubly non-permanent resident pregnant women" and cross-boundary school children are results of a lack of foresight and an absence of determination on the part of the Government. Our citizens and the society have to bear the consequences of these problems.

Recently I read a book about the history of Hong Kong. As I look back on the history of Hong Kong, I find that every blunder in the population policy would cause a major social problem. President, you are a very learned person and I think you know that during the later years of the Qing Dynasty, a conflict appeared between the indigenous people of Hong Kong and the Hakkas. A large armed brawl took place as the two clans fought for resources crucial to their survival. There were lots of deaths and casualties. The Government at that time did not have any planning or policy and the indigenous people and the Hakkas were just left to fight. The society was seriously torn apart and the wounds did not heal after many years.

President, by citing this incident of an armed brawl between the indigenous people and the Hakkas, in fact I would like to bring up two points. The first point is that the conflict between local people and new arrivals is not something unique today; nor is it the first time that such problems emerged. Second, I wish to tell the Government that problems are bound to appear when there is no population policy. History tells us that we cannot hope that new arrivals can merge naturally with the local people. The Government must formulate policies to resolve these conflicts between people or groups of people.

Some time ago the Government said in a reply given to a written question from a Member of this Council that according to its estimation, there were more than 150 000 children born of singly or doubly non-permanent resident pregnant women who are living in places throughout the Guangdong Province. The number of such children would be more than 190 000 in 2017. What is the size of 190 000 people? President, it is about the population of the entire Chai Wan district. Although not every one of these children will live in Hong Kong, they are eligible to use public services in Hong Kong, such as healthcare and education, just like every resident of Hong Kong.

I remember clearly the Government said earlier that it would be difficult to predict how many of the children born of "doubly non-permanent resident pregnant women" will come to settle in Hong Kong or when they will do so. Therefore, the Government finds it very difficult to devise policies. Perhaps some policies are to be suspended. However, I wish to tell the Government that things will never be as good as we may think. More often than not, the Government has to formulate some policies amidst uncertainties.

Now many of these children of singly or doubly non-permanent pregnant women choose to live on the Mainland, mainly to facilitate their parents to take care of them. However, when they have grown up and no longer need to rely on their parents, they may choose to settle or work in Hong Kong. Moreover, given the more advanced medical facilities in Hong Kong, when they fall ill, they may come here for medical treatment. In other words, we should not focus only on things now perceived by the Government, that is, things like infant formulas, diapers and school places, as these are merely the prelude and more will follow. A far more serious problem is that the public services in Hong Kong have to support in extra a population of the size of Chai Wan, that is, 190 000 people. The Government must ensure that the resources in our society will not be depleted. It must ensure that the resources are used reasonably and they are fairly distributed. Then this can prevent the occurrence of major social conflicts and clashes.

We must remember the lessons from history. If there are officials who do not know about the history of the clash between the indigenous people and the Hakkas, I would suggest that they should read that book. This may be of some help them when they formulate a population policy.

President, I am most worried that the Government is not coping with those problems of what I would call the prelude well enough. About the shortage of school places in North New Territories, the District Council members from the DAB and I myself reminded the Government a few years ago to get well-prepared and solve the problem early. It is unfortunate that the Government has not taken our advice seriously and up to now it has only rolled out a so-called "return mechanism" and this cannot solve the problem at its roots and it will not help solve the problem at all.

As these children born of singly or doubly non-permanent resident pregnant women grow up, I am sure the demand for school places in North New Territories will only increase. The crux of the problem is that classrooms are not enough, not that teachers are not enough. I have joined hands with North New Territories District Council members and urged the Government many times to build more new schools and set up schools on the Mainland, that is, Shenzhen, for Hong Kong residents. This will enable these children born of singly or doubly non-permanent resident pregnant women to enrol in primary and secondary school programmes of Hong Kong while they are on the Mainland. They can also obtain academic qualifications from Hong Kong. This can solve the problem of cross-boundary school children completely. This problem of cross-boundary school children is most pressing. If the Government is not determined to take bold and resolute actions, it would be too late when the conflicts between groups in society intensify.

President, I therefore support the motion from Mr IP Kwok-him and urge the Government to announce a comprehensive population policy, thereby allaying the misapprehensions of the public and this Council.

I so submit.

MISS ALICE MAK (in Cantonese): President, I wish to take this opportunity to talk about my personal experience.

President, this year is the twentieth year since I graduated from university. After my graduation for twenty years, I have to update the records of the alumni. At university, I studied in the English department, which is well-known for having a large number of female students. When I graduated, out of my 83 classmates, only five were male. Recently, I have to update the records and I am

responsible for the information of a quarter of my former classmates. I have called up 21 classmates, out of whom only nine have got married. The number is even less than half. Luckily, these classmates who are married all have children. But only two of these classmates have more than one child. The other seven of them have one child only. That is to say, most or more than half of them are unmarried and for those who are, they have at most one child.

While talking about this experience of mine, I really want to tell Members that the problem is not confined to the group of people with whom I studied together. According to statistics from the Census and Statistics Department, in 2012, the sex ratio in Hong Kong is 876 male for every 1 000 female. In the first quarter this year, there are 143 000 working female above the age of 40 who are unmarried. The number is about 70% more than the same period in 2003. When I have cited these figures, many people I know would say that these unmarried women must be too haughty or very choosy, and if they can be less choosy, they can find a spouse. Are these dozens of classmates of mine are too haughty? I wish to point out that the working hours of career women these days are getting longer and longer as standard working hours are not yet imposed in Hong Kong. Given this situation, we all have to work overtime without pay every day.

We from the FTU conducted a survey on the working hours of women some time ago and it was found that more than half of the women interviewed had to work overtime for half of the days in a week on average. For example, a person who is supposed to work five days a week will have to work overtime at least for two or three days. 26.2% of the unmarried interviewees say that they have no time to date a boy friend because their working hours are too long. When we talk about how a population policy should encourage people to give birth to children or whether tax allowances should be given, and so on, if we do not consider some basic issues, how can we encourage people to give birth to more children?

In the Government of the last term, there was a Council for Sustainable Development and under it there was a Support Group on Population Policy. I was a member of the Support Group. I pointed out at that time that when Members talked about encouraging people to give birth to more children, they only proposed to increase tax allowance for children. They did not touch on some fundamental issues. For example, we have to work very long hours and both women and men are unable to find time to date someone from the opposite

sex. Then how can they get married? When people cannot get married, how can they give birth to children? I think these are the basic problems we have to solve first.

What can be done for those who can get married? As what I have said, for those who get married, most of them would only have one child. Why do they not want to raise more children, not even one more? Some of my classmates told me that their jobs took up much of their time and when they came home, they had to take care of their children. My classmates are English graduates and they would watch a French movie and drink coffee, so they can be called middle class. And most of these middle class classmates of mine hire a domestic helper. But when they go home from office, they still have to do some household chores and are responsible for taking care of their children. That is why they feel that they have a great responsibility when they raise a child.

More importantly, when the Steering Committee on Population Policy says that a family-friendly approach should be taken to improve the working conditions, we find that when our female workers give birth to children, their wage will be deducted. This is because one fifth of the wage they get during the 10 weeks of postnatal leave will be deducted. They cannot get a full wage. What is the implication of that? It means that you have to go home if you want to give birth to babies. What you do has nothing to do with the company and so you cannot be paid so much money. When we talk about a family-friendly working environment and encouraging people to give birth to children, do we still discriminate against those working women who are willing to give birth to children, while they are under so much pressure and they have to take care of both the children and the family? Do we still discriminate against them when they give birth to children?

Just imagine. When one more member comes into a family, the expenses will certainly go up. However, when women give birth to children, they get no support, and worse still, their wage will be deducted by one fifth. They have to bear with mental and physical changes and also a financial burden. No wonder Hong Kong has an increasingly high incidence rate of postnatal depression. So the population policy we are talking about and social problems like postnatal depression which I have just mentioned are all related. We cannot consider them separately. After all, for us who have to work and live in society, the working conditions are vital to our life and to the problems found in society.

We therefore hope that the committee led by the Chief Secretary will not only encourage people to raise more children when the committee is to work on a population policy, the committee should also talk about how to foster good working conditions so that people who are not yet married can get married. We also hope that a good working environment can be provided so that married women will have no worries when they want to have children and they will not worry about having their wage deducted. We hope that the labour policy can really protect female workers and these problems should not be studied separately.

Thank you, President.

IR DR LO WAI-KWOK (in Cantonese): President, the SAR Government has all along failed to formulate any overall development strategy on population, rendering it hard to undertake long-term planning in many aspects. To be fair, it is not that the authorities do not notice the problems, and some corresponding actions have been taken. An example is that in July 2012, the Census and Statistics Department released a document called "Hong Kong Population Projections 2012-2041". In November of the same year, the authorities reorganized the Steering Committee on Population Policy to include professionals from education, medical and nursing, social services, human resources management. They are to study the changes in demographic structure for the next 30 years in Hong Kong and the major impact on the society and the economy. In view of the stark challenge posed by the trend of population change to our sustainable development, the actions taken by the authorities give people an impression that they are not strong enough or even empty talks.

Many members of the public are worried that the trend of population change will pose stark challenges to our sustainable development. This is not some unfounded worry. According to the data found in the population projections, three major trends are predicted. First, population growth will slow down gradually. It is estimated that the population will grow from 7.1 million in 2012 to 8.47 million in 2041. There will only be an annual growth rate of 0.6%. Although there is still growth in the population, due to the extremely low fertility rate in Hong Kong women during the past some 20 years, and with the gradual entering of local people of the post-war baby boom generation into retirement, the working population will dwindle starting from 2018. The workforce will reduce from 3.55 million in that year to 3.39 in 2041. Second, the number of elderly

persons aged 65 or above will surge greatly from 980 000 last year to 2.56 million in 2041. Third, the affordability of our public finance over the long term will come under great pressure. At present, 1.5 million people from our working population have to pay salaries tax, but with factors like the fall in working population, population ageing and the rise in average life expectancy, the ratio of elderly dependency will drop from five persons aged 15 to 64 for one elderly person to two persons for one elderly person.

Challenges often exist alongside with opportunities. The SAR Government must face up to the various challenges brought about by changes in the demographic structure of Hong Kong. It should undertake planning as soon as possible in order to minimize all kinds of negative impacts and seize the new opportunities of development. For example, in line with the abovementioned three trends, I would think that the Administration must fix the problem according to the symptoms. One way is to replenish labour force in terms of quality and quantity. Outstanding human resources have always been a basic factor accounting for Hong Kong's success. Any decline in the supply of labour force will impede the progress of Hong Kong's economy and various trades and industries. How should this impasse be shattered? When repletion is to be made in terms of quantity, the authorities can promote family-friendly measures and flexible retirement arrangements to attract more women and elderly persons to join the labour market and encourage Hong Kong people who have emigrated overseas and their second generation to return to Hong Kong. Besides, the Government should take into account the future needs of economic development and undertake a review of and make improvements in various kinds of admission of talents schemes. As for quality, the Government should undertake planning and enhance vocational education and the training of talents. This is to reduce a mismatch of jobs at all levels in human resources.

Second, the "silver hair" market should be developed in line with the trend of population ageing. It is true that many problems will be derived from population ageing, but if we can consider from a positive perspective, the elderly persons can become a new driving force for social development. On the one hand, the authorities should foster a suitable environment so that elderly persons who have retired can serve the community again with their rich experience. On the other hand, the demand for elderly services will produce a large "silver hair" market. The elderly persons will have ever-increasing demand for health and personal care, wealth management and leisure.

Third, well-conceived planning in public finance can ensure the quality of all kinds of social services. Since changes in the demographic structure will have a far-reaching and long-lasting impact on policies and expenditures in education, healthcare, social security and welfare. Can Hong Kong continue with its financial commitments? As growth in revenue from salaries tax levels off, can Hong Kong open up new sources of tax revenue? The authorities must consider these questions seriously in order that public finance tactics can be formulated and kept abreast of the times.

President, the problems are all intertwined and need to be dealt with and solved together by all sectors across the community. The SAR Government should set up an executive framework especially tasked with the planning of population policy in order to put into practice population policy at the short, medium and long terms. It should also undertake full-scale planning of the demand for public services at various economic levels. The authorities should conduct regular reviews of the effectiveness of all policies and make timely adjustments. This is to cope with the challenges arising from changes in the population, thereby enabling Hong Kong to seize all kinds of new opportunities for sustainable development of its economy and society.

President, I so submit.

MR TANG KA-PIU (in Cantonese): President, once again, a Member has made an issue out of the amendment by putting emphasis on "universal" labour importation; that is, not only the importation of people having the skills but also the importation of grass-roots workers.

The Government and the community fully understand that an ageing population will be a problem in the future which may lead to setbacks in our economic vitality. However, some people comment that under the favourable economic situation at present where most people need not worry about employment, some employers find it hard to recruit workers. Who is right? Although the unemployment rate remained at 3.4% or 3.5% these few years, should we not allow wage earners to have better life? Proposing at this time to import grass-roots workers simply ignores the social costs and social morality.

Last Thursday, the Census and Statistics Department (C&SD) published the Thematic Household Survey Report No. 52 (Report No. 52) about

"Retirement planning and the financial situation in old age", which can be described as the Government's response to this issue. The Secretary may have considered this question: Will there be some Hong Kong people who wish to live overseas or on the Mainland after retirement? As stated in Report No. 52, "4.2% of current generation of retired persons (CR) and 8.1% of future generation of retired persons (FR) cited that they would 'definitely/most likely' emigrate after retirement." It shows that a greater number of FR wish to emigrate after retirement. This means that at least over 90% of wage earners intend to stay in Hong Kong after retirement. Since an ageing population may lead to setbacks in economic vitality in the future, the community should bear responsibilities for this pessimistic situation and take a host of issues into consideration.

Let me respond to the Member's proposal for labour importation. In the Survey mentioned above, persons aged 35 and over who had intention to work were asked whether they would continue working after reaching the retirement age. As stated in Report No. 52, "11.6% indicated that they would continue working full-time"; 25.6% indicated that they would "continue working part-time" while 24% answered they "did not know" — perhaps they believed that they would work until the time they would die. These persons accounted for 60% of the total number of people interviewed. Furthermore, 38.7% interviewees indicated that they would "retire completely". Why are these workers so pessimistic? Do they think that their work is so meaningful and interesting that they anticipate they will not consider retiring even when they are 80 years old?

Let us consider their responses. They were asked in the survey the "main reason for continuing working after reaching the retirement age". As stated in Report No. 52, about 60% of the interviewees cited that the reason was "to make a living/for financial reasons". In other words, even employed wage earners think that there is no livelihood guarantee and they are living in a precarious state. Thus, it is irresponsible for labour importation to be suggested. The survey also contained other information and I hope the Secretary or government officials responsible for population issues would have deeper knowledge of such information.

