

# OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 10 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

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

**MEMBER ABSENT:**

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

**PUBLIC OFFICERS ATTENDING:**

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

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

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

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

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

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

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

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

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

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

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

**CLERKS IN ATTENDANCE:**

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

MRS JUSTINA LAM CHENG BO-LING, DEPUTY SECRETARY GENERAL

MISS ODELIA LEUNG HING-YEE, ASSISTANT SECRETARY GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

**TABLING OF PAPERS**

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Mandatory Provident Fund Schemes (Contributions for Casual Employees) (Amendment) Order 2013 .....	118/2013
Mandatory Provident Fund Schemes (Contributions for Casual Employees) (Amendment) (No. 2) Order 2013 .....	119/2013
Import and Export (Strategic Commodities) Regulations (Amendment of Schedule 1) Order 2013 (Commencement) Notice.....	120/2013

## Other Papers

- No. 103 — Hong Kong Trade Development Council  
Annual Report 2012/13
- No. 104 — Prisoners' Welfare Fund  
Report by the Commissioner of Correctional Services  
on the administration of the Fund  
for the year ended 31 March 2013
- No. 105 — Independent Commission Against Corruption  
Complaints Committee Annual Report 2012
- No. 106 — Hong Kong Export Credit Insurance Corporation  
Annual Report 2012-13
- No. 107 — The Standing Committee on Legal Education and Training  
Annual Report 2012  
1 January 2012 to 31 December 2012

- No. 108 — J.E. Joseph Trust Fund Report  
for the period 1 April 2012 to 31 March 2013
- No. 109 — Kadoorie Agricultural Aid Loan Fund Report  
for the period 1 April 2012 to 31 March 2013
- No. 110 — Sir David Trench Fund for Recreation  
Annual Report 2012-2013
- No. 111 — Hong Kong Deposit Protection Board  
Annual Report 2012/13
- No. 112 — Annual Report of The Ombudsman 2013
- No. 113 — Hong Kong Special Administrative Region  
Independent Commission Against Corruption  
Annual Report 2012
- No. 114 — Report of the Public Accounts Committee on Report No. 60  
of the Director of Audit on the Results of Value for  
Money Audits (July 2013 — P.A.C. Report No. 60)
- Report of the Finance Committee on the examination of the Estimates of  
Expenditure 2013-2014
- Report of the Committee on Members' Interests on a complaint against  
Hon Albert HO Chun-yan
- Report No. 20/12-13 of the House Committee on Consideration of  
Subsidiary Legislation and Other Instruments
- Report of the Bills Committee on Arbitration (Amendment) Bill 2013
- Report of the Bills Committee on Hong Kong Arts Development Council  
(Amendment) Bill 2013
- Report of the Bills Committee on Inland Revenue (Amendment) Bill 2013
- Report of the Bills Committee on Inland Revenue and Stamp Duty  
Legislation (Alternative Bond Schemes) (Amendment) Bill 2012



Report of the Bills Committee on Air Pollution Control (Amendment) Bill 2013

Report of the Panel on Security 2012-2013

Report of the Panel on Home Affairs 2012-2013

Report of the Panel on Economic Development 2012-2013

Report of the Panel on Health Services 2012-2013

Report of the Panel on Constitutional Affairs 2012-2013

Report of the Panel on Financial Affairs 2012-2013

Report of the Panel on Administration of Justice and Legal Services 2012-2013

## **ADDRESSES**

**PRESIDENT** (in Cantonese): Addresses. Mr Albert HO will address the Council on the "Independent Commission Against Corruption Complaints Committee Annual Report 2012".

### **Independent Commission Against Corruption Complaints Committee Annual Report 2012**

**MR ALBERT HO** (in Cantonese): President, as a member of the Independent Commission Against Corruption Complaints Committee, I hereby table the Independent Commission Against Corruption Complaints Committee Annual Report 2012 on behalf of the Committee.

This is the eighteenth Annual Report published by the Committee which provides a summary of the work of the Committee in the year 2012. The Committee's major responsibility is to monitor the handling by the Independent Commission Against Corruption (ICAC) of non-criminal complaints lodged by anyone against the ICAC and its officers. Moreover, where the Committee

considers necessary, it will review the ICAC's work procedures, guidelines and practices, and make recommendations for improvement. To enhance public understanding of the Committee's monitoring of the ICAC's mechanism for handling non-criminal complaints, the Annual Report also explains in detail the relevant mode of operation.

In 2012, the Committee held three meetings to consider the investigation reports on 22 complaints covering 66 allegations, two of which were found to be substantiated, and the ICAC has given appropriate advice to the two officers on the substantiated allegations. A sample of an investigation report considered by the Committee is included in the Annual Report. Furthermore, arising from the investigation reports considered by the Committee during the year 2012, the ICAC has also reminded its officers to adhere to the relevant internal guidelines in respect of work procedures in order to upkeep the professionalism of the ICAC and implemented appropriate improvement measures.

The publication of the Annual Report enables the Committee to brief the public on its work on a regular basis. It can also enhance the transparency of the Committee's work. Should Members have any comments on the Annual Report, they are welcome to forward their views to the Secretary of the Committee. The support of this Council and members of the public to the work of the Committee is very much appreciated.

Thank you, President.

**PRESIDENT** (in Cantonese): Mr Christopher CHUNG will address the Council on the "Hong Kong Special Administrative Region Independent Commission Against Corruption Annual Report 2012".

**Hong Kong Special Administrative Region Independent Commission Against Corruption Annual Report 2012**

**MR CHRISTOPHER CHUNG** (in Cantonese): President, as a member of the Advisory Committee on Corruption, I have great honour to brief Members on the "Hong Kong Special Administrative Region Independent Commission Against Corruption Annual Report 2012" tabled in the Council today.

Over the past year, the Independent Commission Against Corruption (ICAC) continued to adopt its three-pronged strategy of law enforcement, prevention and community education to discharge its statutory duty in the fight against corruption, whilst members of the general public continued to express their trust and support.

In 2012, the ICAC received a total of 3 932 corruption complaints, representing a decrease of 2% from the 4 010 cases in 2011. Of these, the number of pursuable complaints was 2 950, accounting for 75% of the total, or representing a decrease of 4% when compared with last year's 3 074 complaints; the proportion of non-anonymous complaints remained at the high level of 74%. Moreover, 2 413 election-related complaints were received in the year.

Complaints against corruption in government departments increased by 7% over last year to 1 192. Such an increase might be related to the extensive media coverage of the ICAC investigations and prosecutions during the year, but there was no sign of resurgence of any syndicated corruption as in the past. The ICAC will continue to remain alert to breaches of the common law offence of misconduct in public office and it will continue to advise public officers to avoid any conflict of interests. As for complaints against corruption in public bodies, there were a total of 257 cases, representing an increase of 12% over last year. Despite the increase, prosecutions in this sector remained on the low side.

As for complaints against corruption in private-sector organizations, the number of complaints dropped slightly by 7% from 2 664 in 2011 to 2 483, accounting for 63% of the total. The ICAC will pay special attention to corruption problems in those trades and industries closely related to people's livelihood, such as the financial, insurance, catering and entertainment services, with a view to protecting the interest of the public. During the year, the special enforcement actions of the ICAC against parallel goods traders' bulk purchase and re-sale of smart phones, tablet computers and baby milk powder were all able to achieve significant effect.

In 2012, the ICAC altogether received 2 413 complaints against violations of the Elections (Corrupt and Illegal Conduct) Ordinance, an increase of 400% when compared with the figure in 2011. Among these complaints, the suspected vote-rigging cases connected with the 2011 District Council Election were of particular public concern. The special taskforce set up by the ICAC to handle

these cases already completed its task in May 2012, concluding investigations into a total of 1 604 cases of suspected vote-rigging.

Regarding corruption prevention, over the past year, the ICAC completed for government departments, public bodies, government-funded and other organizations a total of 66 assignment reports, which covered law enforcement, public procurement, outsourcing of services and public works projects, and so on. During the year, in addition to assisting tertiary education institutions, national sports associations, the testing and certificate industry and estate agencies in enhancing their governance and internal control, the ICAC also reviewed the vehicle examination procedures at Designated Car Testing Centres, and provided corruption prevention advice to the relevant departments in respect of public elections, covering amendment to practices and necessary legislative provisions as well as the voter registration system. Targeting on the corruption problems associated with private building renovation projects, the ICAC produced a training video for self-learning by building owners, owners' corporations and related building management companies, so that they can promote an awareness of corruption prevention.

As for corruption prevention education, the ICAC continued to take forward education and publicity programmes targeting on different sectors. Its efforts included the conduct of publicity and training programmes for civil servants, with a view to enhancing their awareness of conflict of interest situations; the holding of education programmes on corruption prevention for practitioners in different trades of the business sector, as well as candidates and voters participating in public elections; and, ongoing and vigorous efforts to inculcate positive values in young people through new media channels and various activities such as the ICAC Ambassador Programme and community activities for parents and children. Moreover, late last year, the ICAC launched a new advertising campaign in many different media on upholding the core value of integrity and the zero tolerance of corruption.

The ICAC also continued to actively enhance its relationship with the anti-corruption agencies in various places to foster exchanges and promote anti-corruption work. Last year, besides joining hands to organize the Cross-boundary Anti-Corruption Computer Animation / Comics Competition for publicizing the message of anti-corruption among young people in the three places, the ICAC and the anti-corruption agencies in Guangdong Province and Macao also jointly published the *Corruption Prevention Guide for SMEs in Guangdong, Hong Kong and Macao* to provide cross-boundary business

operators with the latest information on corruption prevention. Through the Centre of Anti-Corruption Studies, the ICAC will also conduct a series of in-depth studies on the directions of anti-corruption initiatives locally, regionally and internationally, with a view to assisting the ICAC in mapping out its strategy of work in the future.

In order to recruit fresh blood and cope with the increasingly sophisticated corruption activities, the ICAC launched two recruitment exercises last year and received 12 000 applications. Moreover, the ICAC also organized internal training and overseas training for its staff, with a view to ensuring that their professional knowledge and skills can continue to be on a par with global best practices.

President, on behalf of the Commissioner of the ICAC, I wish to take this opportunity of tabling the report to the Council to thank members of the various advisory committees of the ICAC for their valuable contribution, and to express my gratitude to this Council and members of the public for their support to the ICAC. The public have very high expectation concerning the work of the ICAC. All in the ICAC will continue to adhere to the principles of integrity and fairness, seeking to carry out anti-corruption work with a highly professional, steadfast and absolutely impartial spirit.

President, I so submit.

**PRESIDENT** (in Cantonese): Mr Abraham SHEK will address the Council on the "Public Accounts Committee Report No. 60".

**Report of the Public Accounts Committee on Report No. 60 of the Director of Audit on the Results of Value for Money Audits (July 2013 — P.A.C. Report No. 60)**

**MR ABRAHAM SHEK:** President, on behalf of the Public Accounts Committee (the Committee), I have the honour to table our Report No. 60 today.

The Committee has, as in the past, decided to hold hearings on those chapters covered by the Director of Audit's Report No. 60 which, in our views, contained more serious allegations of irregularities or shortcomings. The Committee's Report tabled today covers our conclusions and recommendations on

two of the three chapters selected. As regards the selected Chapter 7 of Report No. 60 on "Preventive education and enlisting public support against corruption", the Committee has decided to defer a full report on it to allow ourselves more time to consider the issues raised in the Audit Report.

I now report the conclusions and recommendations on the two chapters covered in our Report No. 60.

First, regarding Chapter 2, I would like to thank Mr Kenneth LEUNG for leading the group in the public hearing. I would like to speak on the administration of road safety measures now. The Committee expresses grave dismay and alarm that the Administration has been complacent in the administration of road safety measures and has failed to use the resources efficiently to reduce traffic accidents.

Although the law was amended in December 2000 to provide a three-tier penalty system in proportion to drivers' alcohol concentration levels, the Committee expresses grave dismay and alarm that 18 of the 42 police stations were still not equipped with evidential breath test devices as at January 2013. As a result, some half of the drivers arrested for failing the screening breath tests were released or charged with a lighter offence as their alcohol concentrations had dropped to levels even lower than when they first started after additional travelling time was being incurred for taking these drivers to other police stations equipped with evidential breath test devices.

The Committee considers that the police should expedite the installation of the evidential breath test devices in the 18 police stations. Further, the police should complete the current testing of the mobile evidential breath test device as soon as possible and make an early decision on the way forward in providing suitable and adequate equipment for implementing the drink driving breath tests.

In view of the fact that the accident involvement rates of public light buses (PLBs), taxis and franchised buses are consistently higher than the average for all motor vehicles, the Committee expresses grave dismay and alarm that (i) 42% of the PLBs in operation were exempted from the statutory passenger seat belt requirement; (ii) no improvement measures, such as installation of speed limiters on taxis, have been implemented to tackle the serious speeding problem of taxis; and (iii) the statutory health check requirement for franchised bus drivers is less stringent than that of other jurisdictions.

The Committee urges the Administration to (i) make greater efforts to encourage the exempted PLBs to be retrofitted with passenger seat belts and to step up the enforcement and publicity efforts on promoting the wearing of passenger seat belt on PLBs; (ii) to introduce additional measures to enhance the safety operation of taxis; and (iii) to take into account the health check requirements of other jurisdictions in the review of measures to enhance the road safety of franchised buses.

In 2011 and 2012, the broadcast of an Announcement of Public Interest for combating drug driving was shelved and another one for promoting safe cycling was temporarily withheld respectively after receiving complaints about their contents. The Committee notes that the Administration has enhanced the relevant guidelines and procedures to prevent such incidents from recurring.

I now turn to the Committee's deliberations on the Pre-primary Education Voucher Scheme (Voucher Scheme). I would like to take this opportunity to thank Mr Alan LEONG for heading this particular study. The Committee expresses serious dissatisfaction and disappointment that although the Government had spent some \$8.5 billion on the Voucher Scheme over the five school years from 2007 to 2012, the Voucher Scheme failed to achieve one of its objectives, that is, to alleviate parents' financial pressure. The Committee notes that although the value of the voucher has helped parents to defray a large part of the tuition fee, some parents are still subject to hefty miscellaneous fees charged by the kindergartens which could be as high as 24% to 44% of the school fees. To rectify the situation, President, the Committee notes that the Education Bureau has undertaken to set out clearer guidelines to ensure that kindergartens participating in the Voucher Scheme properly classify their miscellaneous fees in the audited accounts.

The Committee also expresses serious dissatisfaction and disappointment that the Voucher Scheme has failed to achieve another objective, that is, raising the quality of kindergarten education, as 13 principals and 1 203 teachers serving in the kindergartens participating in the Voucher Scheme had not yet completed their professional upgrading as at September 2012. As the training subsidy under the Voucher Scheme has lapsed in 2011-2012, at the request of the Committee, the Education Bureau has agreed to provide course fee subsidy for the principals and teachers who are currently pursuing the required courses and would complete the courses by the end of 2013-2014.

Kindergartens participating in the Voucher Scheme are facing challenges and pressure. School fees cannot be raised without the Education Bureau's approval and cannot exceed the ceilings set by the Education Bureau, sometimes at a rather unrealistic level. The Committee considers that the school fees should be adjusted to take into account rentals and the need to set salaries at a level to attract and retain staff; alternatively, the value of the voucher should be adjusted to take into account the same, instead of merely making reference to the Composite Consumer Price Index.