Certainly, I am gravely concerned about the subject today and I particularly wish to discuss the challenges of an ageing population. When the Secretary responds to the one-way permit issue later, I hope he would also respond to two other issues, namely long-term care and retirement protection.

At present, there are approximately 940 000 elderly persons aged 65 or above. According to the estimates of the expenditures next year made by the Social Welfare Department under the current circumstances, \$5.4 billion will be spent on elderly services and \$26 billion will be spent on the elderly's social welfare protection. These amounts do not cover universal retirement protection. Each year, 5 000 elderly persons passed away while waiting for hostel places. While improvements are badly needed, \$31 billion, with healthcare expenditures excluded, will be spent in a year. How will the situation become in 2039 when 2.5 million persons will be aged 65 or above?

In the course of discussion in the Panels and committees of the Legislative Council, Members say that they do not fear that the community will have to face up to such harsh truth, and they only worry that the Government lacks planning and will not show the community the whole picture. We know from our discussions with the officials from the Labour and Welfare Bureau that they have made great efforts, and they conscientiously wish to build additional institutions each year to provide additional places. They will also implement the Pilot Scheme on Community Care Service Voucher for the Elderly well. Although they have painstakingly made efforts, they have not stated if the needs 10 years later will be satisfied; nor have they explained the differences that will appear. As they have not responded to these issues, they give people an impression that they have attempted to evade forecasting and planning.

On the basis of the Report No. 52 published last Thursday that I have just mentioned, at least 90% of wage earners intend to stay in Hong Kong after retirement. In that case, it is essential for the Government to forecast the number of people who require services and their demands for services under the long-term care policies. Enormous resources will definitely be required to implement the relevant measures. For this reason, the Government should allow public participation in discussions; and it is irresponsible on the part of the Government to evade forecasting and studying. Now that 240 000 elderly persons with impairment at moderate level and required appropriate services have been assessed under the Government's Standardized Care Need Assessment Mechanism for Elderly Services, can the Government make more comprehensive analyses of the data concerned?

A Member has also touched on retirement protection in his amendment, and I believe there is a pressing need to address this issue. As I said a while ago, though it is estimated that the Government will spend \$26 billion on social

welfare protection for the elderly, members of the community still have lots of grievances, and the problem of elderly poverty is still pending solution. In addition, many wage earners are living in a precarious state. Do these situations reflect that there are considerable problems?

The Subcommittee on Retirement Protection chaired by Mr CHEUNG Kwok-che asked the Central Policy Unit (CPU) one question, and it was mentioned in the CPU's reply that the preliminary results of the retirement protection survey conducted in February 2012 in which 10 000 households were interviewed would be available by the end of last year. It is mid-2013 and 18 months have already passed. Can the Secretary urge the CPU to publish the survey report for examination by the community?

Thank you, President.

MR CHEUNG KWOK-CHE (in Cantonese): President, according to the Steering Committee on Population Policy (SCPP), Hong Kong has an ageing population. The manpower demand makes it necessary for the authorities to adopt more aggressive policies. Therefore, the key directions are encouraging marriage and childbirths, and a consultation paper will be published in September this year.

In 2002, the Government set up the Task Force on Population Policy (the Task Force) to identify the social and economic challenges to Hong Kong arising from the changes to the local population profile in the next 30 years. The Task Force published a report in 2003, which analysed the characteristics and trends of Hong Kong's population, expressed concern for issues such as the demographic situation, the low fertility rate, the continuous ageing of our population, the one-way permit scheme, the adverse effects of an ageing population on the economy, family reunion and social integration. However, no progress was made in the next five years.

The Government set up the SCPP in 2007, with a view to formulating strategies and practical measures for achieving the objectives of our population policy. Eleven years have passed since 2002, but Hong Kong still lacks a comprehensive population policy. Only some stop-gap measures have been taken through sporadic efforts. The SCPP has a new composition since last year and it no longer emphasizes the former Admission of Talents Scheme; and it has

changed to encouraging marriage and childbirth. I am prudently unoptimistic about the consultation document to be published in September. Nevertheless, as the SCPP is led by Secretary Mrs Carrie LAM who showed an image of being strong and persistent, I look forward to the Secretary's good show.

The impacts of the population on the economy generally emerge decades later. For instance, the fertility rate in Japan started declining in the early 1970s but its impacts on the economy only emerged in the 1990s. According to some academics, other developed countries which started to have lower fertility rates in the 1970s also started having problems of negative labour force growth around 2010. Economic crises started appearing a few years before the appearance of negative labour force growth. Even though the fertility rate in Hong Kong is currently the lowest in the world, as the phenomenon of a low fertility rate has emerged a few years later than that in more developed countries, there will still be the inertial growth in labour force in the next few years, and more serious economic crises will not emerge for the time being. Yet, the outlook is extremely unoptimistic.

Hong Kong people, including the Government, understand this lagging effect, and we have discussed the serious situation of an ageing population for many years. We all know that one fourth of the population will be elderly persons aged 65 or above after 2031. Nonetheless, the Government is obstinately inclined towards the consortia's interests, capping social welfare expenditures and reducing elderly welfare expenditures; and it has failed to expeditiously formulate a universal retirement protection scheme. Furthermore, the elderly policy which we have been discussing for a long time has yet been implemented. I hope Secretary Mrs Carrie LAM will not forget the importance of these issues when the consultation document is released in September.

The Government encourages childbirth, but, Donald TSANG's remark a few years ago encouraging each Hong Kong family to have three children is now reduced to mockery. While struggling to pay high rents and buy high-priced food, having long working hours and facing a poor education system, people do not have any sense of security. How can they rashly give birth to children, which is virtually a long-term scheme straddling a decade or so? I hope that the Government would not consider providing tax incentives and grants only when it designs the encouragement measures.

Singapore started to implement childbirth encouragement measures 30 years ago, with almost \$10 billion invested each year as subsidies. On the whole, the effectiveness of these childbirth encouragement measures is extremely low as its current fertility rate is even lower than that in Hong Kong. The sense of security of the grassroots in Hong Kong fundamentally comes from living and working in peace and contentment. To encourage childbirth, the authorities must appropriately deal with the housing and employment problems of the grassroots first.

It deserves our concern that some local research societies stated earlier that the Government frequently made mistakes in estimating population growth in the past years. It overestimated and the differences were quite considerable. In that case, the land use optimization policy formulated on the basis of such data often appears irrelevant. Some people suspect that the policy is a plot to rationalize the reclamation, land resumption and road opening by the authorities. The case in 1998 is an example. It was estimated that the population would reach 8.4 million in 2011. Yet, in late 2011, the population was only 7.1 million, and the difference was almost 20%. I ask the Secretary to carry out strict checks as Members should be provided with reasonably accurate figures for us to examine the consultation document.

I so submit, President.

MR CHARLES PETER MOK (in Cantonese): President, I would like to thank Mr IP Kwok-him for proposing the motion "Formulating a population policy" for debate today. This is an essential issue in Hong Kong, which is a densely populated place with an outward-looking economy. However, this issue is rarely discussed among Hong Kong people because we have no say in the matter, no matter whether it was before or after the reunification.

The one-way permit quota for new arrivals is 150 persons each day and an average of over 47 000 persons each year. Since the reunification up to the end of last year, 760 000 persons have arrived in Hong Kong and they have "diluted" our population. It is reasonable that Hong Kong should play its gatekeeper's role and measure the capacity of Hong Kong. More importantly, it should examine the manpower needed for the future development of Hong Kong. In fact, the Government has always adopted an attitude of giving in. It does not care about the capacity of Hong Kong and it continuously allows one-way permit holders to

come to Hong Kong. As a humanitarian society, Hong Kong needs a large amount of public resources to look after new arrivals. This often arouses grumbles among Hong Kong people. If Hong Kong is to move on, it is crucial for us to act according to our abilities and cope with the development needs.

I believe many Hong Kong people would agree that taking back the right of approval of one-way permits is the humblest request of a local government. Many countries in the international arena will be astonished to learn that Hong Kong does not have the right of approval under its immigrant policy. At the previous special meeting of the Finance Committee, I asked the Chief Secretary for Administration whether Hong Kong would strive to obtain from the Central Authorities the right of approval of one-way permits. The Secretary answered that the Government would not do so because this ran contrary to the Basic Law. Neither would this issue be discussed by the Steering Committee on Population Policy. I am not sure if I have remembered correctly and I hope the Secretary would let me know if there is any mistake.

I have looked up Article 22 of the Basic Law which specifies, "For entry into the Hong Kong Special Administrative Region, people from other parts of China must apply for approval. Among them, the number of persons who enter the Region for the purpose of settlement shall be determined by the competent authorities of the Central People's Government after consulting the government of the Region". That means "the Government will be consulted". It is true that the Central Government has never consulted the Government in this connection since the reunification? Can the Government take the initiative to ask to be consulted? Regardless of the circumstances, will the Government consult Hong Kong people on this number?

The increase in the number of new arrivals has placed increasingly heavy burdens and exerted greater pressure on Hong Kong's public expenditures on housing, education, welfare and healthcare. Does the Government consider this as unimportant? Are we going to permit passively the entry of all those people without any discretion, which may create insoluble problems of inadequate land, welfare and education? It is mentioned in the amendments of Honourable colleagues that the Government must plan or assess the impacts of demographic changes on the demand for public services and public expenditures, and I strongly agree.

The existing one-way permit approval process is not transparent and there is no channel for the Government's participation. As stated in the amendments of Members, which I also agree, Hong Kong should obtain from the Central Authorities the approval right of one-way permits, review the quota system and modify it into a family reunion scheme. Moreover, the Government should ensure procedural justice and enhance transparency, as well as make good use of the 150 quota to expeditiously meet the family reunion needs of various kinds of applicants while catering for Hong Kong's development needs.

The figures from the Security Bureau showed that in addition to one-way permit holders, over 100 000 persons moved to Hong Kong in 2012. There are over 40 000 one-way permit holders among them each year. Who else have moved to Hong Kong, then? Are they staying in Hong Kong for work and how long will they stay? How much contribution has they made to our economy? Have they formed households? How can we formulate population policies when people from foreign countries and the Mainland are living in Hong Kong and we are not clear about how many of them are permanent residents and how many have left Hong Kong?

Moreover, the media reported earlier that the Central Authorities allowed the dispatched personnel of more than 4 000 Chinese-funded institutions in Hong Kong to extend their stay here and allowed their children to study in Hong Kong. In other words, tens of thousands of cadres and their families will become permanent residents in the future. Does the Government know how many people have become permanent residents through this channel which may be a "back door"? Has it assessed the extent of the impacts on Hong Kong? Does Hong Kong have the right of control? Or, is that another bottomless pit?

The quality and quantity of the population are equally important. Hong Kong needs more talents with higher academic qualifications and higher skills. We, the Professional Commons, proposed a reform of the migration mechanism in April 2012, and Mr Kenneth LEUNG has just touched upon the proposal on introducing a skilled migration points system. The business sector is actually very much concerned about a shortage of labour, and we consider that it is even more important to support Hong Kong's attempt to regain the approval right of immigrants from the Mainland instead of merely proposing the importation of labour. According to the Steering Committee on Population Policy Progress Report 2012, only 15% of the one-way permit new arrivals in 2011 received university education. Since the background of most new arrivals does not meet

the high-level educational requirements for local development, they will even hinder the development of Hong Kong.

Popular migrant-receiving countries in the world, including the United Kingdom, Canada, Australia and New Zealand, receive immigrants in the general skills and professional categories, so as to absorb talents conducive to economic development. Various admission schemes currently implemented in Hong Kong should be merged and the points system should be adjusted to more effectively import quality talents and achieve our policy objectives. Under the points system, priority should be given to the following categories of people to settle in Hong Kong: young people or people in the prime of life, those who are highly educated and have the skills needed in Hong Kong or internationally recognized professional qualifications, and those who will be accorded priority to receive education or work in Hong Kong. Since the points system may be more favourable to young couples, this will increase the working population ratio and gradually increase the fertility rate, which will help balance our demographic structure. I hope the Government would give this in-depth consideration.

In conclusion, the population policy involves more than economic development, labour force and livelihood issues. The Government's immigration policy which "diluted" our population in a variety of ways attempts to transform life in Hong Kong, collective consciousness and values. While the Government is claiming "Hong Kong our home", it has made the door of Hong Kong "always open", which betrayed the interests of Hong Kong people in disguise.

I so submit, President.

MR CHAN KIN-POR (in Cantonese): President, quite a lot of problems, including those of poverty and employment, have emerged since the reunification, and the community has been seriously affected. Many people think that the major source of the problems is the economic downturn and economic structural imbalances. However, there is a more fundamental reason for the deteriorating social contradictions, which is the absence of a long-term population policy for Hong Kong. As the Government has not properly studied the demographic changes, it is naturally difficult for it to formulate a long-term policy. As such, when new needs emerge from demographic and social changes, contradictions in the community cannot be promptly resolved and they

have conversely become increasingly serious. As I repeatedly expressed to the last-term and current-term governments, it is essential for the Government to formulate a population policy, calculate the capacity of the population and manage the source of additional population properly, thereby proposing long-term solutions to education, healthcare, housing and employment problems. Unfortunately, the Government has been rather short-sighted since the reunification and perhaps it does not have sufficient political energy and courage to deal with this extremely complex issue.

I analysed the importance of the population policy many times in the past, and I wish to focus my discussion today on some population problems that need to be addressed as soon as possible. Discussing the population policy reminds us of the issue of one-way permits. Ever since the reunification, over 760 000 Mainland one-way permit holders have come to Hong Kong. Most of them do not have high academic levels and about half of them are housewives. The additional population will inevitably boost the grass-roots population. Nevertheless, we cannot deprive them of their rights for they have mainly come to Hong Kong for family reunion. We can only provide them with matching facilities for life and help them adapt to the life in Hong Kong. We should also do our best to help strengthen their abilities for upward mobility.

Another major source of additional population is the natural birth rate, which is also one of the focal points of the population policy. The birth rate has recently picked up and increased gradually. A total of 48 000 babies were born in 2001 and the number increased to more than 90 000 last year. Within this 12-year period, 82 000 babies were born; among them, 200 000 were born by Mainland women in Hong Kong and their fathers are not permanent residents.

In fact, the most natural source of our population is the children born to Hong Kong people. In the face of an ageing population, the Government really needs to adopt measures to encourage childbirth to supplement the local workforce. The Government should not engage in empty talk and it should introduce more economic incentives to encourage childbirth. The most direct way is to raise the child allowance and even provide subsidies to newborn babies. Since child support will create much pressure, the Government should provide adequate day nursery services so that mothers can go to work with their minds at ease. Alternatively, the Government can encourage enterprises to provide mothers with more job opportunities, including part-time work, working at home and flexible working hours, so that mothers can balance work and parenting

responsibilities. In addition, the Government can provide assistance or further tax concessions to encourage mothers to choose to stay at home for full-time care of their children.