The Committee notes that the Education Bureau has forwarded the issues raised in the Audit Report for consideration by the Committee on Free Kindergarten Education which was set up by the Government in April 2013 to examine how to practically implement free kindergarten education. The Committee considers that, pending the implementation of free kindergarten education in Hong Kong, the Education Bureau should keep in view of the decline in the Voucher Scheme participation, and proactively explore ways to address challenges faced by the kindergartens participating in the Voucher Scheme as well as parents of students of these kindergartens.

Lastly, I wish to record my appreciation of the contributions made by members of the Committee. Our gratitude also goes to the witnesses who attended the hearings held by the Committee. I would also like to express our gratitude to the Director of Audit and his colleagues for their unfailing support, and lastly but not the least, to our secretariat for helping us in this study.

**PRESIDENT** (in Cantonese): Mr Tommy CHEUNG will address the Council on the "Report of the Finance Committee on the examination of the Estimates of Expenditure 2013-2014".

### **Report of the Finance Committee on the examination of the Estimates of Expenditure 2013-2014**

**MR TOMMY CHEUNG** (in Cantonese): President, in accordance with Rule 71(11) of the Rules of Procedure, the Estimates of Expenditure 2013-2014 were referred to the Finance Committee (FC) at the Council meeting on



27 February 2013. On behalf of the FC, I now submit its report on the examination of the Estimates of Expenditure (the Estimates).

For the purpose of examining the Administration's Estimates of Expenditure 2013-2014, the FC held 20 sessions of special meetings from 8 to 12 April this year to discuss the relevant issues. The aim of the FC in examining the Estimates is to ensure that the authorities are seeking a provision no more than is necessary for the execution of the policies approved.

As in the past, to ensure that Members could obtain more detailed information about the proposals in the Estimates prior to the special meetings, so that they could use the time of these meetings more effectively, Members were requested to submit written questions for written replies to be tabled by the Administration before the special meetings. This year, the Secretariat introduced a new web-based application system to streamline the submission and management of questions by Members. The Secretariat received a total of 5 471 written questions, and they were forwarded to the Administration for replies. The authorities provided replies to 3 300 questions before the special meetings, and the replies to the remaining 2 171 questions were submitted before the third Budget meeting. The questions of Members and the replies of the Administration have been uploaded onto the website of the Legislative Council.

During the special meetings, Members raised questions on various policy areas and expressed concerns and opinions on measures closely related to people's livelihood in the Budget and Estimates. Members were also gravely concerned about whether the authorities had properly allocated resources, and studied the formulation of medium- to long-term policies for driving Hong Kong's economic development and re-structuring, promoting social progress and upgrading people's quality of living.

The procedures and deliberations of the special meetings are set out in the report, and I am not going to make any repetition now.

The Appropriation Bill 2013 was already passed at the meeting of the Legislative Council held on 15 May. Following this, the FC also examined the various new measures and appropriation requests submitted by the authorities according to the Budget.

President, I am most grateful to Members for their enthusiastic participation in the examination of the Estimates, and here I would like to extend my gratitude to the staff of the Financial Services and the Treasury Bureau and the Legislative Council Secretariat for their unfailing support.

I so submit.

**PRESIDENT** (in Cantonese): Mr IP Kwok-him will address the Council on the "Report of the Committee on Members' Interests on a complaint against Hon Albert HO Chun-yan".

**Report of the Committee on Members' Interests on a complaint against Hon Albert HO Chun-yan**

**MR IP KWOK-HIM** (in Cantonese): President, on behalf of the Committee on Members' Interests (CMI), I would like to submit to this Council the report of its consideration regarding a complaint against Mr Albert HO.

The Clerk to the CMI received on 12 July last year an email from a member of the public alleging that Mr Albert HO had deliberately concealed his directorship and shareholding interests in a company known as Fountain Success Investment Company Limited (FSICL) as well as his interest in land and property held through that company, and made false declarations. The Clerk to the CMI received two other emails with further information from the same member of the public in the following two days.

Since the Legislative Council would soon stand prorogued, the CMI of the Fourth Legislative Council did not have sufficient time to process the complaint according to its procedure for handling complaints. The CMI therefore decided not to follow up the complaint. With the consent of the complainant, the complaint was referred to the CMI of the current-term Legislative Council.

The CMI held a total of five meetings in camera to conduct preliminary consideration of the complaint. The CMI wrote twice to Mr Albert HO and

invited him to attend a meeting of the CMI in order to provide information and give explanation in respect of the complaint.

Rule 83(5) of the Rules of Procedure (RoP) provides for eight types of registrable interests. The allegation against Mr Albert HO involves three registrable interests: remunerated directorship of a company, land and property and beneficial interest in shareholding of a company.

Regarding the allegation that Mr HO did not register his remunerated directorship of FSICL, the CMI notes that at the commencement of the Third and Fourth Legislative Council, Mr HO did not register his directorship of FSICL. But on 9 July 2012, or three days before the CMI received the first complaint by email, he wrote on his own initiative to the Clerk to the CMI, admitting and apologizing for his failure to register his directorship and shareholding interest in FSICL, and forthwith registered such interests.

According to Mr HO, the only investments made by FSICL were a property and from time to time one or two cars, both of which were used by the family of his younger brother. FSICL did not have any other investments or any substantive business. According to Mr HO, he had not received any remuneration or obtained any pecuniary interest from the property held under the name of FSICL.

Based on the information available to it, the CMI finds no information to show that Mr HO's directorship in FSICL is remunerated. The CMI is satisfied that there was no breach of Rule 83(5)(a) of the RoP on the part of Mr HO as unremunerated directorships are not required to be registered. This notwithstanding, the CMI considers that Mr HO's registration of his unremunerated directorship in FSICL on 9 July 2012 is erroneous. While the registration of such interest does not constitute a breach of the RoP, his registration of such interest may have misled the public that he was a remunerated director of the company.

As for the allegation that Mr Albert HO failed to register interests in land and property, the CMI notes that paragraph 3 of the Notes for Land and Property on the Registration Form on Members' Interests (the Form) provides that (and I quote) "..... In the case of holding through a company, the interest is registrable where the Member has control of the company or has more than 50%

shareholding in it ....." (End of quote). According to the Annual Return of FSICL filed with the Companies Registry, FSICL had only two issued shares during the relevant period and Mr HO held one of them. In other words, Mr HO had 50% shareholding in FSICL during the relevant period, which did not reach the registration threshold (more than 50% shareholding) for "Land and Property". Therefore, he was not required to register the interests. The CMI is satisfied that there was no breach of Rule 83(5)(g) of the RoP on the part of Mr HO.

Regarding the allegation that Mr Albert HO failed to register his shareholding in FSICL, the CMI notes that under Rule 83(5)(h) of the RoP, a Member has to register his or her shareholding interests in a company if he or she owns more than 1% of the issued share capital of the company. Paragraph (b) of the Notes for Shareholdings in the Form provides that "shareholdings is defined as personal shareholdings and do not include shareholdings held by a Member in the capacity of a nominee shareholder".

The CMI notes that Mr HO registered his shareholding in FSICL at the commencement of the First, Second and Third Legislative Council. However, he failed to do so at the commencement of the Fourth Legislative Council.

According to Mr HO, he was holding one of the two issued shares in FSICL as a trustee during the relevant period. He understood that it was not necessary for him to register his shareholding interest in FSICL as he was only a nominee shareholder. However, since the trust between him and his younger brother's wife was created orally without any documentation and it would be too onerous and time-consuming for him to prove the existence of the trust relationship, he had all along chosen to register his shareholding in FSICL. He had omitted to register such interests in 2008 because he had mistakenly thought that he had already transferred the share in FSICL to the beneficial owner. Mr HO said that it was for this reason that he had admitted, and apologized for, his failure to register his shareholding in FSICL on 8 October 2008, in his letter dated 9 July last year to the Clerk to the CMI. According to Mr HO, there was no incentive for him to conceal deliberately his shareholding in FSICL and he had not obtained any benefit from his omission to register such interest.

The CMI notes that as Mr HO withdrew his claim that he was holding the share in FSICL as trustee, he was required to register such shareholding during the relevant period under Rule 83(5) of the RoP. As Mr HO failed to register

such interest on 8 October 2008, the CMI considers that the complaint against Mr HO in this respect is substantiated.

All in all, the CMI considers that among the allegations against Mr Albert HO for failure to register three types of interests (that is, remunerated directorship of a company, land and property, and beneficial interest in shareholding of a company), only the allegation concerning his failure to register his shareholding of a company is substantiated.

The CMI has considered whether sanction should be recommended in respect of Mr Albert HO's failure to register his beneficial interest in shareholding under Rule 73(1)(e) of the RoP.

The CMI notes that Mr Albert HO had registered his shareholding in FSICL at the commencement of the First, Second and Third Legislative Council. The CMI considers that there is no information to indicate that his failure to register such interest at the commencement of the Fourth Legislative Council was deliberate. In addition, there is also no information to indicate that Mr HO's shareholding in FSICL involved any conflict of interests with his role as a Legislative Council Member, given that the company had no substantive business.

Given no information to indicate that Mr HO's omission to register the shareholding interest was deliberate or the shareholding interest involved any conflict of interest with his role as a Legislative Council Member, the CMI has decided not to recommend any sanction against Mr HO under Rule 85 of the RoP after considering the practice adopted by the CMI of the previous Legislative Council.

Even though the CMI has not recommended any sanction against Mr HO, it considers that as a Legislative Council Member, Mr HO should have exercised due care in complying with the relevant rules of the RoP with regard to registration of interests. He should have been more careful in completing the Form and should have ascertained whether his share had actually been transferred to the beneficial owner instead of relying on his memory or impression. His failure to register such interest indicates that he has fallen short of the standard of care reasonably and legitimately expected of a Legislative Council Member by members of the public.

President, the main purpose for registration of interests is to provide information of any pecuniary interest or other material benefit which a Member receives which might reasonably be thought by others to influence his or her actions, speeches or votes in the Council, or actions taken in his or her capacity as a Legislative Council Member. It is therefore incumbent upon each and every Member to register registrable interests in compliance with the RoP.

Finally, in view of the rising public expectation of the standards of behaviour of a Legislative Council Member, the CMI calls upon all Members to exercise due care in the registration and disclosure of their interests pursuant to the relevant rules of the RoP.

I so submit. Thank you, President.

**PRESIDENT** (in Cantonese): Mr IP Kwok-him will address the Council on the "Report of the Panel on Security 2012-2013".

### **Report of the Panel on Security 2012-2013**

**MR IP KWOK-HIM** (in Cantonese): President, in my capacity as Chairman of the Panel on Security (the Panel), I hereby submit to this Council the report of the Panel for the current Legislative Session. As the work of the Panel is detailed in the report, I will only highlight several major items of its work.

The prevalence of parallel trading activities last year caused a series of livelihood issues and widespread social concern. The Panel was also very concerned about the Administration's measures to combat parallel trading activities and their effectiveness. As parallel trading activities *per se* were not an offence, members considered that although the law-enforcement agencies had taken large-scale raids in many districts, the problem should be tackled at source. Some members called on the Administration to convey through a high level to the Central Authorities the request for Mainland authorities to step up enforcement actions against parallel trading activities. The Administration pointed out that the Government had raised the issue at different levels with the relevant Mainland authorities. The relevant law-enforcement agencies in both places would continue to maintain close co-operation to combat parallel trading activities.

Another concern of the Panel was the handling of public meetings and public processions by the police. Some members pointed out that when public order events organized by different social groups with entirely diverse views on a subject matter were held at the same time and at the same venue, conflict between the groups tended to emerge. Some members expressed concern over complaints from many road users about serious traffic congestion arising from public meetings and processions. The Administration emphasized with members that when handling public meetings and processions, the police would endeavour to facilitate all lawful and peaceful public meetings and processions on the one hand, and reduce the impact of such meetings and processions on other members of the public on the other.

President, the Panel held in-depth discussion last year on the security measures and media coverage arrangements during the official visit by Mr LI Keqiang, then still a Vice Premier of the State Council. In this Legislative Session, members continued to monitor closely the investigation report by the Independent Police Complaints Council (IPCC) on complaint cases arising from the visit. The Panel repeatedly stressed that the police should strike a balance between the rights of the people to express their views and security arrangements. Hence, members welcomed that after considering the views of the IPCC on the issue, the Administration adopted a series of improvement measures, including setting designated press areas and petition areas at locations closer to the venues of the events to be attended by the political dignitaries.

Besides, in view of the wide public concern over the reports on the expenses on duty visits outside Hong Kong and official entertainment incurred by the former Commissioner of Independent Commission Against Corruption (ICAC), the Panel examined the approving mechanism of the ICAC in this regard. Members noted that all ICAC officers were subject to government regulations and administrative rules as applied generally to public officers. In addition, ICAC officers were also subject to the Commission Standing Orders made by the ICAC Commissioner. Members welcomed that in response to recent public concerns, the ICAC had forthwith conducted a review and issued further internal guidelines and reminders. However, some members suggested that the ICAC might consider reporting the relevant expenses to the Advisory Committee on Corruption on a regular basis in order to avoid the approval of such expenses by ICAC officers themselves.

President, I so submit.

**PRESIDENT** (in Cantonese): Mr MA Fung-kwok will address the Council on the "Report of the Panel on Home Affairs 2012-2013".

### **Report of the Panel on Home Affairs 2012-2013**

**MR MA FUNG-KWOK** (in Cantonese): President, in my capacity as Chairman of the Panel on Home Affairs (the Panel), I now brief this Council on the work of the Panel in the 2012-2013 Legislative Council Session.

During this session, the Panel held a total of 11 meetings. Another regular meeting will be held before the end of this session. As the work of the Panel is detailed in the report, I will only highlight several major items of its work.

Firstly, on the enhancement of district administration, the Panel discussed the Administration's proposal on enhancing district administration. Some members expressed their support to the proposed grant of \$100 million for each district earmarked for the District Councils (DCs) to implement the Signature Projects Scheme (SPS). However, some members considered that to enhance district administration, the Administration should enhance the roles and functions of DCs and conduct a comprehensive review of the District Councils Ordinance. Members expressed concern about the implementation and monitoring of SPS projects. The Administration assured members that proposed SPS projects would be subject to monitoring by the Legislative Council.

Regarding the development of arts and culture, the Panel discussed the cultural work in the new term of the Government. Members generally held the view that a dedicated Policy Bureau should be established to take charge of the arts and culture development in Hong Kong. Members expressed concern about the inadequate support provided by the Administration to small and medium arts groups. In members' view, the Government should come up with concrete measures to facilitate the long-term development of small and medium arts groups.

The Panel expressed concern about the arrangements for nominating representatives of arts interests conducted by the Hong Kong Arts Development Council. Members generally welcomed the Administration's proposal to relax the eligibility criteria for "individual arts worker" so that more members of the



arts community could take part in the nomination exercise. However, some members expressed concern about the fairness and credibility of the voting process under the "cross-arts interest voting system" and put forward suggestions in this regard.