Honestly speaking, using taxpayers' money to encourage or award childbirth will definitely give rise to controversies in the community. Without such incentives, however, it is rather difficult to keep the birth rate rising. According to government estimation, the elderly population aged 65 or above will gradually increase from some 10% of the total population to 30% in 30 years' time. At that time, we will formally enter the peak period of population ageing and the next step will be the peak period of mortality. If we do not plan early for our society 30 years from now by nurturing competent people to replace those people who will be lost, Hong Kong's competitiveness will certainly drop substantially.

In addition, these 20 000 children who were born by Mainland women in Hong Kong and whose fathers are not permanent residents will become "time bombs" in the community. According to my understanding, a majority of these children are still living in the Mainland. I have previously proposed that we should try to keep track of the whereabouts of these children to find out when they intend to come to Hong Kong so that complementary facilities can be put in place. Let us imagine this: If 200 000 children who were born by Mainland women in Hong Kong and whose fathers are not permanent residents come to Hong Kong for secondary school and university education when they are teenagers, they will surely cause social chaos and they may fail to integrate into our society. Hence, the Government must expeditiously try to solve the problem. The Government should seriously consider adopting more proactive strategies or policies or provide economic incentives to attract some of these children from families with financial abilities and who do not need to rely on welfare benefits to settle in Hong Kong early. They will then receive local education and integrate into our society earlier. Earlier arrival of these children from families with financial abilities will also bring to Hong Kong immediate economic viability.

Lastly, I would like to talk about an ageing population. As I have just said, the elderly population will continuously increase. Although a large number of elderly persons in the middle-class or better off will lead a worry-free life after retirement, they will have nothing to do and they will easily suffer from shattered health. I think these elderly persons are Hong Kong's treasure. They

are learned and experienced, and they are still energetic in the early stage of retirement. Hence they can still make meaningful efforts for Hong Kong. I hope the Government can promote volunteer work among these elderly persons, encourage and arrange for them to become instructors in community centres, teaching grass-roots children language, music, financial management and computer knowledge, or providing homework tutoring services. In this way, the elderly persons will still be able to contribute to society and impart knowledge for the benefits of grass-roots children, which can be described as killing two birds with one stone.

I so submit.

MR VINCENT FANG (in Cantonese): President, parents are supposed to be happy to see their children go to primary schools. However, the Primary One admission in the North District this year is extremely confusing. On the one hand, it is said that some students have to attend schools in other districts because of the shortage of school places; on the other hand, it is said that there will be a re-allocation mechanism for students to return to their home district. As Primary One places are running short, the deserted premises of a school have been reopened to accommodate these "future pillars of Hong Kong".

Besides, as the former Chief Executive welcomed Mainland pregnant women to give birth in Hong Kong, beds for obstetric services in local hospitals were in serious shortage. The Government therefore immediately identified a number of sites for tender, with a view to using these sites for the construction of private hospitals. However, the new Chief Executive, soon after he took office, has imposed restrictions on Mainland pregnant women for their deliveries in Hong Kong. The demand for labour wards soon dies down and people are no longer interested in the private hospital sites. Given that public rental housing (PRH) is in serious shortage, a hospital site in Tai Po is rezoned for PRH production to meet the urgent needs. For private hospitals, they have marked up their fees to compensate for the business slump as fewer Mainland pregnant women are allowed to give birth in Hong Kong.

With the reduction of doubly non-permanent resident babies, will the reopened schools be closed down again a few years later? What is the feeling of the management and teachers of these schools when they teach?

The reason for Hong Kong to have a series of impromptu measures is that we do not have a population policy in place. Back in the last term of the Legislative Council, I asked the Government to review its population policy because, in the absence of a well-planned population policy, Hong Kong cannot map out a blueprint for its future development and optimize its use of resources to meet global challenges. All it can do is to just take stopgaps, which will compromise the competitive edge and competitiveness of Hong Kong.

Therefore, I strongly support Mr IP Kwok-him to urge the Government to formulate a population policy. In the preamble, he has hit the nail on the head about the problems with Hong Kong: low birth rate, ageing population and labour shortage. As manpower is the cornerstone of Hong Kong's success, how can this success be maintained in the face of a serious labour shortage? Last year, when I asked for a review of the population policy, I urged the Government to learn from other developed countries by importing a limited number of workforce entrants based on the needs of the labour market under its population policy so as to deal with the labour shortage and weaken the impacts of an ageing population. However, all the relevant suggestions were not passed as a result of the objection of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), the Hong Kong Federation of Trade Unions and the Democratic Party. As for today's motion, although it is moved by the DAB, the Liberal Party will give its support to it because there are too many problems in the development of Hong Kong. One of them is the shortage of manpower. Another problem is the lack of vision in the administration of the Government, which has prevented it from devising any medium-to-long-term policy to promote the sustainable development of our economy and society. All these are related to the absence of a population policy.

Meanwhile, as our population is ageing, it means that we need an increasing number of carers to take care of the elderly. Nevertheless, as we do not even have sufficient manpower for economic production, how can we have labour force to take care of an increasing number of elders? We often say that we care about the elderly. Yet, our care should not be limited to the provision of the \$2 concessionary fare or an increase in "fruit money". The elderly should be held by arm when they get on public transport, and they should have someone help them buy fruit. Is that right?

For Members who oppose labour import under the population policy, they are mainly concerned about the job opportunities of Hong Kong people. On this

point, Members can rest assured as the introduction of population policy would mean handing back the initiative of labour import to the SAR Government. In case the unemployment problem of any industry has aggravated, the Government may stop the labour import at anytime. What is more, we can pool our education and training resources to train our young generation and hence enhance their upward mobility.

An important advantage of having a population policy is that the Government can be clear about the population growth, the population quality, the labour market and the people's needs. Then, it can draw up a blueprint for development by assessing the respective numbers of PRH units, private flats and schools to be built, the number of teachers to be trained, the number of hospitals to be constructed, the industries to be developed, the amount of Comprehensive Social Security Assistance to be granted, and so on. It is wished that the Government can map out a blueprint for the development of the next three decades. However, in the absence of a population policy, there is no way for the Government to determine the way forward.

I so submit. Thank you, President.

MR MARTIN LIAO (in Cantonese): President, a population policy is the cornerstone on which the administration of a government rests. It affects not only the overall development of society but also the formulation and implementation of different policies. It has been more than a decade since the ageing problem first surfaced in Hong Kong. Unfortunately, as time goes by, formulation of the population policy is still an empty talk and subject to change at any time.

Based on the projection of the Census and Statistics Department, the elderly population aged 60 or above will increase from 980 000 in 2012 to 2.56 million in 2041, constituting one third of the overall population. On the other hand, the labour force is expected to shrink from 2018, down from 3.55 million people to 3.38 million people in 2031. These figures show clearly that Hong Kong will soon be short of workforce and the tax burden on the general public will increase consequently.

President, a comprehensive population policy involves planning in different policy areas, such as birth control, education, welfare, housing,

healthcare, economic development, manpower and retirement protection. Most of the population problems cannot be solved in a short time, and therefore farsighted measures guided by the population policy are needed. Unluckily, as these problems have long been overlooked by the Government, Hong Kong can only ease the problems in the short term by improving productivity and enhancing population quality. Due to time constraint, in this motion debate, I will focus on the import of talents, which is a more pressing issue.

President, there are now a number of schemes for Hong Kong to admit professionals. They include the Quality Migrant Admission Scheme (QMAS), the Admission Scheme for Mainland Talents and Professionals, the Immigration Arrangements for Non-local Graduates, and so on. However, over the years, the admission of talents under these schemes has been ineffective and the strategic planning of them was weak. Let us take the QMAS as an example. Between its introduction in 2006 and the end of last year, more than 8 500 applications were received and about 2 400 applicants were allotted a quota to come to Hong Kong. Among these successful applicants, 77% are Mainlanders and less than 7% came from the United States and Australia. In average, only some 400 applicants were admitted to Hong Kong in each of the past few years. This number is far less than the annual quota of 1 000, and the overall success rate was lower than 30%. Last year, the success rate dropped further to 16%. Only about 300 quality migrants were allowed to come to Hong Kong.

At present, talents in the finance and accounting industries represent the highest percentage (26%) among the quality migrants admitted to Hong Kong, followed by those in the information technology and telecommunication industries (19%), and the trading and commerce industry (10%). Notably, more than 20% of the approved quality migrants have withdrawn from the QMAS after coming to Hong Kong. It shows that the authorities have not formulated supporting measures and incentives to retain these talents. While the QMAS is unsatisfactory, it does not mean that the Government has to accept whatever applications it receives. I just want to point out that the Government has failed to take an active role in importing talents.

In formulating a population policy, the Government should first set a vision for the long-term development of Hong Kong. We cannot totter for long in the midst of raging storm without knowing where to go. As the saying goes, "All things are difficult before they are easy." It is most difficult to get started, but it is most important to take this step. The Government should consider not only the situation of Hong Kong; it must also take into account the variables in the

global environment in the short, medium and long run. This task is actually the duty of the Central Policy Unit (CPU). However, when TUNG Chee-hwa first came to power, the CPU did not perform this role well.

After setting a vision for development, the Government should carry out a study to identify the most needed talents for Hong Kong's long-term development. After that, the Government should devise visionary, targeted and consistent population policy measures, and ensure that these measures will be implemented by the executive authorities in a consistent manner.

President, I have repeated many times that the whole world is now competing for talents. Many first-tier countries in terms of economy development are formulating new policies to attract talents. In the United States, OBAMA's Government has recently introduced an immigration reform bill to amend their skilled migrant programme by introducing a point system similar to that of Canada and a startup visa scheme targeted at high-tech entrepreneurs. In Singapore, its government even plays the role of headhunter as it has recruited case managers to hunt for overseas talents and follow up the case of each imported talent so as to build a huge "point-to-point" manpower network. It also provides various incentives, such as housing benefits and tax concessions, to attract overseas talents.

While Hong Kong has the aspiration to develop new industries, we have done little over the years to attract talents to join our innovation and technology industry, engineering industry and creative industry. We have already missed many opportunities. Therefore, the Government should do more to attract overseas talents. It should formulate supporting policies and offer incentives by means of tax concession. For example, it may set up an office to provide overseas talents with supports in housing, education, business startup, job-hunting, and so on. As for industries which have high requirements in skills and experience, the Government should consider lowering the threshold to absorb more talents.

President, our "population surplus" will soon turn into a "population deficit" and become a pressing problem. Therefore, the Government should take this chance to formulate a long-term population policy.

I support the motion moved by Mr IP Kwok-him. I so submit.

MR TONY TSE (in Cantonese): President, at the Legislative Council meeting on 12 January 2012, a Member moved the motion on "Reviewing the population policy". During the meeting, the then Chief Secretary for Administration Stephen LAM Sui-lung stated in his speech, "A clear objective has all along been set for the HKSAR Government's population policy — to attract and nurture talent, and improve the quality of our people so as to promote Hong Kong's development as a knowledge-based economy". While the Government has set an objective, has it formulated a population policy? Do the objective and the policy support each other? Have the policy and the objective been amended to keep pace with the times and meet the actual needs of Hong Kong's development? These are the problems we have to address.

President, in 1945, Hong Kong only had a population of 650 000. It was after the Chinese Civil War, the Big Leap Forward, the Cultural Revolution and other events that a large number of Mainlanders moved to Hong Kong, driving up our population to about four million in 1971. While our economy rocketed in the 1970s, our population growth was relatively healthy. Both the birth rate and the labour force recorded a satisfactory increase. The subsequent one-way permit (OWP) scheme also boosted the population to a significant extent. In 2009, the population of Hong Kong exceeded seven million for the first time.

However, social and economic changes have altered the demography of Hong Kong in recent years. With a lower birth rate and an ageing population, Hong Kong is facing a greater risk of imbalance in its labour market and demographic structure. I think it is unhealthy for Hong Kong to have a low birth rate because it suggests that our natural population increase cannot make up for the loss of workforce. As such, the Government may consider absorbing the "doubly non-permanent resident children", whose number has accumulated to some 200 000, in a proper manner and let them contribute to the future development of Hong Kong.

President, there have been calls in the community all the time for taking back the power to approve OWP applications and adjusting the OWP quota based on the needs of our labour market. Although the Government has repeatedly said that the application, approval and issue of OWP fall within the remit of the Mainland authorities, I still hope that the SAR Government will strengthen its communication with the Central Government on this issue and regularly report our latest demographic changes and manpower needs to the Central Government.

In the past, the Central Government always gave Hong Kong a helping hand in time of difficulties. For example, it introduced the Individual Visit Scheme and the CEPA to benefit Hong Kong and help us weather through the difficulties. Therefore, I believe and hope that the Central Government will listen to the views of Hong Kong and, if practicable, make appropriate adjustment to the approval of OWPs to meet our needs.

According to the Population Projections 2012-2014 published by the Census and Statistics Department in 2012, the population of Hong Kong will increase to 8.47 million in 30 years' time. Meanwhile, the proportion of the population aged 65 and over is projected to rise from 13% in 2011 to 30% in 2041. While Hong Kong will have to face the challenges brought by an ageing society, we should study how to capitalize on the opportunities brought by the silver hair economy. As a matter of fact, the United States, Japan and some other developed countries have successfully put the silver hair industry into the market for a long time. Hong Kong may draw reference from their success and conduct an in-depth study to develop our local silver hair industry. The Government should then introduce pragmatic policies to help enterprises tap this market.

President, I trust that the SAR Government did advise the Central Government on the number and allocation of OWP quotas based on the needs of Hong Kong in the past. I hope that the current-term Chief Executive and Government will make suggestions to the Central Government to facilitate Hong Kong's development when it implements its population policy to enhance the quality of our population. Moreover, the Government should consider offering incentives, including additional tax concessions, to encourage parenthood so that our birth rate can resume a healthy status. An increase in labour force is crucial for driving Hong Kong's economic development.

President, I so submit.

DR PRISCILLA LEUNG (in Cantonese): President, I remember that the surge of Hong Kong's property prices was discussed at the beginning of the last term. At that time, public opinions generally considered the large number of rich Mainlanders who bought properties in Hong Kong as the main culprit. As a result, the community came up with a consensus that more public housing should

be built. In that motion debate, I already reminded the Government to consider the population projections for the next five, 10 or 20 years before deciding on the number of public housing units to be built and planning for the development of new towns.

On 10 November 2010, in the motion debate on helping the people acquire their homes, I pointed out in my amendment that the formulation of population policy could afford no delay. Subsequently, in 2011, 2012 and 2013, the Government stated in the Policy Address and the Budget of each year that the population policy was the most important policy of Hong Kong as the Government had to be completely clear about the population projections for the next three to five years before it could formulate public policies on "birth, age, illness and death" and "clothing, food, housing and transportation". Otherwise, many of its measures could not be easily implemented.

Regarding the birth issue, the shortage of bed spaces, infant formula and school places are all daunting problems. In addition, we have kept reminding the Education Bureau for a few years that the closing down of schools will result in teacher drain. If, in the future, there is another baby boom in a sudden and the number of children bounces back, we will be short of schools and teachers. As for housing, if too many flats are built, there may be vacancy. It is against the general housing policy of Hong Kong.

Therefore, in analysing population growth, citizens' background, purchasing power and affordability, as well as the proportion of locals in our population, we must base on scientific data. Such analyses can facilitate the formulation of policies. We urged the last-term Government to do this in every session of the last term, and it finally came up with a report in May 2012 to give a brief account of its population planning. However, this report indeed came late. What is more, it failed to make a concrete projection; it just left the door ajar by suggesting that this issue would be left for the current-term Government. Therefore, I really hope that the current-term Government will achieve some breakthrough on this issue.

Regarding the problem of "age", which is a stage in the process of "birth, age, illness and death", a number of colleagues have brought up the issue of retirement protection for the elderly. This issue indeed has many different impacts. We, being Members of the Legislative Council or even the District Councils, often serve the public in the community. Therefore, we all know that

a major function of community centres is to help the elderly live a happy life after retirement. Given that "retirement villages" are now quite popular, I have once suggested that the Government should consider developing these villages on suitable sites in foreign countries or the Mainland. In particular, as stated by Miss Alice MAK just now, many single cultural workers and intellectuals with higher affordability may wish to live happily with their friends after retirement. Can it be a direction for developing the silver hair industry as mentioned just now?

Also, some colleagues have raised the point that lots of people are forced to go back to work after retirement. It is a fact. Notably, many grass-roots people may have to work as security guards or cleaners after retirement. Meanwhile, there is another group of retirees who are not psychologically prepared for retirement. For example, some civil servants are required to retire at the age of 53. Some traditional universities also require their staff members to retire at 60. Yet, these retirees are still energetic and their work experience is valuable. Recently, many people have asked me how they can continue to work. They either love their jobs or wish to contribute to society although they are not financially tight. On this issue, can we deal with it in a more open manner?

In recent past, I met some young people whose parents are already at the retirement age of 60. They asked if we could learn from foreign countries and relax the retirement age to let the elderly have a free choice on retirement. In the United States, many occupations, such as flight attendants, do not have a specified retirement age. In universities, this practice is even more common. Universities are free to renew contracts with their teaching staff if they have high academic standards. In view of this, can we remove the retirement age? It is not uncommon for us to see elders aged 108 or 106 in community activities. They are still healthy and enjoy their retirement life. While the retirement age is now set at 60, many of those at this age can indeed continue to contribute to society. Can the authorities consider providing some courses or channels for elders to keep working if they so wish?

Among "birth, age, illness and death", the problem of "illness" involves healthcare issues. Yet, I am not going to go into details as time is running out and many colleagues have already touched on this point. The problem of "death" concerns the issue of columbaria. To address this issue, the Government must also make plans and projections under its population policy as Hong Kong is short of both housing for the dead and for the living. At the end of the day,

what problems will arise? According to the statistics compiled by the Census and Statistics Department for the years between 2007 and 2012, 4% of "doubly non-permanent resident babies" would stay in Hong Kong after birth and 96% would not stay in Hong Kong before one year old. However, 55% of the parents said that they would bring their children back to Hong Kong for residence after they grew up. The Government must face up to these figures.

I hope sincerely that the current-term Government can achieve a breakthrough in its population policy and accurately project the population size of the next 10, 20 or 30 years to facilitate the formulation of public policies on "clothing, food, housing, transportation", education, and so on. If the Government is willing to do so, it should be able to draw up better plans in different areas. By then, Hong Kong will not be at a loss.

President, I so submit.

MR LEE CHEUK-YAN (in Cantonese): President, when I come to Hong Kong's population policy, I can only describe it as messy, inconsistent and full of wrong measures.

Why do I say that it is messy? In fact, we all know where the problem lies. It is because of the low birth rate and the ageing population that our middle-aged or young population will shrink, causing a high dependency ratio. It will be hard for a small number of young people to maintain a large number of elders in future. This problem is clear and obvious. Why do I say it is messy? If we are to solve this problem, the first thing we have to do is to encourage parenthood. In the past, we often heard the Government say in the view of the Labour Party, parenthood is a free personal choice which is hard to promote. But we think the Government should at least help women reduce their pressure in parenthood and raising children. How can this pressure be reduced? First of all, for the 10-week maternity leave, that is, two weeks before the expected date of childbirth and eight weeks after the actual date of childbirth, or four weeks before the expected date of childbirth and six weeks after the actual date of childbirth, why can it not be extended to 12 weeks and full-paid to ease the pressure of female workers during this period? The Government can actually do this to alleviate the pressure but it has not done so. Second, the biggest problem in child-raising is the lack of child-minding services. I often ask the Government to push ahead the provision of child-minding services for primary

students. As far as I know, the Government has provided these services to Comprehensive Social Security Assistance recipients and low-income families. But can it provide child-minding services to all primary students so that their mothers can have the choice of going out to work? If this choice is available, women will know that they do not have to give up their careers for raising children as there is another way to take care of them.

Another problem is that the population policy is inconsistent. For most of the time, the policy is full of contradictions. Let us look at the way in which the Government deals with the "singly non-permanent resident (SNR) children". They are children given birth by the Mainland wives of Hong Kong residents. At present, marriages between Mainlanders and Hong Kong residents constitute about 35% of the total number of marriages in Hong Kong. This figure indicates an increasing number of Hong Kong residents marrying Mainland women. In this situation, what is the policy to deal with SNR children? It is well-known that the current policy is punitive: The minimum charge for a Mainland wife to give birth in a public hospital in Hong Kong is \$39,000. If she gives birth in a private hospital, the charge is even higher. Of course, our public hospitals have already stopped providing services to "SNR pregnant women". However, in the old days when "doubly non-permanent resident (DNR) babies" had not yet generated any problems, public hospitals charged "SNR pregnant women" \$39,000 each for obstetric services. The charge of \$39,000 was punitive as the normal charge was only \$20,000. Why do I consider it as a punitive charge? As we all know, a maternity package includes two checkups and a bed space for three days and two nights. While a bed space costs \$3,300 per day, staying in hospital for three days and two nights should at most cost \$9,000 to \$10,000. The provision of two checkups should not be too costly either. Nevertheless, a "SNR pregnant woman" was charged \$39,000 as a penalty. Was it fair? In the past, the Government often said that public hospitals could not charge "SNR pregnant women" the same rate as Hong Kong residents because they were non-eligible persons. Yet, I often responded by asking the Government to classify them as non-eligible persons for all hospital services except obstetric services. I have compromised by asking the Government at least not to penalize them for using obstetric services. Is that okay?

Why do I consider the issue of "SNR children" important? It is because the Government often calls upon Hong Kong people to give birth to more children. While these people who have married Mainland women are Hong

Kong people, their children are also Hong Kong people. It is something beyond doubt. Their families will have to reunite some day, and their children will have to come to Hong Kong some day. In view of this, why do we not encourage "SNR pregnant women" to give birth in Hong Kong for their children to stay with parents since age zero? If these children are born in the Mainland, they will have to wait for at least one year before they are allowed to come to Hong Kong. Also, their mothers will have to travel between Hong Kong and the Mainland frequently to take care of them. As for the fathers who have to work in Hong Kong, they will have to separate with their babies as they cannot often go back to the Mainland. Why should we let this happen? Therefore, I think the issue of "SNR children" must be resolved.

On the point of taking wrong measures, I think it is dumbest to rely on "DNR children". Mr Tony TSE has just suggested absorbing "DNR children" in a proper manner. However, it is not practicable at all. They will just take Hong Kong as a stepping stone. After they come to study in Hong Kong, they will go back to the Mainland as their parents are still there, or they may go abroad. How likely will they stay in Hong Kong? No one knows, and it is a big question. In order to obtain returns from them, Hong Kong has to invest more than 10 years on them. At the end of the day, Hong Kong may just be their stepping stone as their parents do not live in Hong Kong.

Therefore, it was extremely stupid for the Government to work out a "DNR policy" in those days. However, we, the Labour Party, will abstain from voting on Mr Gary FAN's amendment as we do not think that the Basic Law should be amended in such a casual manner. If the Basic Law is to be amended, we should first amend the provisions on split voting. It is not right to amend the Basic Law to deprive the rights of others. What is more, as the issue of "DNR babies" has already been tackled by the current administrative measures, we think it is no longer a problem. However, those 200 000 "DNR children" must not be touched. To conclude, our stance is that it is inappropriate to do anything to the existing "DNR children" but the Government must take a hard line in eliminating the problem of "DNR children" through administrative measures. Meanwhile, I do not think we can improve the population policy in any way by absorbing "DNR children".

In our discussion over population policy, there is another issue, that is, the import of talents suggested by Mr Tommy CHEUNG today. As this suggestion involves the import of labour in general, there is no way that we will support it as

we do not think Hong Kong should easily succumb to the idea of importing labour. As for investment immigration, we think the old policy was very stupid as applicants were only required to bring into Hong Kong \$6.5 million to speculate in the stock market. Those applicants were once allowed to speculate in properties but not anymore. Yet, they can still easily become investment immigrants by speculating in shares and financial products. We, the Labour Party, urge that the Government should require the investment of \$6.5 million to take the form of entrepreneur investment for job creation within three years. The approval of immigration applications will depend on the performance in job creation instead of an input of \$6.5 million in Hong Kong's stock market. Our suggestion will also facilitate job creation in Hong Kong (*The buzzer sounded*) we urge for this change. Thank you, President.

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

MR FREDERICK FUNG (in Cantonese): President, as far as I remember, during the Chief Executive Election, the candidate who made use of the problem of "doubly non-permanent resident (DNR) babies" to cozy up to the grassroots and stick out lashed out at his opponent Henry TANG Ying-yen for failing to make any achievement when he headed the Steering Committee on Population Policy (SCPP) as he did not set any clear objective for the population policy nor give a clear account on the progress. That candidate even sneered at his opponent that (I quote), "The community does not even know if (the SCPP) has submitted its report I wish to know what have been done by the SCPP in the past few years!" (unquote)

Today, this person is in power. But how clear is the current population policy? What progress has been made? The new Government is indeed no different from the old one. It also tries to buy time by setting up committees to carry out endless studies. This delaying tactic is being applied to the issue of standard working hours, the issue of economic development and the issue of wealth gap. The present attempt of LEUNG Chun-ying to restructure the SCPP by including non-official members is only an old wine in a new bottle. The reality is that the population policy is not making any progress. The new Government has only got some piecemeal measures in hand and, worse still, they are left by the former Government. These measures include giving Hong Kong residents priority on healthcare services, limiting the number of non-local women

to give birth in Hong Kong by administrative means, and implementing the Guangdong Scheme to encourage elders to spend their twilight years on the Mainland. President, it is lucky for him to have the Guangdong Scheme; otherwise, he will have one less political achievement.

President, has LEUNG Chun-ying got any population policy? If we look at his manifesto, the answer is obviously no. The entire manifesto is only full of relevant but piecemeal initiatives which can hardly be described as policies. Their presence was only to attract eyeballs. On issues such as whether public hospitals should refuse to admit "DNR pregnant women" and whether private hospitals should set quotas for these women, he did not dare to propose amending the Basic Law to stop all "DNR pregnant women" from coming to Hong Kong in his manifesto, let alone the proposal of taking back the power to approve one-way permits (OWPs). His piecemeal population policy has completely missed the point as he fails to see the full picture. He has not laid down any directions or principles either. The current-term Government is no different from the former Government. It is simply the pot calling the kettle black.

President, unlike the remark of LEUNG Chun-ying, a population policy is not solely for protecting local interests and proposing piecemeal measures to please locals. Neither is it composed of a pile of cold figures to measure only the people's contribution to the economy and the GDP. A population policy concerns more about improving people's livelihood and maintaining the sustainable development of society based on demographic changes, scientific planning and a reasonable allocation of resources.

According to the Census and Statistics Department, Hong Kong had a population of 7 136 300 as at mid-2012. This figure is projected to increase to 8 892 800 in 2039. In other words, our population will grow by 1.78 million in 28 years, with an average increase of more than 60 000 people per year. These figures have taken account of the imported Mainland talents and the 54 750 Mainlanders coming to Hong Kong on OWPs each year. Although the Government has already implemented the "zero quota" policy, the fact that many Mainland pregnant women delivered in Hong Kong will cause long-term impacts which cannot be overlooked. It is estimated that about 50% of Type II babies may come to Hong Kong to study or work when they grow up.

On the other hand, the birth rate of Hong Kong people is relatively low but our ageing problem is getting more acute. The statistics show that the

proportion of Hong Kong's population aged 65 and over is projected to rise from 13% in 2009 to 28% in 2039. As for the elderly dependency ratio, which refers to the number of persons aged 65 and over per 1 000 persons aged between 15 and 64, it is projected to increase from 171 in 2009 to 454 in 2039. All these problems, including an increase in Mainland immigrants, a low birth rate among locals and an ageing population, will pose challenges to the housing demand, living environment, education, healthcare and welfare systems of Hong Kong.

The Hong Kong Association for Democracy and People's Livelihood (ADPL) has all along been asking the Government to put away its short-sighted and piecemeal approach in planning. Instead, it should set up a high-level taskforce to map out a long-term plan and a population policy so as to respond to and adjust the demographic changes in future. It should also devise corresponding measures in different policy areas, such as land development and planning, housing, education and welfare, to meet the needs of Hong Kong's long-term development. Meanwhile, it should develop a blueprint for the planning of the next two to three decades and review and update this blueprint every two or three years on a rolling basis.

As our birth rate is on the decline, the ADPL has suggested some specific measures to encourage parenthood. For example, the Government may provide allowances, extend the paid maternity leave and introduce childcare leave. In Singapore, their Government has introduced a number of measures to encourage parenthood for a number of years. Their birth rate is hence successfully maintained at the level of above 1.2%. In the view of the ADPL, the most direct method to solve the ageing problem is to increase the birth rate. Therefore, the ADPL suggests that the authorities should consider introducing an allowance for newborn babies. Every family of permanent residents should be granted with a one-off allowance of \$10,000 for each newborn baby. This measure will encourage parenthood and alleviate the financial burden of parents in raising children. Other specific measures include studying how to capitalize on the work experience and life experience of elders, formulating family-friendly measures, and so on.