The Panel discussed the re-provision of the Shanghai Street refuse collection point (RCP) and street sleepers' services units (SSSU) to facilitate the implementation of the Yau Ma Tei Theatre (YMTT) Phase II project. Some members expressed concern about whether the Phase II development of YMTT, which served as a performing arts venue designated for promoting Cantonese opera, could address the existing space shortage problem of YMTT. Regarding the co-location arrangement of RCP and SSSU at the same site, some members were dissatisfied with such an arrangement by the Government on the ground that it was a form of discrimination against street sleepers. A suggestion was made that the Government should examine the feasibility of constructing two separate building blocks to accommodate these two facilities at the same location. Members urged the Administration to seriously consider members' views and suggestion.

The development of sports is also one of the Panel's main concerns. Members welcomed that the Administration had not shelved the development of Multi-purpose Sports Complex (MPSC) at Kai Tak and called on the Administration to speed up the planning and development process to facilitate the early completion of MPSC. Members also urged the Administration to ensure that the facilities in MPSC would meet the needs and aspirations of both the sports sector and the community. The Administration pledged that during the design and planning stage, the sports sector and the public would be consulted.

Private Recreational Leases (PRLs) is another concern of the Panel. Members expressed different views at the Administration's decision to renew those PRLs that had expired for another 15 years. Some members considered that a 15-year renewal term was too long as it would affect the Government's long-term planning of land use. Some other members considered that while it was acceptable for the Administration to renew the leases for another term of 15 years, the Administration should require the lessees to further open up their sports facilities for public use and carry out effective monitoring on PRLs. Members urged the Administration to expeditiously conduct a comprehensive review of the policy on PRLs.

The Panel has also discussed the findings of the Interim Report of the Review Committee on the Building Management Ordinance. Some members pointed out that many Deeds of Mutual Covenants (DMCs) of private housing estates contained provisions which were unfair to property owners. As a result, property owners encountered difficulties in forming owners' corporations and terminating the appointment of their DMC managers. Some members also expressed concern about measures adopted by the Administration in helping those needy property owners to resolve their disputes over building management and put forward suggestions to speed up the handling of such disputes.

Finally, I would like to take this opportunity to thank members for their support to the work of the Panel.

President, I so submit.

**PRESIDENT** (in Cantonese): Mr Jeffrey LAM will address the Council on the "Report of the Panel on Economic Development 2012-2013".

### **Report of the Panel on Economic Development 2012-2013**

**MR JEFFREY LAM** (in Cantonese): President, in my capacity as Chairman of the Panel on Economic Development (the Panel), I submit the report of the Panel for the current session and highlight several major items of work of the Panel.

Firstly, regarding the annual electricity tariff review, the Panel continued to closely monitor the tariff increase of the two power companies in this session. In December 2012, the Hong Kong Electric Co. Ltd. (HEC) and CLP Power Hong Kong Limited (CLP) announced an electricity tariff increase of 2.9% and 5.9% for 2013 respectively. Members expressed dissatisfaction with the increase driven by the two power companies' motive to maximize the permitted rate of return. In particular, members were dissatisfied with the higher-than-inflation tariff increase proposed by CLP.

The Panel passed a motion urging the Administration to press CLP, as a public utility company, to be aware of its social responsibility and strive to suppress the level of tariff adjustment so as to ease the financial burden of the general public.

Given that the interim review of the Scheme of Control Agreements between the Government and the two power companies will be carried out in 2013, members proposed a number of suggestions including a review of the tariff structure, the reduction of the permitted rate of return for the two power companies, the reconsideration of the linkage between the rate of return and the assets of the power companies, the interconnection of the power networks of the two power companies, the study of the feasibility of opening up the electricity market in 2018 and environmentally-friendly measures.

As the Government's electricity policy is closely related to the local economy and people's livelihood, members urged the authorities to carry out extensive public consultation during the interim review.

Secondly, on the Lamma ferry disaster. On the night of 1 October last year, a passenger ferry, the Sea Smooth, collided with a HEC launch, the Lamma IV, causing the deaths of 39 passengers on board of the Lamma IV. Members expressed deep sorrow on the incident.

Members were gravely concerned about the errors committed by the Marine Department as identified in the Commission of Inquiry's report and considered that the collision incident had damaged Hong Kong's status as an international shipping centre. Besides, the public had lost confidence in the Marine Department due to the incident.

The Panel passed a motion expressing its great disappointment and regret towards the belated apologies from the Secretary for Transport and Housing, and the Director of Marine, and urging the Administration to conduct its investigation and system reforms independently and professionally.

The Panel will continue to monitor the Administration's follow-up actions arising from the Lamma ferry disaster and has scheduled a meeting in February — sorry, on 22 July to receive updates by the Administration.

Thirdly, on tourism. In respect of tourism infrastructure, the Panel has all along expressed concern about the completion and commissioning of the Kai Tak Cruise Terminal (the Terminal). It also expressed concern about the transport connectivity of the Terminal, the policy and strategy of the Administration in developing Hong Kong as a home port for cruise travel, as well as the impact of the emission from cruise vessels on the air quality. Regarding the operation and

regulation arrangements of the Terminal, the Panel will continue to follow up with the Administration at its meeting in July.

When receiving annual briefing from the Hong Kong Tourism Board, the Panel noted that visitor arrivals reached 48 million last year, representing an annual growth of 16% when compared to the figure two years ago. Members opined that the Government should expedite its review on the capability of Hong Kong in handling an increasing number of visitors bearing in mind the need to enable Hong Kong to receive more visitors, thereby benefiting the economy while at the same time the need of local people for facilities and services could be met. The Panel also expressed support to the future development plans of Hong Kong Disneyland and Ocean Park and urged the Administration to discuss the specific arrangements with the two companies.

Other major items of work of the Panel is detailed in the report. President, I wish to take this opportunity to thank members of the Panel for their support in the past year. I would also like to take this opportunity to thank the Secretariat for their enormous support to the work of the Panel.

Thank you.

**PRESIDENT** (in Cantonese): Dr LEUNG Ka-lau will address the Council on the "Report of the Panel on Health Services 2012-2013".

### **Report of the Panel on Health Services 2012-2013**

**DR LEUNG KA-LAU** (in Cantonese): President, in my capacity as Chairman of the Panel on Health Services (the Panel), I now report to the Council on the Panel's work during the 2012-2013 Legislative Session.

During this Legislative Session, the Panel has held a total of 16 meetings. Since the work of the Panel is already set out in detail in the report, I will only give an account of several major items of work of the Panel.

Given that death and serious sickness were caused after some members of the public had received medical beauty treatments, the Panel was very concerned

about the regulation of medical beauty treatments/procedures. Members in general were of the view that the existing legislation was not effective in protecting public health. The Administration should introduce a comprehensive regulatory framework for those high-risk medical treatments/procedures performed outside the hospital setting. Some members also considered that a clear definition of "medical treatment/procedure" should be provided and the need to introduce regulatory control over the beauty services companies should be examined. They also urged that in hammering out the regulatory framework for medical treatments/procedures, due regard should be given to ensuring the enforceability and practicability of the legislative provisions.

The Panel continued to follow up the subject of the regulation of private hospitals. Some members expressed grave concern about the charitable status of private hospitals. Noting that some tax-exempt private hospitals had derived hefty profits from their hospital operations, these members believed that the tax exemption status of those private hospitals should be revoked. Different sets of land grant conditions should be imposed on profit-making and non-profit-making private hospitals. Information on those private hospitals which were required to provide free or low-charge beds under their land grants should be made public for reference by the public and patients. Consideration should also be given to putting in place a mechanism to enhance transparency of charges of private hospitals, or doctors should be encouraged to reach an understanding with individual patients on the medical costs involved before the performance of treatments and procedures to enable more people who could afford to use private hospitals services on a sustained basis, so as to address the imbalance between the public and private healthcare services.

The services and development of public hospitals is also a subject matter of major concern to the Panel this year. Members urged the Administration to implement effective measures to reduce the waiting time for the accident and emergency services and specialist out-patient services of public hospitals. Members also called on the Hospital Authority (HA) to improve the remuneration package of doctors and nurses to ease the manpower shortage. There was also a suggestion of extending the service hours of General Outpatient Clinic to handle semi-urgent and non-urgent cases. Many members also expressed dissatisfaction that the HA had failed to honour its commitment to commissioning obstetric and Neonatal Intensive Care Unit services in Tseung Kwan O Hospital

in 2013. Members opined that the Administration should look squarely at the need of expectant mothers and commit to a timetable for the opening of delivery services at Tseung Kwan O Hospital.

The Panel also examined in detail the Administration's various projects in the development of public hospital services, including the development of a Centre of Excellence in Paediatrics, the construction of Tin Shui Wai Hospital, ward renovation in Kwai Chung Hospital, the reprovisioning of Yaumatei Specialist Clinic at Queen Elizabeth Hospital, and the commissioning of the North Lantau Hospital, phase I. Members generally supported the Government in continuing to develop public hospital facilities and improve existing ones, but they also urged the Administration to take into consideration the demographic changes in various districts and the problem of an ageing population when planning new public hospitals or expanding existing ones, as well as arrange for a suitable and adequate supply of healthcare manpower to provide the necessary services.

In addition, the Panel also appointed the Subcommittee on Health Protection Scheme to assist it in monitoring the implementation progress of the Health Protection Scheme. A Joint Subcommittee was also formed under the Panel and the Panel on Welfare Services to study the long-term care policy and services.

Lastly, I would like to take this opportunity to thank members for their support to the work of the Panel. President, I so submit.

**PRESIDENT** (in Cantonese): Mr TAM Yiu-chung will address the Council on the "Report of the Panel on Constitutional Affairs 2012-2013".

### **Report of the Panel on Constitutional Affairs 2012-2013**

**MR TAM YIU-CHUNG** (in Cantonese): President, in my capacity as Chairman of the Panel on Constitutional Affairs (the Panel), I now highlight the deliberations of the Panel during the current Legislative Session.

The Panel was keenly concerned about the methods for forming the Legislative Council in 2016 and for selecting the Chief Executive in 2017. Some members urged the Administration to commence the public consultation exercise as soon as possible and believed that sufficient time should be allowed for the community and the Legislative Council to discuss in detail the method for selecting the Chief Executive by universal suffrage. The Administration said that the Government was committed to selecting the Chief Executive by universal suffrage in accordance with the Basic Law and the Decision adopted by the Standing Committee of the National People's Congress and would launch the public consultation and the legislative process at an appropriate juncture.

The Administration also consulted the Panel on the proposed abolition of the District Council (DC) appointment system. Members generally expressed support for the proposal and the relevant Bill was also passed in May. Subsequently, the Administration consulted the Panel on its review of the number of elected seats for the fifth term DCs. The Administration proposed a net increase of 19 elected seats for nine DCs. Some members considered that the DC boundaries should be realigned to reduce the disparity of elected DC membership among DCs. The Administration advised that subject to the passage of the subsidiary legislation to amend the number of elected seats for the relevant DCs by the end of 2013, the Electoral Affairs Commission would commence review of the DC constituency boundaries for the 2015 DC Election in early 2014 and sufficient time would be allowed for consulting the public during the review.

The Panel has been closely following up the implementation of measures to enhance the voter registration system. During the current Legislative Session, the Administration briefed the Panel on the work undertaken by the Registration and Electoral Office (REO) for the 2013 voter registration cycle. Some members expressed concern about the removal of some 210 000 electors' names from the final registers of electors for 2012 and queried whether the enhanced checking measures were over-stringent. The REO stated that it had strictly followed the relevant statutory procedures in the implementation of the checking measures. The Panel also urged the Administration to strengthen publicity efforts in the 2013 voter registration cycle to encourage timely updating of registered particulars to ensure the accuracy of the relevant registers of electors.

At the invitation of the Panel, Dr York CHOW, the new Chairperson of Equal Opportunities Commission (EOC), gave the Panel a briefing on the priority

areas of work identified by the EOC, including, among others, the Discrimination Law Review and a public consultation on legal protection for sexual minorities against discrimination. Panel members noted that both consultation exercises for these two important tasks were preliminarily scheduled for 2014. In addition, the Panel also noted the EOC's proposal to expand the scope of protection against sexual harassment by amending the Sex Discrimination Ordinance to cover customers harassing service providers. The Administration has planned to introduce the relevant legislative amendments in the next Legislative Session.

The Panel has been closely monitoring the submission of the report of the HKSAR under the International Covenant on Civil and Political Rights (ICCPR) to the United Nations. The Panel received public views on the outline of the HKSAR's Report for submission to the United Nations under the Universal Periodic Review mechanism of the United Nations Human Rights Council and also invited the public to express views on the HKSAR's third report under the ICCPR. Some members considered that the Administration should not postpone conducting public consultation on whether legislation should be enacted to protect people of different sexual orientations against discrimination. Some members, however, considered that public views on this matter were divided and urged the Administration to handle this issue with prudence. In addition, the Panel also discussed the second report of HKSAR under the Convention on the Rights of the Child with deputations and the Administration. Some members expressed dissatisfaction with the Administration's refusal to set up an independent Children's Commission in charge of protecting and promoting children's rights. In particular, members were concerned about the educational needs of children with disabilities, ethnic minority children and poor children. They urged the Administration to allocate additional resources to promote the development of these children and help solve the problems encountered by them in learning.

President, I so submit.

**PRESIDENT** (in Cantonese): Ms Starry LEE will address the Council on the "Report of the Panel on Financial Affairs 2012-2013".



**Report of the Panel on Financial Affairs 2012-2013**

**MS STARRY LEE** (in Cantonese): President, in my capacity as Chairman of the Panel on Financial Affairs (the Panel), I now submit the report on the Panel's work for the current Session and highlight several major items of work of the Panel.

During the current Session, the Panel continued to provide a forum for Legislative Council Members to exchange views with the Financial Secretary on matters relating to Hong Kong's macro-economic situation. Panel members noted with concern the effects of escalating residential prices on the general public and they urged the Financial Secretary to carefully monitor the risk of a property bubble. While members generally expressed understanding of the two rounds of demand management measures announced by the Government in late October last year and late February this year to stabilize the market, some members were worried that the measures would adversely affect the operation of a free market economy in Hong Kong, dampen the investment sentiment of foreign investors and aggravate the difficulties for genuine home-buyers of the middle and lower-income group in purchasing flats.

Regarding the work of the Hong Kong Monetary Authority (HKMA), some members were concerned about the measures taken by the HKMA to address the risks in property mortgage lending market on banks, with a view to maintaining a robust banking system. On the development of Renminbi business in Hong Kong, some members urged the HKMA to increase its involvement in the financial development of Qianhai to provide new business opportunities for banks in Hong Kong to expand their Renminbi cross-border lending business.

While some members indicated support for the establishment of the Financial Services Development Council (FSDC) to promote the development of the financial services industry of Hong Kong and enhance its competitiveness, some other members expressed concern about the possible hidden objectives of the FSDC. The Panel passed a motion suggesting that the FSDC should be set up as a statutory advisory body and urging the Government to study the feasibility of developing the FSDC into a statutory body in the future.