Besides, in view of the insufficient protection and coverage of the Mandatory Provident Fund (MPF) system, under which the accrued benefits for retirement are seriously eaten away by trustees and susceptible to market fluctuations, the ADPL suggests combining the MPF system with the existing welfare system. The introduction of universal retirement protection should also

be promoted with every effort. In the short run, the authorities may consider inviting the Hong Kong Monetary Authority to provide Exchange Fund-linked MPF products with low management fees to give additional choices to employees.

President, I so submit.

MR RONNY TONG (in Cantonese): President, from a certain perspective, this topic of "Formulating a population policy" under our discussion today is very misleading. Demographic growth or changes are, in fact, neutral. When we talk about a policy, it refers to strategic planning or proposals made in the hope that they can change the situation in society

President, I have been reading a book recently by an internationally famous writer, Dan BROWN. This new book mentions that the expansion of population is actually an arithmetic rule and an irreversible fact. Of course, a main character of the story advocated a population policy of killing most of the human race in order to truly control population. That is a population policy.

President, certainly, I am not suggesting to kill half of the population in the world or Hong Kong. I am not advocating such a policy. The only population policy that can really be discussed concerns the entry and exit of the population as well as the immigration policy. But these real population policies have only very little bearing on the population of Hong Kong. President, all policies of a society have to do with two major factors. One is resources, and the other is population. If the Government has made mistakes in the evaluation on resources or demographic changes, we can say that all the policies would be totally wrong.

We do not have to look too far, and let us just look at what is happening now. President, the average age of elderly applicants for places in residential care homes for the elderly (RCHEs) is 82 years old but they need to wait for three years at least for a place in a RCHE. So, it does not surprise us at all knowing that some 5 100 elderly died while waiting for a place in a RCHE last year. It means that these elderly people kept waiting until they died without being taken care of by society. This very fact has reflected that our welfare policy completely neglects population standards or projections and is completely detached from reality. Of course, insofar as resources are concerned, I would

not say that we are out of joint. We have plenty of money but we do not know how to use it.

So, regarding the so-called population policy or how we can work out or project the growth of population, it is a kind of knowledge that puts great emphasis on precision and accuracy. But much to our regret, in the latest population census, a lot of "news" was leaked, revealing that many field officers had fabricated the data. Some people may think that these officers have worked laboriously, or they are just students and should not be blamed even though they did not do their job satisfactorily. But if the mistakes in enumeration were made extensively, the result would be mistakes in all of our policies. These would be even more serious mistakes on top of the human errors.

President, demographic changes or growth will affect all the facilities, such as the systems for elderly care, healthcare, welfare and housing. How do we deal with a society which is ageing rapidly? President, according to the definition of the United Nations, a society is considered to be ageing with the elderly population accounting for 7% of the total population. If the proportion of the elderly population is 20%, the society is considered a super-aged society. President, the elderly population in Hong Kong already accounts for more than 10% at present and according to our projection, the proportion will be 13% in 2011 and will reach 25% in 2031. However, we are still acting in a way as if nothing is going to happen.

The Chief Secretary is currently leading a Steering Committee on Population Policy to specifically study this issue but I have no idea for how much longer she has to study it. It is because for many policies, such as universal retirement protection that we are discussing now, we can very easily let opportunities slip by. According to the formula worked out by actuaries in the community, we only have a "window" of five years for putting into practice a certain very conservative proposal and once we let this "window" period pass by, we would have to inject resources and as regards how the same objectives can be achieved, it would require a lot more efforts or worse still, it would be impossible to do so. Now we are halfway through this "window" period but the Chief Secretary is still studying how to react.

President, we all understand that there would not be a gap in a government and there is continuity in all governments. What I mean is that the current Government should not just look at the things in front of it today. Rather, it

should set its eyes a decade or two decades further. What this society will do in future to utilize resources appropriately to dovetail with demographic changes and the overall governance can also be a population policy. If we look at the population policy from this perspective, it should include the overall principles of governance because all policies will be affected.

President, this is why I would like the Secretary to really let us see a little bit of the light at the end of the tunnel in her response later, so that we will know whether or not we can walk out of the tunnel and see a set of comprehensive policies to take care of this rapidly ageing society.

President, I so submit.

MR TAM YIU-CHUNG (in Cantonese): President, the Report of the Task Force on Population Policy published by the Government in 2003 has set the objective of the population policy for Hong Kong, which is to "strive to improve the overall quality of our population to meet our vision of Hong Kong as a knowledge-based economy and world-class city". The Government has put forward 33 proposals to make adjustments proactively to the population development trend. However, we consider that what the Government has done over the past decade in response to rapid population ageing is inadequate.

Hong Kong is already one of the cities of longevity. It is expected that in 2041, the average life expectancy for men in Hong Kong will rise to 84.4 years whereas that for women, which is even longer, will be 90.8 years. So, we should not rashly wish other people live to 100 years old by then. On the other hand, the birth rate in Hong Kong has dropped continuously. A decrease in the number of births will directly lead to a decrease in the size of the workforce, while the ageing of the population will hasten the ageing of the structure of the workforce. According to the Government's projections, the total workforce of Hong Kong will be downsized to 3.4 million in 2041. This development is opposite or running counter to the overall population growth. With a reduced workforce, the total productivity value of the economy and the local consumer market may also be affected subsequently. This may lead to a reduction in the government revenue and even affect the financial sustainability of the Government. All these are worthy of in-depth studies by the Government in formulating new population policy measures.

A comprehensive population policy must take into consideration how the elderly workforce can be fully brought into play, in order to maintain sufficient workforce in society. We propose that the Government should establish an "elderly employment fund" to provide subsidies for enterprises and organizations to hire elderly employees or help enterprises rearrange the job duties and improve the work environment to facilitate re-employment of the elderly. The employment services provided by the Government now mainly target young people and middle-age people, and the elderly are not included as the target of assistance. In this connection, efforts should be made to enhance the support for elderly people to rejoin the job market in future by, among other things, providing employment information, training and counselling for elders who wish to get a job. In the meantime, it is necessary to remove the barriers encountered by the elderly in rejoining the job market by taking measures ranging from minor ones such as helping them take out labour insurance to major ones such as eliminating age discrimination. Apart from formally carrying out the relevant work, the Government should actively encourage institutions and organizations to absorb elderly volunteer workers, so that these elderly people with much experience of work and life can choose to keep contributing their talents and skills.

The ageing of the population is set to be a future trend. Apart from enabling the elderly to continuously give play to their talents, a good population policy all the more should strictly follow the "people-based" direction to continuously upgrade the quality of living of the population at large and in particular, upgrade the quality of living and financial protection for the elderly. In this connection, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) considers that the Government should expeditiously make improvements to universal retirement protection by establishing a non-contributory three-tier "retirement protection pension system", improving the existing Mandatory Provident Fund (MPF) system by lowering the administrative fees and increasing the return, and providing convenience for the elderly to spend their old age in the Mainland by extending the Guangdong Scheme and the Portable Comprehensive Social Security Assistance Scheme to other provinces in the Mainland. On the other hand, it is necessary for the Government to enhance the provision of social welfare facilities, draw up a five-year plan for residential care and community care services for the elderly, as well as putting in place a system for granting an allowance to carers, with a view to improving the elderly care services.

Here, I wish to explain again the non-contributory three-tier "retirement protection pension scheme" proposed by the DAB. Given that the MPF system has a history of only a decade or so, it can hardly meet the pressing needs of a large number of people at the retirement age. Therefore, in order to enhance the financial protection for the elderly in a short time, we consider that the Government should, on the basis of the existing Old Age Allowance (OAA) (commonly known as the "fruit grant") and the Old Age Living Allowance (OALA), develop a three-tier "retirement protection pension scheme" under which subsidies are provided in tiers to support the living expenses of the elderly. Applications to the "retirement protection pension scheme" are made on an individual basis, and the scheme is divided into three tiers to reflect a tiered structure of social protection. The first tier provides a non-means-tested payment in the amount equivalent to the OAA payment for elderly aged 65 or above. The second tier requires elderly to make a declaration of their assets and applicants who meet the eligibility criteria of the existing OALA can receive a payment being double of the OAA payment. The third tier requires the elderly to take a means test. Eligible recipients are required to meet the same income limit but only half of the asset limit for the second tier and they can receive a payment being thrice of the OAA payment. This three-tier "retirement protection pension scheme" will not affect the existing arrangements for the Comprehensive Social Security Assistance payment and disability allowance for the elderly. Elders with greater financial difficulties can choose to stay with the original systems.

A number of surveys show that most members of the public have reservations about making further contributions for universal retirement protection but at the same time, the majority of the people call on the Government to take up the responsibility of making contributions. This can be achieved under this proposal of the DAB through adjusting the Government's allocation of financial resources to increase the Government's commitment to retirement protection. Moreover, this proposal will not increase the pressure on the public in making contributions, and as the proposal is financially affordable to the Government on an ongoing basis, we think that this can better meet the actual situation in Hong Kong.

In view of the challenges brought by the demographic changes, we consider it necessary to save up for the rainy days and make early preparations, in

order for Hong Kong to maintain its leading position in global competition and for the quality of living of the people to be improved continuously.

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

MR LEUNG KWOK-HUNG (in Cantonese): It is really a coincidence that it happens to be my turn to speak right after Mr TAM Yiu-chung.

Mr TAM Yiu-chung is certainly invincible, but what he said was already discussed in 1994. How many years have lapsed since 1994, Mr TAM? Being one of the "favourite officials" of Mr TUNG after 1997, he was even appointed to lead the Elderly Commission. I wonder why he could have talked like that, though he has served the Elderly Commission for such a long time. Was he able to put his words into practice, given his willingness to be Mr TUNG's "favourite official"?

When I staged a filibuster in this Council a couple of months ago, I was fiercely criticized for being a sinner. The filibuster is now over, for it was again cut off by the President. I wonder why he still dares to speak here today. Why does he not keep his mouth shut, Buddy? This world is really tricky. I had intended to leave, but now I have a chance to speak right after him. President, things have turned really ugly. They have been awarded numerous medals, including the Grand Bauhinia Medal, the Gold Bauhinia Star, the Silver Bauhinia Star, and the Bronze Bauhinia Star. These loyal officials should have committed hara-kiri for failing to do something for the people, Buddy. I wonder where Dr Priscilla LEUNG has gone today. I do not understand why she could have received the Silver Bauhinia Star. I only know about the 25th anniversary of her wedding what is the matter?

PRESIDENT (in Cantonese): Mr LEUNG, please confine your speech to the motion on "Formulating a population policy".

MR LEUNG KWOK-HUNG (in Cantonese): Mr TAM Yiu-chung has only one point to make. He has not said anything about the formulation of a population

policy. Instead, he was talking about how to support our ageing population. President, do you think he was right? If he has plans to support people who are growing old, he should waste no time to do so, right? LEUNG Chun-ying, whom he has been loyal to, has said that he "will roll out and announce to society all practicable and feasible policies and measures as soon as they are ready" — though corruption cases have been exposed one after another. How much will need to be spent if everyone is given \$3,000? Given the existing basis, it is certainly easy to carry out reform — the Financial Secretary is present — how much will need to be spent? Is it the case that there is no need to spend any money if the "three-tier non-contributory system" he proposes is implemented, Buddy? Although the computation has already been done, you are not concerned.

Many people suggest cash handouts. The Liberal Party, for instance, has frankly suggested that "money should be distributed". Even Prof Nelson CHOW said President, there is really no chance of success. Although he has indicated that he has a better proposal, he thinks that it is impossible for a consensus to be reached before 2017. Hence, he has exposed the secret to us.

Chief Secretary, you are "the best fighting general". A government must be good at "fighting". The Government must tell us what it will do and consult us. When will the consultation be conducted? You have merely handed the task to the Elderly Commission, so to speak, but it is not a government organ.

It is no longer useful for the Government to consult the public by way of a white paper. What was used during the British Hong Kong era should not be used any longer. Anyway, the Government has to publish a consultation paper, and it is expected to take three months. I really wish to ask: Can it be done in 2017? If not, I will stage another filibuster next year. I feel angry when I talk about it. I will stage a filibuster — let me breathe a sigh of relief — the elderly will Honestly, there is one more thing I would like to talk about. President, when I took the elevator the other day, I saw an elderly man trip over and fall. He said, "Mr LEUNG, Mr LEUNG, you must fight for us." When I asked him why I should fight for them, he told me that he had not enough money to spend because he was offered the "fruit grant" only. When I asked him about the double allowance, he told me that the formality was very troublesome because he did not know how to fill in the application form. Buddy, the district I am residing is served by a District Member of the DAB, am I right? I suppose he is

Mr SZE. They have posted posters everywhere, saying what they have pursued and appealing for people to approach them.

President, it is not yet over. The asset test mechanism will start operating in March next year. Some people will have to jump from the roof of a building because they have been reported to the relevant authorities. While they are shrewd and their acts are seldom associated with true virtue, they should not drive the elderly to the verge of committing suicide, Buddy.

President, I was to discuss the population policy but let me tell Members the truth. Before he ascended to power, LEUNG Chun-ying mentioned a "merit point system" — I swear that these were his own words. He talked about "if Hong Kong's population turns out to be like this and that" when he was still a favourite official of Mr TUNG as well as the most senior Executive Council Member. Today, I have to publicly declare that he is not a man of integrity at all. Before he ascended to power and said that he would never run for the post of the Chief Executive for whatever number of terms — he had already talked about the population policy and stated that it was necessary for a "merit point system" to be introduced and for Hong Kong to serve as the gate-keeper. Where is the policy now, Buddy?

Chief Secretary, you should be familiar with his *modus operandi*. Will you briefly respond later whether LEUNG Chun-ying has mentioned anything about this? Why did he make such a pledge before he said that he would never run for the post of the Chief Executive for whatever number of terms, but stop saying so after he was elected? I do remember he once made such comments, so you need not refer to his manifesto. I have already browsed the Internet earlier, Buddy, but he is no longer a man of integrity. Before he ascended to power, he spoke as if he was invincible — you need not look it up because I am perfectly sure — it would be futile even if he destroyed everything. The comments were made during his interview by the Commercial Radio, and the cassette tapes can serve as evidence.

Buddy, what is the point for the Chief Executive to make any comments? He has not done anything despite his commitment to caring for the elderly. When he was asked to play the role of a gate-keeper, he chose to remove the gate. Chief Secretary, you need not look up anything. He has really said so. You

might as well ask your boss when those comments were made. It should be around a decade ago.

President, it was really a mess. As the saying goes, "everyone involved is a crook". Both the royalists and the "emperor" do not keep their words. What can be done, Buddy? There is no need to add anything, for it is simply crap! As pointed out by Members just now, no one knows how to go about with the reshuffle when he is still in power. It is fatal to support him or otherwise (*The buzzer sounded*) shut up!