On the regulation of the securities and futures market, the incident of Hong Kong Mercantile Exchanges Limited surrendering the authorization for provision of automated trading services (ATS) in May this year aroused grave public concerns. The Panel discussed with the Securities and Futures Commission (SFC) and the Government issues relating to the regulation of ATS. Some members stressed the need for the SFC to perform its functions in a professional and impartial manner and maintain the integrity of the regulatory system, and that the SFC should clarify the relevant matters to dispel public concerns.

The Panel was also concerned about the high level of fees of Mandatory Provident Fund (MPF) schemes. Some members expressed support for the proposals of capping the fees of MPF funds and introducing a not-for-profit operator to operate MPF schemes. Some members also suggested that the HKMA take up the role of a public trustee for the MPF System.

Due to public concerns about the new inspection arrangement under the new Companies Ordinance, the Government decided to temporarily suspend the relevant arrangement. Some members supported the Administration's proposal to conduct fresh consultation with stakeholders in improving the new arrangement. Nevertheless, some members had concerns that the existing inspection arrangement was privacy intrusive. The Panel urged the Government to strike a reasonable balance between privacy protection and enhancing the transparency of company operation, and sort out the issues related to the inspection arrangement as soon as possible.

President, the work of the Panel is already set out in detail in the report. I would like to take this opportunity to thank members and the Secretariat for their support to the work of the Panel in the past year.

President, I so submit.

**PRESIDENT** (in Cantonese): Dr Priscilla LEUNG will address the Council on the "Report of the Panel on Administration of Justice and Legal Services 2012-2013".

**Report of the Panel on Administration of Justice and Legal Services  
2012-2013**

**DR PRISCILLA LEUNG** (in Cantonese): President, in my capacity as the Chairman of the Panel on Administration of Justice and Legal Services (the Panel), I report in gist the major areas of work of the Panel in the 2012-2013 Session.

The Panel has been very concerned about judicial independence. The Panel held a discussion with the Administration on the request made by the Government to the Court of Final Appeal for seeking an interpretation of the Basic Law from the Standing Committee of the National People's Congress (NPCSC) as a means to resolve the right of abode issue of foreign domestic helpers. The Secretary for Justice advised that the reference was merely an invitation for a judicial reference under Article 158(3) of the Basic Law which stipulated that the decision on whether or not to make a reference to the NPCSC was vested solely in the Court of Final Appeal. The Secretary for Justice stressed that accordingly, any request or decision for making reference under Article 158(3) of the Basic Law did not, would not and should not be viewed as an affront to the rule of law.

On tackling the issues arising from children born in Hong Kong to Mainland parents both of whom were not Hong Kong permanent residents, members were concerned about whether seeking an interpretation of the Basic Law from the NPCSC was one of the options being explored by the Administration. The Secretary for Justice advised that seeking an interpretation of the Basic Law from the NPCSC would always be considered as the very last resort. In recognition of the controversy over the Government seeking an interpretation of the Basic Law from the NPCSC, the Administration would first explore the feasibility of resolving the issue within the Hong Kong legal system.

The Panel continued to follow up the feasibility of the setting up of an independent legal aid body to administer legal aid in place of the Legal Aid Department. At the meeting on 25 June 2013, the Legal Aid Services Council (LASC) told the Panel that it agreed with the recommendations of the consultancy report published in 2013, which held that there was no immediate need to establish an independent legal aid authority in Hong Kong. Some members and

the two legal professional bodies reiterated their position on the importance of establishing an independent legal aid authority to ensure that the provision of legal aid services was free from any perception of conflict of interest and undue influence from the Government. They expressed dissatisfaction that the LASC relied heavily on the consultancy report and adopted its recommendations without its own independent reasoning. The LASC was urged by some members to provide reasons why its recommendation on the independence issue was different from that made in 1998.

Some other members did not see the need for establishing an independent legal aid authority. According to the findings of the consultancy report, no example of the Government's interference on legal aid administration had been identified. These members considered that there were ample examples of legal aid being granted to cases against the Hong Kong Government. The amounts of legal aid for cases against the Hong Kong Government, for example, in the case relating to the right of abode some years ago, could amount to more than \$40 million, without taking into account the legal cost for the Government. Moreover, the majority of stakeholder groups participating in the survey conducted by the consultant were generally more concerned about the quality of the legal aid services rather than the independence issue.

The Government repeatedly drew the attention of members to consider that the existing legal aid scheme had an uncapped budget per case, whereas an independent legal aid authority must have a capped budget per case. Since the Administration had never sought supplementary provision from the Finance Committee and had maintained a stable trend in expenditure, the Administration was requested to provide information to substantiate the claim that budget for the provision of legal aid services was uncapped per case and to meet with the Hong Kong Bar Association to address their concern on the matter.

On the promotion of Hong Kong as a regional legal and arbitration services hub, members urged the Administration to raise actively with the Mainland authorities the issue of allowing law firms of the Mainland and Hong Kong to establish associations in the Qianhai economic zone and allowing enterprises operating in Qianhai to choose Hong Kong laws as the applicable law for their business contracts, as well as encouraging them to choose Hong Kong arbitration services as a means of resolving commercial disputes.

To avoid undue delay caused by the Administration in the implementation of the recommendations of the Law Reform Commission (LRC), the House Committee endorsed at its meeting on 2 March 2012 the Panel's recommendation on introducing a monitoring mechanism requiring the Secretary for Justice to submit to the Panel for discussion an annual report on the progress of implementation.

The Secretary for Justice submitted the first annual report on the progress of implementation to the Panel under the mechanism in June this year. The Panel noted that of the 61 LRC's reports published since 1982, the Administration had implemented all of the recommendations made by 33 reports and some of the recommendations made by five reports through administrative or legislative means. Of the remaining 23 LRC's reports, the Administration was actively pursuing the recommendations made by 17 reports, rejected the recommendations made by three reports, did not see the need of changing the existing law as recommended by one report and was inclined not to pursue the recommendations made by two reports.

Members considered that one of the main reasons for the LRC to sometimes take a long time to publish its reports was due to the fact that all LRC members were not full-time staff. In the light of this, members urged the Administration to change the setup of the LRC from a part-time to a full-time one by appointing a full-time Commissioner and a team of full-time legal professionals as practised in overseas jurisdictions such as the United Kingdom. The Secretary for Justice advised that the LRC had held discussion to consider the suggestion raised by members. As the work of the LRC involved a wide range of complex legal issues and in view of the financial implication of the suggestion, more time was needed to decide on the way forward.

Apart from the aforementioned issues, the Panel also discussed such matters as adverse possession, the development and provision of mediation services and the protective measures during court proceedings for victims of sexual offence. The details of these issues are set out in the report.

President, I would like to take this opportunity to thank members for their active participation in the work of the Panel. I so submit, thank you.

**ORAL ANSWERS TO QUESTIONS**

**PRESIDENT** (in Cantonese): Questions.

**Improvement to Facilities in Typhoon Shelters**

1. **MR STEVEN HO** (in Cantonese): *President, the Merchant Shipping (Local Vessels) (Typhoon Shelters) Regulation prescribes different permitted lengths overall for local vessels entering or remaining in various typhoon shelters (length limits). While the length limit of seven of the 14 existing typhoon shelters is 30.4 m, the length limit of the other typhoon shelters is either 50 m or 75 m. The owner of an overlength vessel may apply to the Director of Marine for permission for his vessel to enter a typhoon shelter to conduct activities such as repairs to the vessel or delivery of its catch, and so on. Some fishermen have relayed to me that fishery is one of the oldest industries in Hong Kong, and fishermen have since a very long time ago made typhoon shelters their home. However, as the overall length of quite a number of fishing vessels is longer than 30.4 m at present, the length limits of typhoon shelters have given rise to a series of issues affecting both the operation of fishing vessels and the daily lives of fishermen. For example, as the length limit of Aberdeen Typhoon Shelter is 30.4 m, the fishermen who operate in Aberdeen waters may only have their overlength fishing vessels berthed in the far-away Hei Ling Chau Typhoon Shelter, which has caused great inconvenience to them. Besides, the additional voyage will add to the risk of accidents. In this connection, will the Government inform this Council:*

- (a) *of the berthing places made available by the Government for vessels the overall length of which exceeds the length limits of the typhoon shelters within their operating areas; if such fishing vessels have to berth at other districts or outside typhoon shelters, whether the Government has considered if such an arrangement would make it impossible for the fishermen concerned to return to their homes, thereby causing them inconvenience and exposing them to additional risk of accidents;*
- (b) *since overlength fishing vessels granted with permission may enter typhoon shelters, which reflects that the design of the typhoon shelters concerned is capable of accommodating overlength fishing*

*vessels, whether the Government will consider permitting a certain number of overlength fishing vessels to berth in the typhoon shelters within their operating areas during periods other than the fishing moratorium and the Lunar New Year, so as to cater for the operational needs of the fishing industry; if it will, of the details, including the implementation date; if not, the reasons for that; and*

- (c) *whether the Government will consider amending the law, introducing administrative measures and conducting a comprehensive review to improve the facilities and planning of the various typhoon shelters, so that the length limits of and the various ancillary facilities in typhoon shelters can cater for the development of the fishing industry and integrate well with the areas in the vicinity, with a view to facilitating the development of the fishery-related wholesale and retail trades, and supporting the sustainable development of the fishing industry; if it will, of the details; if not, the reasons for that?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese):

President, there are currently 14 typhoon shelters within Hong Kong waters, providing a total of 419 hectares of sheltered space for use by vessels during inclement weather. Due to limitations in the design of their entrances, passage areas and anchorage areas, typhoon shelters vary in terms of their requirements on the length of the vessels entering or remaining in them. Such "permitted lengths overall" are set out in the Schedule to the Merchant Shipping (Local Vessels) (Typhoon Shelters) Regulation (Cap. 548 sub. leg. E). The permitted length overall is 30.4 m for the Aberdeen South, the Aberdeen West, the Causeway Bay, the Sam Ka Tsuen, the Shau Kei Wan, the Shuen Wan and the Yim Tin Tsai Typhoon Shelters; 50 m for six other typhoon shelters; and 75 m for one other typhoon shelter at Hei Ling Chau. The size and permitted length overall for the typhoon shelters are listed in Annex I.

In relation to the different parts of the question asked by Mr Steven HO, my reply is as follows:

- (a) As at the end of 2012, there were about 16 300 locally licensed vessels. In all, the existing supply of space in the typhoon shelters, the sheltered anchorages and other anchorage facilities in Hong

Kong waters can generally meet the demand of locally licensed vessels, which include local fishing vessels, and small visiting vessels.

According to the statistics of the Marine Department (MD), there are currently some 6 470 locally licensed Class III vessels, that is, fishing vessels. Of these, 95% or about 6 100 vessels are less than 30.4 m in length and are able to anchor at all the 14 typhoon shelters. The remaining some 300 vessels are between 30.4 m to 50 m long; several typhoon shelters in urban areas, such as the Kwun Tong Typhoon Shelter, the New Yau Ma Tei Typhoon Shelter, the Rambler Channel Typhoon Shelter and the To Kwa Wan Typhoon Shelter, can accommodate these longer vessels.

- (b) As required by law, if the length of a local vessel exceeds the permitted length overall for a typhoon shelter, it shall not enter or remain in that typhoon shelter except with the permission of the Director of Marine. The procedure to apply to the MD for the permit (commonly known as "overlength endorsement") is not complicated, and a prescribed fee of \$160 will be charged for each application. In 2012, the MD approved more than 900 applications (the exact number is 988) relating to the 14 typhoon shelters in Hong Kong, the details of which are at Annex II. In processing the applications, the MD will consider a number of factors including the anchorage situation and restrictions of the typhoon shelter concerned, the impacts on other vessels in that typhoon shelter, and whether the grounds given by the vessel owner are justified.

Considering that the fishermen living in the Southern District need to use the Aberdeen West Typhoon Shelter during the Chinese New Year (between the 15th day of the 12th month and the 15th day of the first month of the lunar calendar) and the fishing moratorium in the South China Sea (around 16 May to 1 August every year), the MD would issue "special overlength endorsements" to the overlength fishing vessels concerned, allowing them to be anchored at the typhoon shelter for a longer period of time. In 2012, about 50 fishing vessels applied to the MD for "special overlength endorsement" to cover the Chinese New Year or the fishing



moratorium in the South China Sea, and all the applications were approved.

For a period not within the Chinese New Year and the fishing moratorium in the South China Sea, vessel owners may also apply to the MD for "overlength endorsement". In 2012, apart from facilitating vessels during festive season or fishing moratorium, the grounds given by vessel owners in the applications approved by the MD include repairs, replenishment, marine works, salvage of sunken vessels, cargo operation, as well as hospitalization of the vessel owners and handling of marriage or funeral matters. In handling the applications for "overlength endorsement", the MD would care well for the operational and other actual needs of the fishermen.

- (c) The current provision of facilities in typhoon shelters can generally cope with the operational need of the local fishing industry. From time to time, the MD conducts assessment on the overall supply and demand of sheltered space in Hong Kong. The most recent large-scale assessment was conducted in 2009 and updated in 2012. On the basis of ensuring navigational safety in Hong Kong waters, the MD plans to conduct a fresh in-depth review in 2013-2014 of the supply and demand as well as planning of sheltered space with a view to optimizing the use of our waters and providing greater convenience and flexibility to vessel users.

In response to Mr Steven HO's enquiry about facilitating the development of the fishery-related wholesale and retail trades, and supporting the sustainable development of the fishing industry, according to the Secretary for Food and Health, in respect of supporting the development of the fishing industry, the wholesale fish markets under the Fish Marketing Organization (FMO) are mostly located within or in the vicinity of typhoon shelters. Currently, in addition to the wholesaling of chilled marine fish, and the provision of loading and storage facilities for sea catch, some of the market space is spared for fisheries product trading offices and the wholesaling and distribution of live marine products. To develop and promote unique and quality local fisheries products, the FMO has also set up the Fish Processing Centre. The Agriculture, Fisheries and Conservation Department and the FMO will continue

to support the sustainable development of the fishing industry, and will maintain close contact with the stakeholders of the trade.

President, I so submit.

### Annex I

#### Size and Permitted Length Overall for Typhoon Shelters within the Waters of Hong Kong

<i>Typhoon Shelter</i>	<i>Size (hectares)</i>	<i>Permitted Length Overall (metres)</i>
Aberdeen South	26.1	30.4
Aberdeen West	34.2	30.4
Causeway Bay	10.6	30.4
Cheung Chau	50.0	50.0
Hei Ling Chau	76.6	75.0
Kwun Tong	33.8	50.0
New Yau Ma Tei	64.6	50.0
Rambler Channel	12.9	50.0
Sam Ka Tsuen	1.9	30.4
Shau Kei Wan	17.2	30.4
Shuen Wan	10.3	30.4
To Kwa Wan	14.8	50.0
Tuen Mun	56.8	50.0
Yim Tin Tsai	9.2	30.4
Total	419.0	

### Annex II

#### "Overlength Endorsement" Applications Approved in 2012 for Different Typhoon Shelters

	<i>Aberdeen South</i>	<i>Aberdeen West</i>	<i>Causeway Bay</i>	<i>Cheung Chau</i>	<i>Shau Kei Wan</i>	<i>Shuen Wan</i>	<i>Yim Tin Tsai</i>
Chinese New Year	0	51	0	0	6	0	0
Fishing moratorium	0	52	0	0	22	0	0

	<i>Aberdeen South</i>	<i>Aberdeen West</i>	<i>Causeway Bay</i>	<i>Cheung Chau</i>	<i>Shau Kei Wan</i>	<i>Shuen Wan</i>	<i>Yim Tin Tsai</i>
Repairs	0	91	0	0	37	0	0
Replenishment	95	0	0	0	14	0	0
Marine works/Salvage of sunken vessels	0	5	586	0	0	1	1
Cargo operation	3	13	0	0	0	0	0
Hospitalization of owners, handling of marriage or funeral matters, and so on	0	5	0	0	0	0	0
Others	0	0	0	6	0	0	0
Total	98	217	586	6	79	1	1

Note:

Total number of "overlength endorsement" applications approved in 2012: 988

**MR STEVEN HO** (in Cantonese): *President, I do not quite agree to the Secretary's main reply. As he stated in his reply just now, if an overlength vessel cannot berth in Aberdeen Typhoon Shelter, it can berth in other shelters, including Kwun Tong Typhoon Shelter, New Yau Ma Tei Typhoon Shelter, Rambler Channel Typhoon Shelter and To Kwa Wan Typhoon Shelter as set out in the document. In fact, none of these are near Aberdeen Typhoon Shelter. In other words, there are still more than 300 fishing vessels in Hong Kong which cannot berth in any typhoon shelters near their operating areas as result of length constraints. The problem of cross-area berthing still exists.*

*May I ask the Secretary how the authorities are going to pragmatically resolve this problem from a systemic perspective, so that the inconvenience and extra risk faced by fishermen can be reduced? How will the Secretary and Dr KO Wing-man, Secretary for Food and Health, carry on their review of fisheries development and our fishing port facilities?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): *President, as I mentioned earlier, there are 14 typhoon shelters all over Hong Kong. Most vessels can meet the length limits of these shelters. Vessels longer than 50 m may be anchored at Hei Ling Chau Typhoon Shelter. In*

addition, if a fisherman submits an application supported by justifications, the Director of Marine may issue an "overlength endorsement" to the fisherman.

All along, the MD has been seeking to answer the actual operational needs and other needs of fishermen, particularly those in the Southern District. I will ask the Director of Marine to have further communication with them in case they have any problems that are really very special.

**MR TONY TSE** (in Cantonese): *President, while fishermen can berth their vessels in typhoon shelters in the event of inclement weather, they may also do so during those periods when they do not need to leave port for fishing operations, such as fishing moratoriums and Chinese New Year holidays as mentioned by the Secretary earlier. I often hear people say that the water quality of typhoon shelters is rather poor. May I ask the Secretary whether this is true? If yes, do the authorities have any other measures to improve or protect the water quality in typhoon shelters? Besides, have the authorities sought to provide any additional facilities in typhoon shelters for the convenience of fishermen?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, the MD conducts patrols in typhoon shelters on a frequent basis, with a view to ensuring navigational safety and the orderly berthing of vessels there. Concerning water quality, it may be necessary to conduct regular water tests in typhoon shelters. As I mentioned in the main reply, a fresh review of the sheltered space for vessels in Hong Kong will shortly be conducted. We will include this issue in the review and work in collaboration with the Environment Bureau.

As for facilities onshore or in typhoon shelters, the MD has been having frequent communications with fishermen organizations. If the MD receives any views from fishermen, it will follow up the views as much as possible.

**MR CHAN KAM-LAM** (in Cantonese): *President, the SAR Government has all along adopted an indifferent attitude towards fisheries development, thus leading to the serious shortage and inconvenient locations of sheltered space. The total of roughly 900 "overlength endorsements" issued by the SAR Government last year can show that the problem is caused not so much by any inability of typhoon shelters to accommodate overlength fishing vessels. Rather, all is just because*

*the length limits of various typhoon shelters have rendered supply unable to meet demand. May I ask the Secretary whether the authorities will reconsider the needs of fishing vessels and provide an additional typhoon shelter for overlength fishing vessels in the vicinity of Aberdeen?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, the kinds of vessels that are allowed to berth in individual typhoon shelters or the respective length limits they impose must be decided by safety considerations and the sizes of passage areas, and also guided by the principle of optimizing the use of nearby waters. If the length limits imposed by all typhoon shelters are standardized, some shelters may attract many vessels which can otherwise be berthed in other districts. So, in the process of overall planning, we will, as much as possible, give consideration to optimizing the use of Hong Kong waters.

In fact, the waterway traffic within Hong Kong waters is quite heavy. Recently, many people in the community, including Legislative Council Members, hope that the MD can enhance maritime safety as much as possible. So, when considering the conditions of use governing every typhoon shelter, we invariably put safety first. But we understand that fishermen in Aberdeen have a more frequent need to use Aberdeen Typhoon Shelter. When vetting applications for "overlength endorsement", the MD will care well for the needs of fishermen where the law and the reality permit.

**MR CHAN HAN-PAN** (in Cantonese): *President, as the Secretary pointed out in his reply just now, applications for "overlength endorsement" are approved on various grounds, including repairs, marine works, salvage of sunken vessels, hospitalization of the vessel owners and handling of marriage or funeral matters. In fact, these reasons may not cater for fishermen's actual needs. There are two major reasons for fishermen's early return to port. The first reason is the advancement of fishing moratoriums, and the second reason is the need for returning to port in good time before the Chinese New Year. Will the Government apply greater flexibility in handling applications, or even amend and review section 70 of the Merchant Shipping Ordinance?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, regarding applications for "overlength endorsements" during the

Chinese New Year and fishing moratoriums, the MD will accommodate the needs of fishermen as much as possible. Fishing moratoriums are applicable to fishing operations around the waters of the South China Sea. In case local fishermen have any actual needs, such as the needs for flexibly setting their individual fishing moratoriums or berthing their vessels in typhoon shelters during other festive seasons, the MD is prepared to have further communications with fishermen organizations with the aim of answering fishermen's actual needs as much as possible.

**MR FRANKIE YICK** (in Cantonese): *President, typhoon shelters are very important facilities to those who are engaged in maritime operations. It is pointed out in the Government's main reply that there are currently 14 typhoon shelters within Hong Kong waters, and they can cope with the demand of locally licensed vessels. However, locally licensed vessels do not only comprise fishing vessels. In fact, many associations of cargo vessel traders have reflected to me that our typhoon shelter facilities are inadequate, and the Government is the only one who maintains the otherwise. As I have already pointed out in this Chamber before, the problem lies in the fact that Hei Ling Chau is also included in Hong Kong waters by the Government. In times of typhoons, fishermen are reluctant to sail their vessels to Hei Ling Chau Typhoon Shelter due to the dangers posed by strong winds and the rough sea.*

*According to the Government's reply, the authorities will conduct fresh planning in 2013-2014. I hope that in the fresh planning, the Government can, as I advised just now, seriously consider the function and re-positioning of Hei Ling Chau Typhoon Shelter. In addition, due to the launching of many new infrastructure projects in Hong Kong recently, many large marine working vessels will enter and berth in Hong Kong waters, thereby posing demand pressure on typhoon shelters in the future. In view of this, I hope that the Secretary can pay attention to these problems in the course of the fresh planning.*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): Apart from the 14 typhoon shelters mentioned earlier, the existing sheltered space facilities in Hong Kong also comprise 13 sheltered anchorages with a total area of 144 hectares. There are of course some privately developed and operated anchorage facilities, which provide an area of 31 hectares. Overall, according to the current assessment of the MD, there should be sufficient sheltered space facilities in Hong Kong.

As for whether there is any room for improving the actual operation of these sheltered space facilities, we think that it is worthwhile to conduct further exploration, particularly in view of the increase in pleasure vessels in recent years. Therefore, we plan to conduct a fresh in-depth review next year for the purpose of comprehensively assessing the situation.

**MR YIU SI-WING** (in Cantonese): *President, some people in the community have reflected to me their wish of restoring the past ambience of Causeway Bay Typhoon Shelter, so as to promote tourism and create new opportunities for fishermen. Will the Government consider the formulation of support policies for fishermen capable of changing their occupation, so that they can develop tourism-related businesses, such as entertainment and catering services, at the typhoon shelters in Aberdeen and Causeway Bay?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, generally speaking, the main purpose of typhoon shelters is the provision of sheltered space. While we must bear in mind the need for providing sheltered space, we also need to consider safety and other relevant factors.

As for whether it is worthwhile to promote water tourism or related activities like catering services in typhoon shelters, I believe the authorities must first conduct concrete studies. If the Tourism Commission has such an idea, the MD will hold discussion with it as far as possible and find out how feasible the whole idea is.

At present, the Government has already put in place some programmes to help fishermen switch to other sustainable and fisheries-related industries, including mariculture and recreational fisheries. In addition, the Agriculture, Fisheries and Conservation Department has also been promoting the organization of marine-themed guided tours aiming at introducing the fishermen culture and fisheries characteristics. The Government will continue to support the sustainable development of fisheries and make every effort to dovetail with the development of water tourism.

**DR ELIZABETH QUAT** (in Cantonese): *President, may I ask whether the Government has compiled any statistics on the number of vessels which exceed the current length limits of typhoon shelters? Can the 900 or so "overlength*

*endorsements" issued by the authorities in 2012 taken to mean that most of the fishing vessels have already exceeded the length limits and such limits are thus outdated? The authorities' processing of such applications year after year is a waste of resources and fishermen's time. Should the Government consider amending the legislation to facilitate the use of typhoon shelters by more fishing vessels?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese):

President, the length limits imposed on vessels in different typhoon shelters are not arbitrary in nature. Rather, they all take into account the actual situations of typhoon shelters, including the required sizes of passage areas and the number of vessels to be served by the anchorages in a district. Currently, all typhoon shelters are open to any vessels for shelter during inclement weather.

As I mentioned in the main reply, it is estimated that 95% or about 6 100 vessels in Hong Kong are less than 30.4 m in length, and the remaining 300 or so vessels are between 30.4 m to 50 m long. There are of course some vessels with even greater lengths, but we are prepared to handle them more flexibly by issuing "overlength endorsements" to answer their need in this aspect. We certainly understand that fishermen may need to anchor their vessels at typhoon shelters for various reasons. As I said earlier, I hope that through further communications with fishermen organizations, the MD can meet the actual needs of fishermen as much as possible.

**MR CHRISTOPHER CHUNG** (in Cantonese): *President, according to the last paragraph of part (b) of the main reply, for a period not within the fishing moratorium and the festive season, fishermen may apply for "overlength endorsement" on the ground of replenishment, repairs, marine works, cargo operation, and so on. But as reflected by fishermen, approvals are granted by the authorities mainly on the ground of repairs. As a result, many fishermen will apply for "overlength endorsement" on the ground of vessel repairs even though there is no such need. Hence, they have to sail their vessels to the shipyard for repairs in order to be able to present the repair documents.*

*Can the Secretary now state clearly to this Council that apart from repairs, the authorities will also accept other reasons, including cargo operation and family matters (such as marriage and funeral), for the purpose of issuing "overlength endorsement" to vessels for entering typhoon shelters?*



**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, under the relevant legislation, the Director of Marine may exercise his powers to grant approval to "overlength endorsement" applications on various grounds which are not limited to repairs or replenishment. Certainly, applications submitted on such grounds may be greater in number. But as I said in the main reply, very often, vessel owners would also submit applications on the ground of personal needs, including marriage or funeral matters. The Director of Marine has indeed also issued "overlength endorsement" to such applications. So, Mr CHUNG has put it right. Apart from repairs and replenishment, the Director of Marine will also consider the actual needs of fishermen when vetting their applications. I will ask the MD to disseminate more relevant information to fishermen organizations, so as to let them know that the grounds of applying for "overlength endorsement" are not limited to repairs and replenishment.

**PRESIDENT** (in Cantonese): This Council has spent almost 23 minutes on this question. Second question.

### **Resolving Long-standing Problems Faced by Education Sector**

2. **DR LAM TAI-FAI** (in Cantonese): *President, the Chief Executive indicated in the 2013 Policy Address that "it is time to consolidate our education policies, and avoid drastic changes to give stakeholders some respite. Our future priority will be to ensure the quality of our education by further improving relevant measures in accordance with existing policies." However, quite a number of people from the education sector have pointed out to me that the education sector is facing many long-standing challenges and problems, including the declining population of secondary students, insufficient subsidized tertiary education places, the difficulties encountered by Direct Subsidy Scheme (DSS) schools in teacher recruitment, and so on, but the Government's existing policies have not been able to resolve these long-standing problems. In this connection, will the Government inform this Council:*

- (a) *whether it will draw up specific policies and a relevant timetable to resolve the problem of insufficient tertiary education places; if so, of the details; if not, the reasons for that;*

- (b) *whether it will set up a dedicated committee to review the class-teacher ratios of secondary and primary schools; if so, of the details; if not, the reasons for that; and*
- (c) *whether it will set up a dedicated committee to review the functions and roles of DSS schools; if so, of the details; if not, the reasons for that?*

*President, I wish to make a declaration of interests. I am the person in charge of the school sponsoring body of a DSS school with almost 10 years of history in Sha Tin.*

**SECRETARY FOR EDUCATION** (in Cantonese): President, all along, the Education Bureau has been maintaining discussion with the education sector and stakeholders on education issues through different platforms and channels. We have also been enhancing education policies and the quality of education through measures like adjusting policies and increasing resources, and so on, where appropriate according to priorities.

I will now reply to the three parts of the question asked by the Member:

- (a) It is our policy objective to provide secondary school leavers with quality, diversified and flexible study pathways with multiple entry and exit points through the parallel development of the publicly-funded and the self-financing post-secondary sectors. Starting from this academic year, the number of first-year-first-degree places funded by the University Grants Committee (UGC) has been increased to 15 000 per annum. Furthermore, the number of senior year places for UGC-funded undergraduate programmes is also being progressively increased to 8 000 per annum, or 4 000 intake places per annum. This will provide outstanding sub-degree graduates with more opportunities for further study.

The Government strives to promote the development of the self-financing post-secondary sector, with emphasis on both quality and quantity, through a basket of support measures. The number of full-time locally-accredited self-financing undergraduate places has been increased to about 7 700 in the current year, while the number of self-financing senior year undergraduate places has been doubled to 6 500, from about 3 000 in the 2010-2011 academic year.

Through the implementation of these measures, our undergraduate participation is now over 30%, up from 5% in the 1985-1986 academic year, 18% in the 1995-1996 academic year and 22% in the 2005-2006 academic year. It is estimated that in the coming two years, over one third of our young people in the relevant age cohort will have access to degree programmes. Taking sub-degree places together, we expect that almost 70% of our young people will have access to post-secondary education. These graduates will contribute to the pool of talent underpinning the future development of Hong Kong. Looking ahead, we anticipate that with a decreasing population in the relevant age cohort, the ratio of young people receiving post-secondary education will continue to rise.

- (b) As I have explained in the meetings of the Panel on Education of the Legislative Council in June this year, apart from providing public sector schools with regular teachers on the establishment according to the class-to-teacher ratios, the Education Bureau also provides schools with additional regular teachers through various specific initiatives. Besides, we have provided schools with various recurrent cash grants and target measures to allow schools the flexibility to employ additional teachers and ancillary staff.