DR FERNANDO CHEUNG (in Cantonese): As a matter of fact, a population policy was already in place and a report published in Hong Kong a decade ago. The population policy report published at that time was headed by the then Chief Secretary for Administration, Donald TSANG, because he was Chairman of the Steering Committee on Population Policy (SCPP). When the SCPP was subsequently chaired by Henry TANG, some brief reports were compiled and a report was published in 2012. It is stated in the Report of the Task Force on Population Policy unveiled in 2003 that the greatest concern is a slowdown in population growth due to the falling fertility rate. Actually, Hong Kong's population will shrink if we have no overseas immigrants over a long period of time. It is precisely for this reason that our ageing population problem has become particularly acute.

Nevertheless, the entire report is merely about "the economy", which is the centre of everything. In other words, it is about the impact made by the age structure, size and movement of the population on the economy. The recommendations made are quite bizarre. President, I wonder if Members still recall the "foreign domestic helpers (FDH) tax". It is the result of the population policy. Of course, after several years of implementation, it was proved to be infeasible, and there was a strong backlash in society. Eventually, Donald TSANG halted the policy, and the proposal of levying the FDH tax might now be shelved indefinitely.

Since then, the Government has introduced a series of business migration programmes and the Admission of Professionals Scheme. In addition to allowing Mainlanders to come to Hong Kong, business migrants from other parts of the world are also welcome to come here for investment and settlement. But the fact is that we merely absorb gold from the Mainland, because all the

non-Mainland business migrants have already bought a nationality from the Third World. By virtue of their new nationality, they come to Hong Kong to invest \$6 million — it has now been raised to \$10 million. Back then, they could already meet the requirements by buying one property. This explains why our property prices have continued to surge. Now, the Government has eventually said "no", and they are required to invest in other products, such as stocks.

The content of the Report of the Task Force on Population Policy is quite remarkable with explicit subtitles, including "Adverse Economic Effects of Having a Large Elderly Population Group" and "Economic Adversities Likely to Arise in a Process of De-population", all of which emphasize economic benefits and development. What measure has been formulated? The measure formulated was aimed at restricting the benefits received by members of the public, particularly new arrivals. Under another subtitle "Quality-related Demographic Problems", concerns were expressed about the poverty of new arrivals because they were mostly grass-roots people and grass-roots households migrating to Hong Kong for family reunion. While we could do nothing to control the less than 150 quotas, we dared not ask the Central Government to give us back the vetting and approval power. As a result, we proposed restricting the benefits offered to the new arrivals. Since then, people have to reside in Hong Kong for seven years, rather than one year, before they can apply for Comprehensive Social Security Assistance.

Meanwhile, we also discriminate against FDHs. On the one hand, we offer them a very low salary but, on the other hand, we impose a duty on them because we think that local people should be employed in the long run. However, to avoid embarrassment, the Government asked employers to pay duty and then deduct the amount of the duty, that is, \$400, from the minimum wage earned by FDHs. This is the origin of the FDH tax.

I think that all these population policies are snobbish, embarrassing and emphasize only on benefits without regard for the sustainable development and quality of life of Hong Kong people. Moreover, justice, equality and healthy development are completely ignored. The only emphasis is to explore the best way to make the population help Hong Kong "lay golden eggs" by emphasizing economic development only. So, what is the purpose of development? Where has the money gone? What is the rate of our GDP growth over the years since the reunification? How much additional wealth have we generated? The Government says that it can do nothing to help us make more money should our

population continue to shrink, and so it has recommended us to do this and that. But in the end, where has the money gone? It is now in the hands of a very small number, or 1%, of the people. Such being the case, what is the point of development?

Since a number of policies have been launched by the Government to prevent them from receiving benefits and enjoying medical services, the "singly non-permanent resident children" and "singly non-permanent resident mothers" have to pay exorbitant fees for such services. However, we also want more people to come to Hong Kong because we are worried that our population is too small. As a result, we have to enlist professionals and rich people, to the extent that the door of Hong Kong is left wide open, and doubly non-permanent resident pregnant women are welcome to Hong Kong for delivery, so long as they can afford to pay tens of thousands of dollars. I really have no idea what changes have been made to such a snobbish policy today.

Chief Secretary Carrie LAM, I hope the Government can stop adopting such a backward, Social Darwinist, and lopsided point of view which emphasizes economic benefits only, because it will definitely lead to absolute injustice. If we really wish to discuss the population policy, I hope the Government can properly address the needs for retirement protection, long-term care and taking care of cross-boundary households. The overall population must be developed in a healthy and just manner. We cannot purely emphasize the abstract economy of consortiums and Hong Kong and eventually allow the benefits to go into the hands of a very small number of people, whereas other people can only toil for these people.

Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr IP Kwok-him, you may now speak on the amendments. The speaking time limit is five minutes.

MR IP KWOK-HIM (in Cantonese): President, today, eight colleagues in total have proposed amendments to my original motion. Here, I would like to thank them for their concern about the motion. Although the amendments are proposed by different Members, three Members happen to mention in their amendments about the vetting and approval of one-way permits applications, including the amendment proposed by Dr Kenneth CHAN about the participation in the vetting and approval of one-way permit applications, the amendment proposed by Mr James TO about striving for the right to vet and approve one-way permit applications, and the amendment proposed by Mr Gary FAN about taking back the powers to vet and approve one-way permit applications.

I would like to raise the point, which has been mentioned by Mr Charles Peter MOK just now in his speech, that we must read the Basic Law carefully. Article 22 of the Basic Law reads, "For entry into the Hong Kong Special Administrative Region, people from other parts of China must apply for approval. Among them, the number of persons who enter the Region for the purpose of settlement shall be determined by the competent authorities of the Central People's Government after consulting the government of the Region".

Regarding the contents of Article 22 of the Basic Law, which reads, "For entry into the Hong Kong Special Administrative Region, people from other parts of China must apply for approval", an interpretation was made by the Standing Committee of the National People's Congress (NPCSC) on 26 June 1999. According to the relevant interpretation, "For entry into the Hong Kong Special Administrative Region, people from other parts of China must apply for approval" mean as follows : "People from all provinces, autonomous regions, or municipalities directly under the Central Government, including those persons of Chinese nationality born outside Hong Kong of Hong Kong permanent residents, who wish to enter the Hong Kong Special Administrative Region for whatever reason, must apply to the relevant authorities of their residential districts for approval in accordance with the relevant national laws and administrative regulations, and must hold valid documents issued by the relevant authorities before they can enter the Hong Kong Special Administrative Region. It is unlawful for people from all provinces, autonomous regions, or municipalities directly under the Central Government, including persons of Chinese nationality born outside Hong Kong of Hong Kong permanent residents, to enter the Hong Kong Special Administrative Region without complying with the appropriate approval procedure prescribed by the relevant national laws and administrative regulations."

What I read out just now was the relevant interpretation made by the NPCSC on 26 June 1999. As one-way permits are one of the legal documents by virtue of which Mainland residents can leave the Mainland, their issuance falls within the statutory purview of Mainland authorities, whether before or after the reunification. The Basic Law and the NPCSC's interpretation merely seek to reiterate this fact once again. Hence, there is no question of the SAR Government having any legal justifications to strive for the right to vet and approve, or participate in the vetting and approval of, one-way permit applications and, what is more, lacking the courage to pursue the matter with the Central Government. The proposal to take back the powers to vet and approve one-way permit applications is no more than a groundless and causal remark.

For these reasons, the DAB will not support the relevant amendments. However, as some of the amendments contain proposals supported by the DAB, we will abstain from voting on them but vote against the rest of the amendments. Furthermore, the DAB will vote in support of the amendments proposed by Mr Kenneth LEUNG and Mr IP Kin-yuen because they have only enriched and supplemented, rather than altered, the original intention of the original motion. Thank you, President.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, I am very grateful to the 20-plus Members for their valuable advice on Hong Kong's population policy. The speeches delivered by the Honourable Members involve a wide range of subjects. Although I do not see eye to eye with each and every Member on their views, I can tell Members that most of the questions will be covered in the public consultation paper to be published later this year.

Dr Fernando CHEUNG has raked up old scores again by mentioning the report unveiled by the Steering Committee on Population Policy (SCPP) in 2003 when the objective of the population policy at that time was aimed at promoting economic development only. I would like to reiterate here and I hope Dr Fernando CHEUNG can rest assured that, as already pointed out by me during the previous session, the new population policy to be formulated this time around will emphasize both economic and social development.

As pointed out by me in my opening remark, the scope of the population policy is very extensive. This is fully reflected in the speeches delivered by Members just now. We cannot possibly deal with all subjects simultaneously.

Instead, they must be dealt with one by one according to priorities. In addressing these subjects, we have two major considerations.

First, as emphasized by Ir Dr LO Wai-kwok earlier, we must begin with both "quality" and "quantity". During the past two decades, Hong Kong's average economic growth rate stood at around 4% per annum, with 1% attributing to labour growth and the remaining 3% driven by the rise in productivity. As our labour force is forecast to fall from 3.55 million in 2018 to 3.37 million in 2035, if our economic growth is to be maintained, in addition to making up for the inadequacy of our labour force, we must improve the quality of our manpower resources through education and training, as well as suitably importing talents.

Second, we will make every effort to nurture local talents and provide them with preferential employment and personal development opportunities while maintaining Hong Kong's attractiveness to lure more Mainland and overseas talents for Hong Kong to pool talents continuously, thereby enhancing our competitive edge.

The SCPP has set out some priority topics and planned to consult the public later this year. When I was invited to attend a special meeting held by the House Committee of the Legislative Council in March this year, I mentioned for the first time the relevant topics. Please allow me to elaborate on them in detail here. The contents of the consultation can broadly be divided into four major areas, and the views put forward by the majority of Members today have been included, too.

Insofar as the first area is concerned, in the face of an ageing population and a decline in labour force, Hong Kong should accord priority to its own population by encouraging more women and elderly persons to take up employment with a view to tapping and exploiting their potentials. We must also upgrade the quality and productivity of our labour force and improve education and training, as well as skill matching in the manpower market. In this connection, we must promote the integration of new arrivals and ethnic minorities into society, especially in education, employment, and so on, in order to achieve the goals of "promoting inclusiveness and integration in society" and "enabling people to give full play to their talent", so as to help them promote Hong Kong's economic development.

Quite a number of Members have mentioned that we have already had 200 000 or so "doubly non-permanent resident babies" in Hong Kong, and society focuses mainly on their needs for local education services. In fact, some of these babies will opt for returning to Hong Kong to receive education, and cross-boundary school children have actually exerted pressure on our education system. We understand the concern of the general public and will accord priority to properly address the needs of local school children. However, in view of Hong Kong's low birth rate and the survey conducted by the Census and Statistics Department showing that the parents of these "doubly non-permanent resident babies" have good education standards and careers, we should not focus merely on their use of public resources. We should also consider ways to turn them into manpower resources for Hong Kong. As mentioned by Mr Tony TSE earlier, we should absorb them as our new workforce, too.

Insofar as the second area is concerned, we should explore ways to expand new sources of population outside Hong Kong in order to maintain our competitive edge in the international community and ease the manpower shortage problems facing certain trades and industries. Many Members have also mentioned the need to lure talents to Hong Kong. Pooling international talents is indeed extremely crucial to maintaining Hong Kong's competitive edge. Despite the existing schemes on importation of talents, the number of talents imported through these schemes actually accounts for a very small portion of the local labour force only. For instance, the number of professionals working in Hong Kong under the General Employment Policy, the Admission Scheme for Mainland Talents and Professionals and the Quality Migrant Admission Scheme stood at a mere 87 000, or 2.3% of the labour force, in end 2012. With the keen competition for talents in the international community and among Mainland cities, should we not adopt a more proactive and aggressive approach in recruiting and attracting talents to Hong Kong? Mr Martin LIAO has cited some measures adopted by Singapore as examples. I think they warrant our serious consideration.

We certainly understand that ancillary services must be provided properly to facilitate the stay of talents in Hong Kong. Regarding the supply and demand of international school places mentioned by Mr IP Kin-yuen earlier in the meeting, the Education Bureau has earlier completed a consultancy study on this issue in the hope that the relevant support measures can be implemented in a more focused manner.

In addition to the high-end importation of talents schemes, the community should also explore ways to capitalize on foreign labour force to ease the manpower shortage problems faced by some trades and industries. Despite the Supplementary Labour Scheme, the number of imported labour stood at only 2 000 or so, or 0.1% of the local labour force, in late 2012. While the Government concurs that local workers should be accorded the priority in employment, we must concede that certain trades and industries are experiencing structural manpower shortage problems. Both Mr Frankie YICK and Mr Tommy CHEUNG have relayed the views of a number of sectors in this regard and cited many concrete examples. When the local labour force cannot meet the demand, we must work out some solutions. Let me cite workers in the infrastructure construction industry, which I am more familiar with, as an example. Despite the wide range of measures adopted by the Construction Industry Council in the past couple of years to enhance training of the local manpower, the industry is still experiencing acute manpower shortage problems. As such, in spite of the controversy in the community over the importation of low-end labour, I think we should not evade this question and must engage the public in discussions in due course.

Ir Dr LO Wai-kwok has also observed and pointed out that one of the sources of enhancing the demographic structure is the second generation born overseas to Hong Kong people. People belonging to the second generation do not have the right of abode here because they have already acquired residency in the places of their birth, though they actually have close ties with Hong Kong. Hence, it is worthwhile for us to explore ways to get in touch with and lure them to return to Hong Kong.

Insofar as the third area is concerned, we will consult the public to explore whether the Government should introduce new initiatives to foster an environment conducive to people getting married and raising children. With reference to overseas experience, the scope of policy related to the fertility rate is so extensive that it may cover early childhood services and 15-year free education mentioned by Mr IP Kin-yuen, the ancillary childbearing services mentioned by Mr James TO, the labour welfare mentioned by Miss Alice MAK and Mr LEE Cheuk-yan, and even the new born babies subsidy proposed by Mr Frederick FUNG. Through public consultation, we hope that members of the public, particularly the young generation, can tell us what measures can better assist them in building families and raising children. Nevertheless, Members must take note of the fact that there is no free lunch in this world. Any initiatives involving the

provision of cash subsidies by the Government or policies requesting employers to provide more benefits for employees will definitely incur abundant public money and increased operating costs. Each and every Hong Kong citizen must share the relevant responsibilities and costs. Are Hong Kong people willing to pay the price in this regard? We hope to forge maximum consensus through public discussions.

Insofar as the fourth area is concerned, proper preparations must be made for the ageing community. This point has been mentioned by many Members, too. In a decade's time, some Members and I will be over 65 and become elderly persons. Hence, turning Hong Kong into a city suitable for elderly people to live is not only in the best interest of the elderly of this generation, it can also prepare for our future life in retirement.