I wish to emphasize that the teaching staff resources which schools can deploy are not limited to the teaching staff establishment calculated according to the class-to-teacher ratios. We have never ceased implementing different measures to help sustain the development of schools, stabilize the teaching force and maintain the quality of education. All these measures have lowered the student-to-teacher ratios substantially. As a matter of fact, the general student-to-teacher ratios in public sector primary and secondary schools have been lowered from 18.4:1 and 18.0:1 respectively in the 2005-2006 school year to 14.4:1 and 14.5:1 respectively in the 2012-2013 school year. Furthermore, in the 2012-2013 financial year, despite the decrease in population, the unit costs for subsidized school places in aided primary and secondary schools have increased 47% and 25% respectively as compared with the 2008-2009 financial year, reflecting the Government's commitment on primary and secondary education.

At the present stage, we do not have a plan to set up a dedicated committee to review the class-to-teacher ratios of secondary and primary schools. Rather, as I pointed out in the report on the last occasion, I will continue to discuss specific issues with the education sector, in particular, the Education Commission (EC) and the Panel on Education of the Legislative Council. We also hope that we will map out, together with the education sector, effective strategies and mechanism to enhance schools' financial management in order that schools will be more effective in bringing about the flexibility of deploying resources that the Government has provided for them and making good use of the annual resources the Government allocated to schools to support the teachers.

- (c) In February 2011 the Education Bureau set up the Working Group on Direct Subsidy Scheme (Working Group) with a view to following up the recommendations on DSS made by the Audit Commission and the Public Accounts Committee of the Legislative Council in 2010. The Working Group released a report in December 2011. The report not only reviewed the governance and administration systems of DSS schools, but also thoroughly examined the origin and the fundamental principles of the DSS policy as well as the characteristics of DSS schools. The Working Group shared the view that the policy objectives of the DSS for enhancing parental choice and enriching our education system through increasing the diversity in our school system should be maintained. Regarding the governance and administration systems, the Working Group recommended improvement measures covering various categories, including the recommendations on enhancing the transparency of fee remission and scholarship schemes and improving the eligibility benchmark in order to thoroughly take care of students with different backgrounds.

We are of the view that at the present stage, there is no need to set up another dedicated committee to review the functions and roles of the DSS schools. We should allow reasonable time for the DSS schools to enhance their operations, including improvement of the fee remission and scholarship schemes so as to prevent DSS schools from turning to a closed system not beneficial to social mobility.

**DR LAM TAI-FAI** (in Cantonese): *The Government has the responsibility to ensure that all students in Hong Kong can receive quality education, and in fact, the Education Bureau must be accountable to all students and even society as a whole in its work, rather than to the Chief Executive alone. Any far-sighted Government with a sense of commitment should seek to develop education as the most important item of work. But so far, the SAR Government has never drawn up any plan to solve all these long-standing education problems. I can tell you that in the future, Hong Kong will surely have to pay a heavy and dear price, and bear the consequences for reasons of the present delay.*

*President, here is my supplementary question. These days, many people in society are discussing and criticizing the roles and functions of DSS schools, and some even state categorically that DSS schools are profit-making organizations dedicated to serving wealthy people. Such allegations are just like a knife piercing my heart. Sometimes, I would also do some self-examination, and I would wonder whether I am actually doing a disservice despite my good intention of operating a school. I cannot understand why the Government states in part (c) of the main reply that although the DSS has been in operation for over a decade, there is no need to review the roles and functions of DSS schools. The reason is that the sector actually hopes very much that a comprehensive review can be conducted, so that the positioning of this scheme can be redefined.*

*The Chief Executive often talks about the need to perfect the education system. However, if the Secretary does not conduct any review, how can it be perfected? Can the Government tell me the underlying motives and reasons for not establishing a dedicated committee? I want to know the answer because without such a dedicated committee, confrontation in society will only increase, more people will misunderstand DSS schools, and the antagonism between DSS schools and publicly-funded schools will intensify, much to the disadvantage of the development of the entire education system. Can the authorities tell me the underlying motives and reasons for not establishing a dedicated committee? Do the authorities think that all problems will disappear if they can "trim the toes to fit the shoes" and forbid any tuition fee increases by DSS schools in the future?*

**SECRETARY FOR EDUCATION** (in Cantonese): *President, as I said just now and as I stressed time and again at the meetings of the Panel on Education, the*

DSS is marked by its uniqueness and values, in the sense that it can offer students and parents diversified choices and also perform certain functions. At present, the number of DSS schools is about 70, accounting for roughly 9% of all schools. Concerning the many complaints about the fees they charge, we have already pointed out that the tuition fees charged by more than 30% of the DSS schools are below \$5,000 per annum. However, the sponsoring body of each DSS school will set down many other unique education goals and arrangements based on their respective education philosophies. This is the background of this system.

Also, the Working Group established in 2011 has already put forward many recommendations and improvements regarding the policies concerned and various areas. For example, in respect of financial transparency, a comprehensive review will be conducted at the end of this year. As I pointed out just now, it is hoped that more time can be given to DSS schools, so that they can enhance their operation. I understand Members' concerns, so I have held discussion with the Hong Kong Direct Subsidy Scheme Schools Council, with a view to having more exchanges with it on a greater number of issues later on.

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

**DR LAM TAI-FAI** (in Cantonese): *The Secretary has not answered .....*

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

**DR LAM TAI-FAI** (in Cantonese): *I am asking him for the reasons. He only asks people to give more time to DSS schools. But this will only lead to even greater misunderstanding.*

**PRESIDENT** (in Cantonese): Please do not make any further comments. You only need to repeat your supplementary question.

**DR LAM TAI-FAI** (in Cantonese): *My supplementary question is: why does he refuse to establish a dedicated committee?*

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

**SECRETARY FOR EDUCATION** (in Cantonese): As I said just now, I do understand Members' concerns. But it must also be noted that all the improvement recommendations were made only in the last two years, and in response, many DSS schools have since been making continuous efforts to reform, for example, their governance and various operational practices. Consequently, we should give them more time. This is the background of this issue. Just now, I also said that I would get in touch with the Hong Kong Direct Subsidy Scheme Schools Council to understand the latest development of the relevant issues and explore ways of dealing with the various concerns expressed of late.

**MR LEUNG KWOK-HUNG** (in Cantonese): *President, my supplementary question is mainly concerned with part (a) of the Secretary's main reply. He said in part (a) of the main reply, and I quote, "Through the implementation of these measures," — meaning the measures he mentioned — "our undergraduate participation is now over 30%, up from 5% in the 1985-1986 academic year, 18% in the 1995-1996 academic year and 22% in the 2005-2006 academic year." How is this figure derived? What is the point of making a comparison with the rate in the 1985-1986 academic year?*

**PRESIDENT** (in Cantonese): Mr LEUNG, if you have asked your supplementary question, please sit down.

**MR LEUNG KWOK-HUNG** (in Cantonese): *Why doesn't he make a comparison with the nationalist era?*

**PRESIDENT** (in Cantonese): Please sit down and let the Secretary give his reply.

**SECRETARY FOR EDUCATION** (in Cantonese): I thank the Honourable Member for asking the question. Actually, when it comes to the computation of statistics, we can continue to provide many more figures. But in the case of the figure under discussion, the base of our computation is relatively simple. The computation is based only on the number of UGC-funded university places. At present, the number of UGC-funded places is 15 000 a year. Together with the 8 000 UGC-funded senior year places a year, that is, 4 000 intakes a year, for outstanding sub-degree graduates, the total number of publicly-funded university places per annum will be 19 000, that is, 15 000 plus 4 000. Assuming that around 26 000 students can meet the basic university entrance requirement of "3-3-2-2" in the core subjects of the Diploma of Secondary Education Examination, or if the 70 000 or so Secondary Six graduates are divided by the number of places, the rate will be about 27%. This is how the figure is derived.

**MR LEUNG KWOK-HUNG** (in Cantonese): *President, this is obviously a way of juggling with figures because what we are talking about should be the number students in the relevant age cohort who are admitted directly to degree programmes fully funded by the Government, rather than any greater number that also covers those students who are admitted to university after first graduating from associate degree programmes, so ..... President, the rate I have talked about many times, the mere mentioning of which will probably bore you, is only 19%, and the authorities have never denied it. However, Secretary NG now suddenly .....*

**PRESIDENT** (in Cantonese): No debate is allowed in question time. The Secretary has already given his reply. If you think the Secretary is wrong, please do the follow-up on other occasions.

**MR LEUNG KWOK-HUNG** (in Cantonese): *No, I must ask the Secretary.*

**PRESIDENT** (in Cantonese): The Secretary has already given his reply.

**MR LEUNG KWOK-HUNG** (in Cantonese): *He has not done so.*



**PRESIDENT** (in Cantonese): If you want to ask any more question, please press the "Request to speak" button and wait for your turn again.

**MR LEUNG KWOK-HUNG** (in Cantonese): *President, please listen to me first.*

**PRESIDENT** (in Cantonese): Mr LEUNG, according to the Rules of Procedure, after officials have replied, if a Member is not satisfied, he can do the follow-up on other occasions.

**MR LEUNG KWOK-HUNG** (in Cantonese): *I do not understand.*

**PRESIDENT** (in Cantonese): If you want to ask another supplementary question, please wait for your turn again because other Members are still waiting to ask questions. Please sit down.

**MR LEUNG KWOK-HUNG** (in Cantonese): *I am not expressing any disagreement, and I only want to say that I cannot follow. Is there anything sinful with not being able to follow?*

**PRESIDENT** (in Cantonese): Mr LEUNG, please sit down. The Secretary has given his reply.

**MS CYD HO** (in Cantonese): *There is indeed such a huge resource disparity between DSS schools and aided schools. Aided school teachers must start teaching at eight o'clock in the morning, and will not finish their classes until 3.45 pm. And, after school, they must still attend to many different tasks, such as marking and preparing for extra-curricular activities. It is not until eight o'clock or nine o'clock in the evening that they can finally go home.*

*President, may I ask the authorities if it has ever occurred to them that the existing resources for aided schools are lagging far behind those for DSS*

*schools, and that they lack the flexibility of school-based management enjoyed by DSS schools? If the Government believes that the greater resources for DSS schools and their flexibility of school-based management are truly major advantages, why doesn't it also give aided schools such advantages, so that having received additional resources, aided schools can narrow the gap between the two?*

**SECRETARY FOR EDUCATION** (in Cantonese): The main feature of the DSS system is the provision of more choices. Such is the overarching principle of this system. Many DSS schools hope that they can have greater freedom in student enrolment and curriculum design. That is why individual DSS schools ..... One DSS school I have visited, for example, places special emphasis on the element of culture in its curriculum design, and it thus wishes to receive more resources for providing choices in this regard. This is one background feature relating to the philosophies of school-sponsoring bodies, and also the overarching principle of the DSS.

We can fully appreciate the workload-related problems faced by teachers. As I said just now, apart from the provision of teachers on permanent establishment as required by the class-to-teacher ratio, we have also put in place many other arrangements and subsidies to enable schools to deploy manpower and resources flexibly. This has also indirectly enhanced the flexibility of aided schools.

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

**MS CYD HO** (in Cantonese): *No, the Secretary has not. He has only explained what can be done under the overarching principle of the DSS.*

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

**MS CYD HO** (in Cantonese): *..... However, since this overarching principle is so very desirable, why don't you also give aided schools the flexibility that this overarching principle brings about?*

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

**SECRETARY FOR EDUCATION** (in Cantonese): The two systems are different. For example, not all aided schools want to develop any education facilities unique to themselves. The teaching and cultural complex mentioned just now is one example of such uniqueness. However, as pointed out just now, we still want to equip aided schools with the kind of flexibility enjoyed by DSS schools as far as possible, and in this regard, I have already given an example for the purpose of illustration.

**MR IP KIN-YUEN** (in Cantonese): *President, the general impression I get after listening to the Secretary's reply just now is that he simply feels good about himself and does not find it necessary to conduct any large-scale review in the face of the various education problems at present. However, the truth is that the education system in Hong Kong can be described as tattered. Over the past year, the education sector and the Legislative Council have presented many views and demands, hoping that the Education Bureau can make improvements. However, all these views are just like a clay ox statue dissolving in the sea or hitting against a towering wall .....*

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

**MR IP KIN-YUEN** (in Cantonese): *Here is my question. In that case, if the Education Bureau even refuses to respect and accept the views of the Legislative Council, as when the Government still pays no heed to implementing small class teaching or increasing the number of higher education places despite the passage of the relevant motions, should we introduce changes to this consultation system, such as adding elected elements and truly elected representatives to the*

*composition of the EC, so that they can offer advice in the EC and hopefully induce the Bureau to handle public opinions and the views reflected by the public with a more serious attitude?*

**SECRETARY FOR EDUCATION** (in Cantonese): What is most important is that there are various frameworks to support and develop Hong Kong's education policies. For example, one very important accomplishment of the Education Panel under the Education Bureau is the reform of the senior secondary academic structure in a 12-year process. This would have been an impossible task in many places of the world. But through such a framework, Hong Kong has managed to implement the reform, attain the basic objectives as originally planned, and continue to perfect .....

(Mr LEUNG Kwok-hung rose to his feet)

**PRESIDENT** (in Cantonese): Secretary, please wait a minute. Mr LEUNG Kwok-hung, what is your point?

**MR LEUNG KWOK-HUNG** (in Cantonese): *Is there anything that he has failed to accomplish, may I ask?*

**PRESIDENT** (in Cantonese): Mr LEUNG, this is not the time for you to ask questions. Please sit down.

**MR LEUNG KWOK-HUNG** (in Cantonese): *I am sorry but I do not understand .....*

**PRESIDENT** (in Cantonese): Mr LEUNG, please do not interrupt the Secretary. Secretary, please go on.

**SECRETARY FOR EDUCATION** (in Cantonese): The views voiced by Members are also very important and we will pay particular attention to them. For example, Members once raised the issue of language support for non-Chinese speaking students. In this regard, we have kept listening to different views, and continuous enhancements have been made. Also, regarding Members' hope of expeditiously implementing 15-year free education, we have hastened to establish a committee and subcommittees, and lots of initiatives have been launched over a span of three months. Besides, we have started to consider a number of support measures. All these are examples of Members' good advice, and we have followed up and taken forward all these views as much as possible.

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

**MR IP KIN-YUEN** (in Cantonese): *The Secretary has not given a reply. What I am asking is .....*

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

**MR IP KIN-YUEN** (in Cantonese): *..... whether elected representatives can be added to such bodies as the EC.*

**PRESIDENT** (in Cantonese): Please sit down. Secretary, can elected representatives be added to the EC?

**SECRETARY FOR EDUCATION** (in Cantonese): I have heard the Member's view. I must first carefully study the background relating to this suggestion after the meeting.

**MRS REGINA IP** (in Cantonese): *On the conversion of aided schools to DSS schools, a church leader has told me that they are forced to make such a move by the Education Bureau because they must establish an IMC by 31 August at the latest. Moreover, many education policies have become ossified, thus making it*

*impossible for schools to properly cater for students' needs under the existing mode of operation. The Primary Native-speaking English Teacher (PNET) Scheme operated by the Bureau, for example, is very costly and PNETs can make very limited contribution. After conversion to a DSS school, the school concerned will enjoy greater freedom and can hire teachers to raise students' language standards at much lower costs.*

*Will the Secretary undertake to review the many ossified policies for aided schools at present, so that aided schools can enjoy greater freedom in raising their teaching standard, thus reducing their pressure of converting to DSS schools? In addition, does the Secretary admit that many schools are forced by the Bureau to contemplate the move of converting to DSS schools?*

**SECRETARY FOR EDUCATION** (in Cantonese): I thank the Honourable Member for her question. I must raise two important points here. First, as I said earlier on, I have visited various DSS schools. But so far, I have not heard any comprehensive reference to the special reason cited by the Honourable Member just now. Rather, my impression is that education objectives and greater freedom are two factors that are considered more important.

Second, I now visit different schools every week for the purpose of maintaining contacts with them. I can promise Members that I will make incessant efforts to ascertain and explore any areas requiring improvements, and I will also explore what other problems aided schools are facing.

**MR ABRAHAM SHEK** (in Cantonese): *President, one of the tasks of the UGC is to distribute social resources to various universities. May I ask the Secretary if he would consider inviting the representatives of the Legislative Council to join the UGC, so as to monitor its operation?*

**SECRETARY FOR EDUCATION** (in Cantonese): I thank the Honourable Member for his view. In this regard, I must first study the background information about this suggestion.

**MR MICHAEL TIEN** (in Cantonese): *It looks like the Secretary has never come across many of the views we put forward today. I suppose the question I am about to ask is no exception. At present, the general consensus in society is that the DSS has made universal education exclusive to the economically well-off. In view of this, may I ask the Secretary if the Government will consider reserving 20% of the places in DSS schools for central allocation purposes? If no, what are the reasons?*

**SECRETARY FOR EDUCATION** (in Cantonese): This particular topic has been discussed on several occasions before. First, I must stress once again that the percentage of places to be so reserved must be decided on the premise of preserving the flexibility and freedom intended by this system. Second, if the underlying aim of this proposal is to enable poor students to enrol in such schools, then I must say that as far as I can remember, during past discussions on this matter, I already made it clear that the measure of requiring a school to set aside 10% of its total school fee income to provide fee remission or scholarship was working very satisfactorily. In conclusion, I must listen to more views, so as to ascertain whether it is necessary to reserve 20% of the places for this purpose, and how far this proposal deviates from the original intent of the DSS.

**PRESIDENT** (in Cantonese): This Council has spent more than 23 minutes on this question. Third question.

### **Installation of Telecommunications Transmitters at Public Facilities as well as Government and Private Buildings**

3. **MR CHAN HAN-PAN** (in Cantonese): *President, recently, quite a number of members of the public have complained to me that the Government has granted, without consulting those members of the public who will be affected, approval to telecommunications service operators (TSOs) for installing a large number of telecommunications transmitters (transmitters) at public pleasure grounds such as playgrounds (for example, Tsuen King Circuit Recreation Ground) or parks. These members of the public feel that they have been kept in the dark. It is learnt that some of the transmitters have been installed at locations only 10 m away from the areas where the elderly do exercises and the children play. These members of the public are worried that prolonged*

*exposure to the radiation generated by such transmitters is harmful to health. In addition, the number of transmitters installed at government or private buildings has also increased continuously. On the other hand, some press reports have pointed out that the non-ionizing radiation safety standards currently adopted by Hong Kong are outdated. In this connection, will the Government inform this Council:*

- (a) of the criteria currently adopted by the authorities for vetting and approving applications by TSOs for installing transmitters at public pleasure grounds; whether consultation with members of the public is part of the vetting and approving process; if so, of the details; if not, the reasons for that, and whether they have reviewed the vetting and approving process to see if there is sufficient transparency; of the number of public pleasure grounds in which transmitters have been installed at present; whether the Government has taken measures to regulate the number of such transmitters; if it has, of the details; if not, the reasons for that;*
- (b) whether there is any restriction on the number of transmitters installed by TSOs at government or private buildings at present; whether the authorities concerned are required to consult those who will be affected and the public when vetting and approving such applications; if not, of the reasons for that; and*
- (c) how the non-ionizing radiation safety standards currently adopted by Hong Kong compare with those adopted by the advanced countries in Europe and the United States, and whether the latter standards are more stringent; if so, why the authorities have not adopted the more stringent standards, and whether they will conduct a review in this regard?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, as the question involves various policy areas, we have consulted relevant bureaux and departments and a consolidated reply to the three parts of the question is as follows:

- (a) Mobile network operators (operators) intending to install radio base stations (base stations) at government properties are required to



submit the details of the base stations to the government department responsible for the management of the premises concerned and other related departments (including the Lands Department, Planning Department, Architectural Services Department, Electrical and Mechanical Services Department, and Office of the Communications Authority (OFCA)) in accordance with stipulated procedures for consideration. Upon the agreement of all relevant departments on the installation of the base stations, the operators may sign a lease with the Government Property Agency and proceed with the installation.

At present, approval has been given for the installation of base stations at four parks managed by the Leisure and Cultural Services Department. As the government departments concerned have already laid down the application procedures and requirements for the installation of base stations, the Government did not conduct any specific consultation when vetting and approving the applications.

After completing the installation procedure, in accordance with the telecommunications licence conditions, operators must first obtain approval from the Communications Authority (CA) before bringing the base stations into use. In vetting and approving the applications, the CA will consider if the base stations comply with the technical requirements on electromagnetic compatibility and radiation safety. To safeguard public health, apart from the radiation level of individual base stations, the CA will also take into account the total radiation level of all base stations at a single location to ensure that the total radiation level complies with the international safety standards.

Operators must ensure that the total level of radiation generated by all base stations is below the limits of international safety standards. They are also required to provide the OFCA with measurement reports within one month from the commencement of operation of their base stations to demonstrate compliance of total radiation levels with the safety standards. The OFCA will also carry out random checks and take field measurement of radiation level at base stations.

- (b) To enhance and extend the mobile network coverage with a view to providing the public with continuous communications services, operators install base stations throughout the territory. This is to boost network coverage and increase network capacity so as to meet public demand for mobile communications services. Operators' applications for the installation of base stations must comply with the relevant legislation and guidelines as well as the requirements of the government departments concerned. As mentioned above, as the application procedures and requirements for the installation of base stations had already been laid down by the government departments concerned, the Government did not conduct any specific consultation when vetting and approving the applications. The CA will also take into account the total radiation level of all base stations at a single location in vetting and approving applications for putting base stations into operation so as to protect residents from excessive radiation exposure.
- (c) Regarding the radiation safety standards, the CA, in consultation with the Department of Health (DH), has adopted the non-ionizing radiation limits recommended by the International Commission on Non-Ionising Radiation Protection (ICNIRP) as the criteria for vetting and approving applications for putting the radio base stations into operation.

The ICNIRP is an independent scientific commission. The non-ionizing radiation limits set out by the commission were endorsed by the World Health Organization (WHO). The standards or similar radiation safety standards are widely adopted by the international community, including such countries as the United States, Canada, Germany, France, Korea, Australia and New Zealand. The WHO has also pointed out that there is no scientific evidence to show that base stations meeting the ICNIRP standards will pose a health hazard.

The OFCA will keep track of the latest development in radiation safety standards and from time to time seek the professional advice of the DH in order to safeguard public health.

**MR CHAN HAN-PAN** (in Cantonese): *Secretary, in Tsuen King Circuit Recreation Ground I mentioned just now, one single building which is only 10 m in height and 100 sq ft in area is already fitted with as many as 10 transmitters. Residents therefore do not dare to do any exercises there. The installation of the transmitters shows not only an uncivilized attitude, but also an indifference to human lives. Given residents' grave concern, may I ask the Secretary whether the authorities will dismantle those transmitters which were forcibly installed in the park without any consultation, and review the existing non-ionizing radiation standards?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, in my main reply just now, I already attempted to give an account of the relevant health and safety standards. Concerning the submission and vetting of applications for transmitter installation in the area, the key requirement is the conduct of measurements before the actual operation of the base stations concerned, and the relevant operators are also required to submit measurement reports within one month after the commencement of their base stations. The total radiation level of any base station must comply with the international standards prescribed in the ICNIRP I mentioned just now.

I wish to emphasize here that the radiofrequency radiation we are talking about is just a type of low-energy radiation, in contrast to X-rays or gamma rays, which will produce a kind of high-energy ionizing radiation that affects human health. Hence, as long as the radiation levels can comply with international standards, there is actually no evidence to prove that there will be any severe impact on human health. We think that the existing mechanism and measures can already address public concern in this regard.

Speaking of the facilities in Tsuen King Circuit, we are certainly aware that people in the local community, including District Council members, have expressed their concern. Before the commencement of any transmitters, colleagues from the OFCA will take field measurements of the radiation levels to ensure compliance with international safety standards.

**MR CHRISTOPHER CHUNG** (in Cantonese): *President, concerning such radioactive installations, may I ask the Secretary whether it is possible to display their radiation levels and ranges of impact in public areas, so that members of the public can know the extents of impact they are exposed to?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, I think the most effective measure at this present stage is to ensure compliance with radiation safety standards before the commencement of any base stations. As regards whether the radiation level of every base station should be displayed, let me draw Members' attention to the fact that when vetting operators' applications for installing base stations, the OFCA will invariably check whether their non-ionizing radiation levels can comply with safety standards. As long as international safety standards are met, we can already ensure that there will be no impact on public health.

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

**MR CHRISTOPHER CHUNG** (in Cantonese): *Is the Secretary saying that the right of the public to know is not important?*

**PRESIDENT** (in Cantonese): Secretary, will the authorities put up some notices?

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, we may consider the Member's suggestion as a kind of reference. But regarding the right of the public to know, I think the most important point is that the OFCA has already printed many pamphlets, and the definition of radiation safety standards are also explained on its website.

I have pointed out right at the beginning that the radiofrequency radiation we are talking about is just a kind of low-energy and non-ionizing radiation. There will be no impact on public health if international safety standards are complied with.

**DR LAM TAI-FAI** (in Cantonese): *President, despite my loud voice, I must still put on my microphone first. Just now, the Secretary said that as the application procedures and requirements for the installation of base stations had already been laid down, the Government did not conduct any specific consultation when vetting and approving the applications. President, you will agree that members*

*of the public are no telecommunications experts and will not understand the meaning of international standards. If the consultation conducted by the authorities is devoid of transparency, members of the public will only live in fear and worries under enormous mental and physical stress. In that case, what is the best solution? Is it possible for the authorities to present regular reports on the number of base stations installed on government properties and their radiation frequencies and levels to the 18 District Councils, so that the District Councils can explain to their constituents? Does the Secretary think that this can allay people's worries?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, colleagues from the OFCA are more than happy to have communications with the public regarding radiation levels and their concerns, and one form of such communications can be the conduct of briefings at District Council meetings upon invitation.

As I mentioned just now, the main thing is that as long as members of the public can have a better understanding, they will know that radiofrequency radiation will not affect health if safety standards are complied with. As regards the necessity or otherwise of presenting regular reports to District Councils, I have already pointed out that if any individual District Councils require more information in this regard for the purpose of offering explanation to their constituents, colleagues from the relevant government departments will be more than happy to attend their meetings.

**MR STEVEN HO** (in Cantonese): *President, I have heard that the standards currently adopted in Hong Kong, ranging from 4.5 million to 10 million microwatts, are extremely low, and can only be possible in the case of communications satellites. However, this is not the case in other places of the world, one example being Germany, which adopts 2 000 microwatts as the standard. May I ask for the Government's opinion in this regard? Why do other countries adopt such a high standard, whereas Hong Kong adopts such a lenient one? Secretary, will you conduct a review and formulate some new standards?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, we are extremely concerned about how the international

community formulate safety standards and also about the latest scientific research. I have already pointed out that the ICNIRP standards currently adopted in Hong Kong are already international standards. The adoption of one single voltage level as the overall standard, as mentioned by the Honourable Member just now, is actually not the best approach, because there is the alternative of specifying in detail the respective standards for different frequency bands, such as the number of volts per metre. Our current standard is precisely the general standard adopted by the international community.

Just now, I also mentioned in the main reply that the radiation safety limits set out by the ICNIRP and similar safety standards are adopted in the international community, including Germany (which Mr HO has mentioned), the United States, Canada, France, Korea, Australia, and New Zealand.

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

**MR STEVEN HO** (in Cantonese): *President, I was referring to microwatts, not volts. This is the standard adopted by Germany. Is it a standard worth our consideration? Should the authorities consider how the relevant policy should be formulated in Hong Kong?*

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

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, I have already answered the question. The relevant standards or similar standards are based on those set by the ICNIRP. Actually, Hong Kong has already complied with these international standards.

**MR WONG KWOK-HING** (in Cantonese): *President, as I already pointed out in the last-term Legislative Council, the radiation caused by radiofrequency radiation in Hong Kong is far more serious than the situation in Shenzhen right on the other side the Shenzhen River. The standard in Hong Kong is only one fiftieth of the regulatory standard in Shenzhen. In the last sentence of the main reply, the Secretary said that the authorities would keep track of the latest*

*development in radiation safety standards. However, the latest development is that Hong Kong's regulatory standard is 50 times lower than the standard in Shenzhen. Let us not talk about faraway places such as the United States, Germany, and so on. Hong Kong cannot even compare with its neighbour. May I ask the Secretary whether a review will be conducted in this connection? Shenzhen had a later start than Hong Kong, but why has Shenzhen still done better than Hong Kong? Let us not talk about other countries. How can Hong Kong catch up with Shenzhen?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, I already gave Mr WONG my reply when he raised this question back then. In fact, it is very difficult or inappropriate for us to comment on the standards adopted by the Mainland or other places. What we should do is to ensure that our standards can protect the public from the impacts of radiofrequency radiation. As I pointed out repeatedly just now, the ICNIRP standards currently adopted by us are recognized by the WHO and determined on a relatively objective and scientific basis. These standards are also adopted by many global economies where communications are well developed. Furthermore, the DH has been consulted, and it is of the view that these standards are able to safeguard public health.

**MR WONG KWOK-HING** (in Cantonese): *President, I am not talking about what standards should be adopted. My question for the Secretary just now is: why can't Hong Kong be brought on a par with Shenzhen in the monitoring of radiofrequency radiation pollution? The Secretary has not answered this part of the question.*

**PRESIDENT** (in Cantonese): Secretary, do you have anything to add concerning the monitoring of radiofrequency radiation pollution?

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, speaking of monitoring, we have conducted about 1 000 inspections over the past three years. These include the inspections conducted in response to complaints and also our proactive inspections and monitoring operations. As for safety standards, I do not wish to compare the standards of different countries and point out which ones are better. The most important

point is that we must be able to converge with international standards and ensure the protection of public health.