Speaking of preparations for an ageing society, many people will instantly think of the retirement protection and residential care homes for the elderly as mentioned by Mr TANG Ka-piu. On retirement protection, the Commission on Poverty has commissioned Prof Nelson CHOW to conduct research on the three pillars of retirement protection in Hong Kong and make recommendations for improvement. The research report is expected to be published in a year's time. As stated by Ms Cyd HO earlier, after the publication of the report, I hope members of the public can be consulted expeditiously to enable a comprehensive discussion to be conducted for the purpose of forging a consensus.

As regards residential care services for the elderly, the Government has in recent years launched initiatives for a number of times to improve the quality and quantity of such services. It is our hope that more discussions can be held on ways to take forward "Ageing in the community" in this consultation exercise. However, residential care services for the elderly really have room for improvement. The Secretary for Labour and Welfare and I are now making an effort to study this matter. We should not compare an ageing population to a flood or a ferocious beast. What is more, we should not treat the elderly as a burden to society. We hope to focus the question on the positive side. As stated by Mr CHAN Kin-por just now, elderly persons are the magic weapon of Hong Kong. Even Dr Priscilla LEUNG agrees that retirees are Hong Kong's valuable resources.

We will encourage elderly persons to maintain their economic and social vitality through voluntary work and employment, and explore the silver hair

market by, on the one hand, developing products and services which can meet the needs of the elderly and, on the other hand, expand the potentials of the market to take forward economic development. We will also encourage and educate people at work to expeditiously make proper financial arrangements for retirement. Furthermore, we will consult the public on ways to offer better support to Hong Kong people to retire on the Mainland.

Next, President, I would like to respond to two questions, namely the one-way permit system and implications on public finances.

The introduction of the one-way permit system is aimed at allowing the competent authorities on the Mainland to vet and approve the applications lodged by Mainland residents to come to Hong Kong for reunion with their family members. During the period from 1 July 1997 to 31 December 2012, a total of 762 584 Mainland residents arrived in Hong Kong by virtue of one-way permits. Of these residents, approximately half (49.4%) were Mainland spouses of Hong Kong people, and the other half (48.8%) were Mainland children born to Hong Kong people, whereas a very small number (1.2%) were Mainland parents of Hong Kong people. Hence, the one-way permit system is a system for genuine family reunion.

As regards the proposal raised by Members to allow the SAR to participate in the vetting and approval of one-way permits, I must point out, as has been cited by Mr IP Kwok-him, the relevant provisions of the Basic Law that it is within the terms of reference of the competent authorities of the Mainland to accept, vet and approve one-way permit applications and the issuance of such permits. Hence, there is no question of the SAR Government "getting back" or "fighting to get back" the power of vetting and approving one-way permit applications. Under the policy objective of family reunion, as the Mainland authorities have already laid down open and highly transparent vetting and approval criteria for the one-way permit system, it is inadvisable for intervention measures, such as administrative screening, to be included in the vetting and approval process. Of course, the SAR Government will make complementary efforts, including issuing Certificates of Entitlement to the Right of Abode to children of Hong Kong permanent residents and, as and when necessary, assisting with the verification of the authenticity of the information provided by Hong Kong residents involved in individual cases.

Just now, Mr James TO mentioned that had the Central Authorities responded to the aspirations of Hong Kong for the one-way permit system, he would not have insisted on "fighting to get back" on the vetting and approval power. The answer to this question is positive. In fact, the one-way permit system has been adjusted and enhanced from time to time. For instance, the Mainland authorities have lifted the restriction on allowing only one accompanied child to settle in Hong Kong and gradually shortened the waiting time of separated spouses to four years. During the waiting period, the separated spouses can also apply for a Permit for Travelling to and from Hong Kong and Macao, also commonly known as a "two-way exit permit", and a visit endorsement to come to Hong Kong. Mainland spouses having minor children with Hong Kong people may apply for a multiple-entry visit endorsement for a stay of 90 days on each visit. These arrangements can already help Mainland spouses to adapt to the life in Hong Kong earlier.

Furthermore, in order to respond to the aspiration of Hong Kong people for family reunion with their grown-up Mainland children, eligible grown-up Mainland children born to Hong Kong people may, since 1 April 2011, apply for one-way permits in accordance with the procedure. The Mainland authorities are actively processing the relevant applications to make good use of the remaining quota of one-way permits to allow eligible grown-up Mainland children to settle in Hong Kong in an orderly manner.

Hence, if this genuine family reunion scheme is described by some Members, especially Ms Claudia MO, to be having an impact on Hong Kong's ideology or as a means to ballot rigging and facilitate the Communist Party to exercise control, I am afraid I cannot concur with such groundless accusations. It is regrettable that such remarks will only create unnecessary fear in Hong Kong and divide society.

On the other hand, with regard to the formulation of a public finance strategy, Mr James TO has proposed that an "old age population fund" be set up and funds allocated from the Exchange Fund to meet public expenditure arising from population ageing. Ir Dr LO Wai-kwok has also mentioned the challenges brought by population ageing to public finances. Population ageing will indeed increase the demands for elderly services, public healthcare, and so on. On public finance management, we must adhere to the principle of exercising prudence in financial management and the living-within-our-means rule, and avoiding putting an unbearable financial burden on the future Government. In

this connection, the Financial Secretary has already announced in the 2013-2014 Budget speech that a working group led by the Permanent Secretary for Financial Services and the Treasury (Treasury) will be set up to study ways to make more comprehensive public finance planning for population ageing and the Government's other long-term financial commitments. The working group will assess the demand for long-term public expenditure under the existing policy and changes in the Government's revenue, and recommend feasible measures with reference to relevant overseas experience. The relevant working group was already set up in June this year. A report is expected to be submitted to the Financial Secretary by the end of 2013 at the earliest.

Furthermore, a Member has proposed establishing a seed fund for universal retirement protection. As indicated by me earlier, the Government has already commissioned Prof Nelson CHOW to conduct a study on retirement protection, and the study is expected to be completed early next year. The Government will consider the outcome of the study and explore ways to improve Hong Kong's retirement protection system. I believe Prof Nelson CHOW will also make reference to the recommendations of the Democratic Alliance for the Betterment and Progress of Hong Kong on improving the system.

President, I would like to once again thank Honourable Members for their valuable views. Although Members hold different views and positions on some questions, I am convinced that Members are united in pursuing happiness for Hong Kong people. I hope heated discussions, like this one today, can be held in the upcoming population policy public engagement exercise later in the year to enable Members to jointly explore ways to enable Hong Kong to maintain its vitality in social and economic development, thereby enabling members of the public to give full play to their talent, so that Hong Kong can become a place suitable for people to build their homes and for elderly persons to live in retirement. After analysing and considering public views, the SCPP will further explore the policy direction and feasible initiatives of various questions in the hope that specific measures can be announced to the public in the next stage. Thank you, President.

PRESIDENT (in Cantonese): Dr Kenneth CHAN, you may move an amendment to the motion.

DR KENNETH CHAN (in Cantonese): President, I move that Mr IP Kwok-him's motion be amended.

Dr Kenneth CHAN moved the following amendment: (Translation)

"To add "over the years, the HKSAR Government has continuously conducted population policy studies, but the overall population policy planning has not progressed noticeably;" after "That"; and to add "; specific policy proposals should include: (1) to conduct studies on preferential policies for encouraging childbirth and undertake manpower and resource planning on services for infants and young children in various aspects; (2) in accordance with the demographic structures of various districts, to conduct comprehensive service planning on demands for different public services; (3) to review the various existing schemes on admitting talents from outside Hong Kong, and perfect the relevant policies; and (4) to discuss with the Central Government to enable the HKSAR Government to participate in the vetting and approval of one-way permit applications" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr Kenneth CHAN to Mr IP Kwok-him'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.

(Members raised their hands)

Ir Dr LO Wai-kwok rose to claim a division.

PRESIDENT (in Cantonese): Ir Dr LO Wai-kwok has claimed a division. The division bell will ring for five minutes.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Mr James TO, Mr Tommy CHEUNG, Mr Frederick FUNG, Mr Vincent FANG, Dr Joseph LEE, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr Frankie YICK, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK, Mr IP Kin-yuen, Mr Martin LIAO, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr NG Leung-sing, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Christopher CHEUNG and Ir Dr LO Wai-kwok voted against the amendment.

Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr Steven HO, Mr KWOK Wai-keung, Mr POON Siu-ping and Mr TANG Ka-piu abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr Ronny TONG, Ms Cyd HO, Mr Paul TSE, Mr Alan LEONG, Mr LEUNG Kwok-hung, Ms Claudia MO, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Dr Priscilla LEUNG voted against the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, 16 were in favour of the amendment, eight 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, one against it and 11 abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

MR ANDREW LEUNG (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Formulating a population policy" 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 election, 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 "Formulating a population policy" 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): Members have already been informed, as Dr Kenneth CHAN's amendment has been passed, Mr Frankie YICK has withdrawn his amendment. Mr Tommy CHEUNG therefore may not move the amendment to Mr Frankie YICK's amendment.

PRESIDENT (in Cantonese): Mr James TO, as Dr Kenneth CHAN's amendment has been passed, please move your revised amendment.

MR JAMES TO (in Cantonese): President, I move that Mr IP Kwok-him's motion as amended by Dr Kenneth CHAN be further amended by my revised amendment.

Mr James TO moved the following further amendment to the motion as amended by Dr Kenneth CHAN: (Translation)

"To add "; (5) to formulate a medium-term public finance strategy for the next 10 years, project the impacts of population ageing on taxation and the expenditure pattern of public finance, and allocate funding from the fiscal surplus to set up an 'old age population fund', followed by an annual capital injection from the accumulated surplus of the Exchange Fund, so as to cope with future drastic increases in public expenditure arising from

population ageing; (6) as for couples who have fertility problems or are infertile and have financial difficulties, the Government should allocate additional resources to enable them to receive government subventions or subsidies for proper treatment, so as to help remove obstacles to childbearing; and (7) to accord priority to providing ancillary services for the care of Hong Kong children and mothers during their antenatal and postnatal periods, etc., so as to avoid Hong Kong people being deprived of the resources they are entitled to" 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 IP Kwok-him's motion as amended by Dr Kenneth CHAN 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 IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him 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 Tommy CHEUNG, Mr Frederick FUNG, Mr Vincent FANG, Dr Joseph LEE, Mr CHEUNG Kwok-che, Mr Frankie YICK, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK, Mr IP Kin-yuen and Mr CHUNG Kwok-pan voted for the amendment.

Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHAN Kin-por, Mr NG Leung-sing, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Christopher CHEUNG, Ir Dr LO Wai-kwok and Mr Tony TSE voted against the amendment.

Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr Steven HO, Mr KWOK Wai-keung, Mr Martin LIAO, Mr POON Siu-ping and Mr TANG Ka-piu abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr Ronny TONG, Ms Cyd HO, Mr Alan LEONG, Mr LEUNG Kwok-hung, Ms Claudia MO, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Dr Priscilla LEUNG voted against the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr Paul TSE, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, 13 were in favour of the amendment, 10 against

it and eight abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 15 were in favour of the amendment, one against it and 12 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): Ms Claudia MO, as Dr Kenneth CHAN's amendment has been passed, you may now move your revised amendment.

MS CLAUDIA MO (in Cantonese): President, I move that Mr IP Kwok-him's motion as amended by Dr Kenneth CHAN be further amended by my revised amendment.

Ms Claudia MO moved the following further amendment to the motion as amended by Dr Kenneth CHAN: (Translation)

"To add "; in addition, (5) given that in accordance with the spirit of the Basic Law, the HKSAR Government enjoys a high degree of autonomy and is vested with executive power except in defence and foreign affairs, and society generally considers that this should include the power of vetting and approving the entry of immigrants, the authorities should therefore change the current practice and fully exercise Hong Kong's power of vetting and approving the entry of immigrants" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Ms Claudia MO's amendment to Mr IP Kwok-him's motion, as amended by Dr Kenneth CHAN, 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 IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him 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 Frederick FUNG, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK and Mr IP Kin-yuen voted for the amendment.

Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHAN Kin-por, Mr NG Leung-sing, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Christopher CHEUNG, Mr Martin LIAO, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the amendment.

Dr Joseph LEE, Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr Steven HO, Mr KWOK Wai-keung, Mr POON Siu-ping and Mr TANG Ka-piu abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr Ronny TONG, Ms Cyd HO, Mr Alan LEONG, Mr LEUNG Kwok-hung, Ms Claudia MO, Mr WU Chi-wai, Mr Gary FAN, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Dr Priscilla LEUNG, Mr Paul TSE, Mr James TIEN and Mr CHAN Han-pan voted against the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Mr WONG Kwok-kin, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, eight were in favour of the amendment, 15 against it and eight abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 14 were in favour of the amendment, four against it and 10 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 IP Kin-yuen, as the amendment of Dr Kenneth CHAN has been passed, will you please move your revised amendment.

MR IP KIN-YUEN (in Cantonese): President, I move that Mr IP Kwok-him's motion as amended by Dr Kenneth CHAN be further amended by my revised amendment.

Mr IP Kin-yuen moved the following further amendment to the motion as amended by Dr Kenneth CHAN: (Translation)

"To add "; (5) with population ageing, the slow growth of the labour force and the rising dependency ratio, the authorities should adopt measures to improve the quality of the labour force, including expeditiously implementing 15-year free education and small-class teaching, increasing the numbers of subsidized degree and sub-degree programme places, and increasing local youngsters' opportunities to enrol in postgraduate programmes; (6) with the frequent population flows between the Mainland and Hong Kong, which constitute an uncertain factor in demands for public services, the authorities should closely follow the situation relating to the receipt of education in Hong Kong by children born in Hong Kong to Mainland residents; and at the same time, in response to the demands of cross-boundary students and children arriving in Hong Kong on one-way permits for early childhood education and basic education services, the authorities should conduct early consultation with the education sector, and properly formulate school place planning, so as to avoid the dissatisfaction of schools and parents arising from inappropriate school place planning and address the challenge brought by demographic changes; (7) in response to factors such as the increasing demand for elderly services arising from population ageing, the succession gap of blue-collar workers, the need for new manpower resources for developing industries with competitive edge, etc., the authorities should conduct planning on and strengthen vocational education and manpower training, so as to avoid a mismatch of talents and ensure sufficient manpower resources to meet the demands; (8) the authorities should review the supply and demand of international school places, and ensure sufficient places for children of foreigners intending to come to work in Hong Kong, so as to avoid their switching to work in other countries or places due to their inability to arrange education for their children in Hong Kong, thereby attracting talents to Hong Kong and making the population more diverse; and (9) the authorities should face up to the difficulties of the rapidly increasing ethnic minority population in integrating into society, and strengthen the support for ethnic minority youngsters in respect of their right to learn Chinese and receive education, so as to ensure an equal opportunity for them in further education, employment and integration into society" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr IP Kin-yuen's amendment to Mr IP Kwok-him's motion as amended by Dr Kenneth CHAN 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)

Ir Dr LO Wai-kwok rose to claim a division.

PRESIDENT (in Cantonese): Ir Dr LO Wai-kwok 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 Tommy CHEUNG, Mr Frederick FUNG, Mr Vincent FANG, Dr Joseph LEE, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr Frankie YICK, Mr MA Fung-kwok, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr IP Kin-yuen, Mr Martin LIAO, Mr POON Siu-ping, Mr TANG Ka-piu, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr NG Leung-sing voted against the amendment.

Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr Steven HO, Mr YIU Si-wing, Mr Christopher CHEUNG and Ir Dr LO Wai-kwok abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr WONG Kwok-kin, Mr Paul TSE, Mr Alan LEONG, Mr LEUNG Kwok-hung, Ms Claudia MO, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Dr Kenneth CHAN, Miss Alice MAK, 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, Dr Priscilla LEUNG, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, 20 were in favour of the amendment, one against it and 10 abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 19 were in favour of the amendment and nine abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

PRESIDENT (in Cantonese): Mr Gary FAN, as the amendments of Dr Kenneth CHAN and Mr IP Kin-yuen have been passed, you may now move your revised amendment.

MR GARY FAN (in Cantonese): President, I move that Mr IP Kwok-him's motion as amended by Dr Kenneth CHAN and Mr IP Kin-yuen be further amended by my revised amendment.

Mr Gary FAN moved the following further amendment to the motion as amended by Dr Kenneth CHAN and Mr IP Kin-yuen: (Translation)

"To add "; and (10) to take back the powers to review and reject one-way permit applications, and discuss with the Central Government on initiating the procedures for amending the Basic Law to abolish the right of abode in Hong Kong enjoyed by babies born in Hong Kong to 'doubly non-permanent resident pregnant women' so as to thoroughly resolve the issue of babies born in Hong Kong to Mainland parents" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Gary FAN's amendment to Mr IP Kwok-him's motion as amended by Dr Kenneth CHAN and Mr IP Kin-yuen 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 IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for one minute.

(During the division bell was being rung, Mr SIN Chung-kai stood up)

PRESIDENT (in Cantonese): Mr SIN Chung-kai, why do you stand up?

(Mr SIN Chung-kai sat down)

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 Frederick FUNG, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK and Mr IP Kin-yuen voted for the amendment.

Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHAN Kin-por, Mr NG Leung-sing, Mr Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Mr Martin LIAO, Mr TANG Ka-piu, Ir Dr LO Wai-kwok, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the amendment.

Dr Joseph LEE, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr Steven HO and Mr POON Siu-ping abstained.

Geographical Constituencies:

Mr Ronny TONG, Mr Alan LEONG, Mr LEUNG Kwok-hung, Ms Claudia MO, Mr WU Chi-wai, Mr Gary FAN, Dr Kenneth CHAN, Dr KWOK Ka-ki, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Mr WONG Kwok-hing, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr Paul TSE, Mr James TIEN and Miss Alice MAK voted against the amendment.

Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr TAM Yiu-chung, Ms Cyd HO, Mr CHAN Hak-kan, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr Fernando CHEUNG, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, seven were in favour of the amendment, 17 against it and seven abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 10 were in favour of the amendment, six against it and 12 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 negated.

PRESIDENT (in Cantonese): Ms Cyd HO, as the amendments of Dr Kenneth CHAN and Mr IP Kin-yuen have been passed, you may now move your revised amendment.

MS CYD HO (in Cantonese): President, I move that Mr IP Kwok-him's motion as amended by Dr Kenneth CHAN and Mr IP Kin-yuen be further amended by my revised amendment.

Ms Cyd HO moved the following further amendment to the motion as amended by Dr Kenneth CHAN and Mr IP Kin-yuen: (Translation)

"To add "; (10) to allocate \$50 billion for establishing a seed fund for universal retirement protection; and (11) to require an investment immigrant to implement a business plan, which is to be operated for no less than three years with the investment amount required by the authorities, and to provide no fewer than five full-time jobs each year within those three years" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Ms Cyd HO's amendment to Mr IP Kwok-him's motion as amended by Dr Kenneth CHAN and Mr IP Kin-yuen 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)

Ms Cyd HO rose to claim a division.

PRESIDENT (in Cantonese): Ms Cyd HO 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 Frederick FUNG, Mr CHEUNG Kwok-che, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr IP Kin-yuen, Mr POON Siu-ping and Mr TANG Ka-piu voted for the amendment.

Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr CHAN Kin-por, Mr NG Leung-sing, Mr Frankie YICK, Mr YIU Si-wing, Mr Christopher CHEUNG, Mr Martin LIAO, Ir Dr LO Wai-kwok and Mr CHUNG Kwok-pan voted against the amendment.

Dr Joseph LEE, Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr Steven HO, Mr MA Fung-kwok and Mr Tony TSE abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr WONG Kwok-kin, Mr Alan LEONG, Mr LEUNG Kwok-hung, Ms Claudia MO, Mr WU Chi-wai, Mr Gary FAN, Dr Kenneth CHAN, Miss Alice MAK, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the amendment.

Dr Priscilla LEUNG, Mr Paul TSE and Mr James TIEN voted against the amendment.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr CHAN Hak-kan, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, 11 were in favour of the amendment, 13 against it and seven abstained; while among the Members returned by geographical constituencies through direct elections, 29 were present, 17 were in favour of the amendment, three against it and eight 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 Kenneth LEUNG, as the amendments of Dr Kenneth CHAN and Mr IP Kin-yuen have been passed, you may now move your revised amendment.

MR KENNETH LEUNG (in Cantonese): President, I move that Mr IP Kwok-him's motion as amended by Dr Kenneth CHAN and Mr IP Kin-yuen be further amended by my revised amendment.

Mr Kenneth LEUNG moved the following further amendment to the motion as amended by Dr Kenneth CHAN and Mr IP Kin-yuen: (Translation)

"To add "; and (10) to set a timetable for formulating and implementing the population policy, so as to expeditiously deal with the impacts of population ageing and establish policies on education, manpower, welfare and the economy, etc., which are necessary for dovetailing with changes in the population structure" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Kenneth LEUNG's amendment to Mr IP Kwok-him's motion as amended by Dr Kenneth CHAN and Mr IP Kin-yuen 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)

Mr IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him 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 Tommy CHEUNG, Mr Frederick FUNG, Mr Vincent FANG, Dr Joseph LEE, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr Frankie YICK, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr KWOK Wai-keung, Mr Dennis KWOK, Mr IP Kin-yuen, Mr Martin LIAO, Mr POON Siu-ping, Mr TANG Ka-piu, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the amendment.

Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr NG Leung-sing, Mr Steven HO, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Christopher CHEUNG and Ir Dr LO Wai-kwok abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr WONG Kwok-hing, Mr Ronny TONG, Ms Cyd HO, Mr WONG Kwok-kin, Mr Paul TSE, Mr Alan LEONG, Mr LEUNG Kwok-hung, Ms Claudia MO, Mr Michael TIEN, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Dr Kenneth CHAN, Miss Alice MAK, 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, Dr Priscilla LEUNG, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, 19 were in favour of the amendment and 12 abstained; while among the Members returned by geographical constituencies through direct elections, 30 were present, 20 were in favour of the amendment and nine abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

PRESIDENT (in Cantonese): Mr IP Kwok-him, you may now reply and you have two minutes and 42 seconds.

MR IP KWOK-HIM (in Cantonese): President, there were a total of 26 Members speaking on my motion today. Apart from Mr LEUNG Kwok-hung, who spoke nonsense and confounded right and wrong, other Members were very candid in expressing their views. While we may not accept or agree to each other's views, I think our views can all be taken into account by the decision-makers in the Government for consideration. Therefore, I am very grateful to Members for their speeches.

The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) supports the amendments made by Mr IP Kin-yuen and Mr Kenneth LEUNG. But, just now, we have abstained from voting mainly because the amendment of Dr Kenneth CHAN was passed. Regarding the fourth request in Dr Kenneth CHAN's amendment, that is, the Government should participate in the vetting and approval of one-way permit applications, the DAB has great reservation and cannot agree to it. Therefore, the DAB had no choice but to abstain from voting.

The Chief Secretary for Administration has just stated that the Government will soon conduct a public consultation. I hope that all of us will actively participate in the consultation to facilitate the formulation of a better population policy for Hong Kong regardless of the voting results.

Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr IP Kwok-him, as amended by Dr Kenneth CHAN, Mr IP Kin-yuen and Mr Kenneth LEUNG, 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 IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him 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 Tommy CHEUNG, Mr Frederick FUNG, Mr Vincent FANG, Dr Joseph LEE, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr NG Leung-sing, Mr Frankie YICK, Mr MA Fung-kwok, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK, Mr IP Kin-yuen, Mr Martin LIAO, Mr CHUNG Kwok-pan and Mr Tony TSE voted for the motion as amended.

Mr Abraham SHEK, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr IP Kwok-him, Mr Steven HO, Mr YIU Si-wing, Mr KWOK Wai-keung, Mr Christopher CHEUNG, Mr POON Siu-ping, Mr TANG Ka-piu and Ir Dr LO Wai-kwok abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr Ronny TONG, Ms Cyd HO, Mr Paul TSE, Mr Alan LEONG, Mr James TIEN, Mr WU Chi-wai, Mr Gary FAN, Dr Kenneth CHAN, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr SIN Chung-kai and Dr Helena WONG voted for the motion as amended.

Mr Michael TIEN vote against the motion as amended.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT, Dr CHIANG Lai-wan and Mr Christopher CHUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 31 were present, 18 were in favour of the motion as amended and 13 abstained; while among the Members returned by geographical constituencies through direct elections, 28 were present, 14 were in favour of the motion as amended, one against it and 12 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion as amended was negatived.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11 am on Wednesday 10 July 2013.

Adjourned accordingly at one minute past Twelve o'clock in the morning.

Appendix I**WRITTEN ANSWER****Written answer by the Secretary for Transport and Housing to Mr Tommy CHEUNG's supplementary question to Question 2**

As regards increasing the retail facilities and floor area in public rental housing (PRH) estates, when planning the relevant retail facilities in new PRH estates, the Housing Authority (HA) needs to consider the availability of related facilities in the vicinity. The HA will provide more retail facilities when the population is comparatively large and the retail facilities nearby is inadequate. In determining the trades of the facilities, the primary consideration of the HA is to satisfy the daily necessities of residents. Meanwhile, the total floor area of retail facilities under construction or planning by the HA, including those in urban PRH estates, is about 51 000 sq m.

Appendix II**WRITTEN ANSWER****Written answer by the Secretary for Security to Mr SIN Chung-kai's supplementary question to Question 5**

As regards whether the Government would amend the existing legislation to tackle cross-border computer related crimes, including network hacking activities, the Police currently adopt a multi-pronged strategy in combating computer related crime and improving network security in Hong Kong, including (a) striving to upkeep the Police's professional and advanced capability in the areas of digital forensic and training in technology crime investigation; (b) maintaining close co-operation with overseas law-enforcement agencies, government departments and major stakeholders in the industry; and (c) promoting public awareness on technology crime prevention through publicity and public education. To prevent and tackle possible attacks, the Police set up a round-the-clock Cyber Security Centre in 2012 to enhance the information system and network security of critical infrastructure, and strengthen communication and co-ordination with various stakeholders. In 2014, the Police are planning to upgrade their Technology Crime Division to a new Cyber Security and Technology Crime Bureau with enhanced manpower and resources, in order to enhance their overall capability in investigation and training staff for handling network safety and technology crimes, foster international co-operation, keep a close watch on the technological development as well as changes in ways offences are committed, and renew the regulatory and enforcement strategies when in need.

As computer related crime may take place across borders, it is of utmost importance to co-operate with international law-enforcement agencies. The Police have an established mechanism for making instant report and collaborating with technology crime investigation teams from different places in the world. For cases where hacking activities from outside Hong Kong are involved, the Police will seek relevant information for investigation and collect evidence from overseas agencies. In this regard, the Government is committed to expanding the network of bilateral agreements with other jurisdictions on Mutual Legal

WRITTEN ANSWER — *Continued*

Assistance in Criminal Matters and strengthening co-operation with the international community in combating cross-boundary crimes. The Mutual Legal Assistance in Criminal Matters Ordinance (Cap. 525) regulates the provision and obtaining of assistance in criminal matters between Hong Kong and places outside Hong Kong. It provides for assistance in criminal investigation and prosecution, such as taking of evidence, search and seizure, production of material, and transfer of persons to give assistance.

The Government reviews its regulatory framework from time to time, and enforces the relevant legislation according to the nature of individual crimes. We consider that the Government's effort in combating technology crimes and protecting network safety, including legislation, enforcement, and so on, has been effective in coping with the current situation. There is no imminent need to amend any legislation at this stage.

Appendix III**WRITTEN ANSWER****Written answer by the Secretary for Security to Mr WONG Kwok-hing's supplementary question to Question 6**

As regards the enforcement actions against foreign domestics helpers (FDHs) taking up driving duties illegally, since 1 January 2000, the Immigration Department (ImmD) has prohibited the FDHs from taking up any driving duties. If the FDHs are required to carry out driving duties which are incidental to and arising from domestic duties, special permission from the ImmD must be obtained. If the FDHs contravene the conditions of the special permission or take up driving duties without special permission, they are in breach of their conditions of stay. Employers or any person found aiding and abetting the FDHs to breach their conditions of stay will also be liable to prosecution. Upon conviction in either case, the maximum penalty is a fine of \$50,000 and 2-year imprisonment.

To ensure that the special permission for driving duties is not abused, the ImmD Task Force conducts ad hoc operations from time to time. In 2011, 2012 and the first eight months of 2013, the ImmD conducted 10, six and three operations respectively targeting the FDHs taking up driving duties illegally in Hong Kong. Almost 5 000 vehicles were intercepted and most of the drivers were holders of the Hong Kong permanent identity card. Of the vehicles intercepted, 23 were driven by the FDHs and after verification, all of them were found to have obtained special permission to take up driving duties and have not breached their conditions of stay.

In addition to conducting ad hoc operations, the ImmD will follow up on reports and complaints by the public. In 2011, 2012 and the first eight months of 2013, the ImmD received 21, 33 and nine complaints respectively in relation to the FDHs taking up driving duties illegally in Hong Kong. Of these, 44 complaints could not be followed up due to incomplete or incorrect information from the complainant, five complaints have been determined to be not in breach of the conditions of stay after investigation and 10 complaints could not be prosecuted due to insufficient evidence. The remaining four are under investigation.