**DR ELIZABETH QUAT** (in Cantonese): *I was in the Science Park some time ago for a visit to a company specializing in exploring how to reduce the impact of mobile phone radiation on users. From one experiment, I came to know that if a mobile phone is kept at a distance from the human body and direct contact with the skin is avoided, it is already possible to reduce the impact of radiation. There are apparently divergent views on how the signals and radiation emitted by mobile phones and transmitters impact the human body. Some people think there is no impact, but others think the otherwise. Nevertheless, whatever the case may be, the problem is that both mobile phones and transmitters are indispensable to people in these modern times. May I ask the Government whether it will consider the promotion of academic research on the impacts of the radiation emitted by mobile phones, transmitters and other electronic devices on the human body? What are the ways to avoid such impacts? With such research, while the general public can know the truth, the work of seeking solutions can also receive support and promotion.*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, the ICNIRP guidelines I repeatedly mentioned just now and also the "systemic review" published by the WHO in 2010 both point out that the current studies on radiofrequency electromagnetic fields from base stations are unable to establish any relationship between the levels of people's daily exposure to radiofrequency electromagnetic fields and their health condition. Hence, I have pointed out repeatedly that if we can fully comply with the standards recognized by international organizations such as the WHO, then coupled with the DH's expert advice, our existing safety standards will be able to ensure that there will be no impact on public safety.

President, Dr QUAT has also asked me whether we would consider the promotion of academic research on this topic. I would like to point out that the authorities have been closely following the studies on the impact of electromagnetic fields on human health. Internationally, many professional and authoritative bodies, including the WHO, institutions of electrical engineers and electronic engineers and the ICNIRP, have all been monitoring and collating the research findings of academic and scientific research institutions. The



authorities will continue to periodically review the latest findings of the scientific research on the health impact of electromagnetic fields conducted in the international community. Furthermore, the OFCA will continue to seek the professional advice of the DH on the health impact of base stations to protect public health.

(Dr Elizabeth QUAT raised her hand in indication)

**PRESIDENT** (in Cantonese): Dr QUAT, what is your question?

**DR ELIZABETH QUAT** (in Cantonese): *The Secretary has not answered whether studies on the impact of mobile phones on the human body will be conducted.*

**PRESIDENT** (in Cantonese): This question is beyond the scope of the main question.

**IR DR LO WAI-KWOK** (in Cantonese): *President, it is stated clearly in the Secretary's reply that the radiation safety standards currently adopted by the SAR Government are based on the non-ionizing radiation limits recommended by the ICNIRP. Secretary, in addition to adopting this set of radiation safety standards commonly adopted in the international community, has Hong Kong joined the ICNIRP, other communications-related international organizations and platforms of standards formulation, so that we can participate in the process of formulating standards related to communications at an earlier time and fight for a say?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): President, the authorities are very concerned about international standards and participation in relevant organizations. When suitable occasions arise, our colleagues will be more than happy to attend international conferences to learn more about the latest standards and the latest development of scientific research.

**PRESIDENT** (in Cantonese): Ir Dr LO, has your supplementary question not been answered?

**IR DR LO WAI-KWOK** (in Cantonese): *President, I believe the Hong Kong Government or some non-government organizations may already have participated in such platforms. Can the Secretary provide us with some information in writing after the meeting?*

**SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT** (in Cantonese): I will be pleased to provide a written reply. (Appendix I)

**PRESIDENT** (in Cantonese): We have spent nearly 23 minutes on this question. Fourth question.

### **Provision of Medical Records to Patients of Public Hospitals**

4. **MR CHRISTOPHER CHUNG** (in Cantonese): *President, regarding the arrangements for the provision of medical records to patients by the public hospitals under the Hospital Authority (HA), will the Government inform this Council:*

- (a) *given that patients of public hospitals or their families are required to pay about \$1,000 for access to medical records or the copies of medical records they apply for, but the hospitals provide the records in English only, and patients have to arrange for translation at their own cost if they need to have the records in Chinese, thus having to pay additional fees, whether the Government has assessed if such an arrangement has undermined patients' right to information and discriminated against patients who are illiterate in English; whether it knows the difficulties of the HA in providing medical records in Chinese at patients' requests;*
- (b) *given that according to the Official Languages Ordinance (Cap. 5, Laws of Hong Kong), the Chinese and English languages are the official languages of Hong Kong which possess equal status, but in*

*reply to my enquiry, Pamela Youde Nethersole Eastern Hospital (the Hospital) under HA indicated that patients' medical records were all written in English, and the Hospital was unable to provide the service of translating those records into Chinese, it could however provide a list of translation service agencies to facilitate patients' arrangement for the translation of the medical records into Chinese, yet the English version of all the treatment records issued by the Hospital should prevail, whether the Government knows the justifications for the English version of treatment records to prevail; since the relevant Chinese translation is prepared by a translation service agency on the list provided by the Hospital, why the Chinese version still does not have the same effect as the English version; whether it has assessed if the practice of the Hospital has discriminated against the legal status of the Chinese language; and*

- (c) *whether it knows if HA has plans at present to use Chinese comprehensively in the documents prepared by it and the public hospitals, as well as in recording the treatment methods, names of diseases and names of drugs, and so on; if HA has, of the progress; if not, the reasons for that?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, regarding the Mr CHUNG's question on provision of medical records for patients by public hospitals under the HA, my consolidated reply is as follows:

- (a) to (c)

English is currently the language most commonly used in the practice of western medicine around the world. For healthcare personnel trained in western medicine in Hong Kong, English is their medium of learning and hence predominantly the language used by them in writing clinical records. Medical records are kept primarily to record and report patients' medical conditions, and facilitate communication among healthcare professionals so that the most appropriate treatment and follow-up services can be rendered to the patients. Given the medical terminologies involved, it is more desirable in terms of accuracy for such records to be made in English.

Both English and Chinese are the official languages of Hong Kong and the two possess equal status under the Official Languages Ordinance. Keeping medical records in English is in compliance with the provision. In cases where any patient needs to know his medical conditions, or any healthcare personnel want to explain to a patient his medical conditions, the medium of communication depends on the language capability of the patient. If the patient speaks Chinese, the healthcare personnel concerned should be ready to explain in Chinese in detail the relevant diagnostic results, development of his case, treatment procedures, and so on. As such, the right to know is safeguarded for patients not proficient in English through the explanation offered to them by the healthcare personnel concerned. This arrangement does not contain any discrimination whatsoever.

The HA has an established mechanism through which patients may access personal data and request for duplicates of records. Patients who need duplicates of their medical records may apply to the relevant hospitals. Duplicates of the documents requested will be produced from the patients' records available in the hospital archive. The original patient/medical records are mainly in English as they were written on the spot by healthcare personnel when the medical service was provided. Chinese translations of the English medical records produced by translation agencies are for reference only. In this connection, the list of translation agencies provided by hospitals is also for patients' reference only. For better understanding of the content of the medical records, patients may approach the healthcare personnel concerned for explanation.

Generally speaking, all HA notices (that is, other non-medical record notices) and notifications to patients are now issued in both English and Chinese. However, given that English is the medium of learning for local healthcare personnel and there is a need to ensure the accuracy of patient/medical records written on the spot at the time the medical service is provided, the HA presently has no plan to switch the language used in medical records from English to Chinese.

**MR CHRISTOPHER CHUNG** (in Cantonese): *The main reply is quite absurd. This is because there is a recent case in which the Hospital was rebuked by the*

*magistrate for failing to provide the Chinese translation of documents on its own initiative in the recovery of a sum of money in default. In the end, the Hospital was forced to give up the recovery of the large sum of money in default, and public money was wasted. Secretary, with respect to this, do you think that it is necessary to undertake a fresh review of the measure mentioned just now, so as to ensure that the measures of the HA will not contravene anti-discrimination laws?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, as I have mentioned in the main reply, under the Official Languages Ordinance, both English and Chinese possess equal status. So, the use of English as the main medium in medical records does not contravene the law. However, I also understand the Honourable Member's point that many patients do not know English, and it would be difficult to ask them to read medical records in English. But I also hope Members can appreciate that if we are to provide Chinese translation as a regular practice, there will be very great operational difficulties. This is because even if a medical record is translated by professional translators, the healthcare personnel concerned must themselves authenticate the translation if it serves as an accurate document. This will add to their heavy workload. What is more, as far as I know, many healthcare personnel are simply unable to tell whether the Chinese translations of many medical terminologies are accurate. Therefore, the process of translating English medical records into Chinese and asking healthcare personnel to do authentication will by itself cause great operational difficulties. I hope Members can appreciate this.

**MR WU CHI-WAI** (in Cantonese): *President, I understand that the translation of medical records in their entirety into Chinese may involve some technical difficulties. I wish to ask whether the HA will consider the idea of providing the translations of certain medical terminologies only. I wish to ask this question because in the case of such terminologies, there are usually some translations which are quite accurate, and doing so will already be of great help to patients or their families in understanding the medical conditions concerned. Will the Secretary consider the idea of providing the Chinese translations of medical terminologies only?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, I wish to thank Mr WU for his supplementary question. This is also a suggestion worth considering. But I still think that the task will likewise be very difficult if the

translation of certain medical terminologies is requested every time when patients ask for medical records. Actually, we may consider one alternative. What I mean is that if we can gather enough information, we may actually provide a convenient reference channel online or in certain media, where patients themselves can check any English terms against their Chinese equivalents — having said that, I must admit that this will not be easy in practice either. But this is better than asking healthcare personnel to translate the medical terminologies in medical records or reports into Chinese. However, operationally, this is not easy either.

**MR STEVEN HO** (in Cantonese): *President, all men are created equal, and so are languages, I believe. A Member has just pointed out that the Basic Law also provides that Chinese and English are of equal status. I know that most healthcare personnel are educated in the medium of English. But the reality in Hong Kong is that many grass-roots people in society, including many CSSA recipients, do not know English well enough. What they must do at present is to spend as much as \$1,000 on buying from HA a set of medical records which they cannot understand. Then, they must spend money on translating such records into Chinese. And, there is still the fact that Chinese translations do not carry too much legal force. It is mentioned by Mr CHUNG earlier that Chinese translations may not carry any legal force in a court of law. Therefore, can the Government provide any resources for fee remission, or for adopting certain measures on the provision of Chinese texts, such as the provision of translation services or other kinds of support services in the long run?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): I wish to thank Mr HO for his supplementary question. But it looks like he has asked more than one question. Resource-wise, the HA is actually incapable of setting up a team dedicated to translating medical records. I therefore think that this cannot be done in the short run. The Honourable Member's suggestion is certainly made out of good intention, but I still want to reiterate one point. I fully understand that due to language barrier, patients will find it difficult to comprehend their medical records all on their own. But I also know that most of the patients who have obtained their medical records do not read or try to comprehend these records themselves. Rather, they would often pass the records to some other healthcare personnel, because after seeking treatment from medical practitioners in public hospitals, they may also consult private medical practitioners or even seek treatment overseas. So, medical records or reports written in English can actually assist those healthcare personnel who take over the provision of

healthcare services to the patients concerned — most of them also know English — in grasping the medical conditions of the patients and giving them assistance. I do not think that we can possibly expect patients to have the ability to comprehend the contents of such documents all on their own. Even if such documents are written entirely in Chinese, patients will still need explanation from healthcare personnel after seeing all those lingo and terminologies.

**DR KENNETH CHAN** (in Cantonese): *President, I think that even those Honourable Members who know English will likewise be baffled by such specialized medical terms. Therefore, the issue may not have anything to do with class differences or Members' background.*

*I would, however, like to ask the Secretary a very practical question. When we look for those translation agencies recommended by you people, how can we ensure that the translation done is entirely correct and accurate? Or, when it comes to translation errors which may occur for one reason or another (including negligence), how can your existing mechanism prevent their occurrence?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, I wish to thank Dr CHAN for his supplementary question. I must say that it is very difficult to solve this problem because we do not have any authentication arrangement after the completion of translation. As I have already explained, if we are to introduce such a service, we will in effect be asking healthcare personnel to do one more round of checking. Such checking work, I think, will be even more time-consuming than reading the source text in English. Therefore, given the heavy workload of healthcare personnel at present, I do not think we can ask healthcare personnel to perform such a task. Since we cannot make any arrangement for authenticating translations, we honestly cannot give any legal force to a document translated by some other organizations. It follows that such documents can only serve a reference purpose.

If Members ask about the criteria governing the HA's compilation of the present list of translation agencies, I would say that the HA's only basis is the agencies' past records of providing up-to-standard translation services to the HA. The names of these agencies are therefore provided to members of the public for their selection and consideration. I cannot fully answer the Honourable Member's supplementary question on how best to ensure the accuracy and legal status of the translations done by these agencies. The reason is that attempts in

this direction will seriously impact the operational arrangements for healthcare personnel given the present manpower shortage.

**IR DR LO WAI-KWOK** (in Cantonese): *President, I have some personal experience to tell. Some time ago, when a family member of mine who was already receiving in-patient treatment in a public hospital had to be transferred to another treatment centre in the same hospital, he was surprisingly required to do registration again. This is something extremely inconvenient and difficult to a patient who is seriously ill. I suppose the computer network of the HA should have been greatly enhanced already. Therefore, may I ask whether the computer network of the HA can now allow system-wide access to the information and medical records of individual patients, such that patients do not need to repeat registration or provide any information again when they use the different treatment facilities of the HA or seek medical treatment there?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): *President, I wish to thank Ir Dr LO for his supplementary question. If the Honourable Member wants to know whether there is system-wide access in all cases, I am afraid I cannot give a reply before verification lest I may give a wrong answer. But I guess this should be true in most cases. After a person has sought medical consultation in a medical institution under the HA, his medical records should be accessible to other hospitals. And, in some cases, medical records can even be accessed through electronic password verification. When a patient seeks consultation from a private medical practitioner, he may provide his password, and if the private practitioner has already registered for such access, the entering of the two passwords will enable the private medical practitioner to access most of the patient's records at public hospitals. The problem of access to medical records should have been solved in most cases. But I dare not say it is 100%.*

**DR KWOK KA-KI** (in Cantonese): *President, as a medical practitioner, I fully understand the difficulties which Secretary Dr KO has pointed out. However, we should also face up to certain social needs. These days, when many private medical practitioners write diagnosis reports and pathological reports, they already write everything down clearly in Chinese. May I ask the Secretary whether the HA will consider providing a Chinese version in the case of certain important pathological reports, such as X-ray reports? And, suppose the HA can identify some translation software, will it consider the idea of purchasing such software after obtaining your consent — your consent already suffices*



*because the cost of buying such translation software is not high — and make the software available for public use? In that case, having received a report in English, a person can download the software from the HA website for translating the report. Of course, I agree with the Secretary that no legal status should be accorded to such translations. But even so, there will at least be a kind of software with your recognition. People can then use the software freely for converting their medical reports to Chinese for their own comprehension, very much similar to what they do with some popular translation software now. There is no need to consider any problems of legality and official languages. As long as they can understand the report contents, it will be fine enough. Will the Secretary consider this suggestion?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, Dr KWOK has made two suggestions. The first is the use of Chinese in important diagnoses. I think that this is a suggestion worth exploring. But I dare not give a reply before I know more about the technical problems involved. However, if the scope can be narrowed down to diagnoses, this can be considered. The Honourable Member's second suggestion is technically rather complicated, and I honestly do not dare to give a reply, because there are many problems with the reliability of translation software. However, I think I can still try and ask about it.

**MR CHRISTOPHER CHUNG** (in Cantonese): *With respect to the case mentioned just now, may I ask the Secretary whether it can be taken to mean that in the future, people can use the HA's failure to provide translated versions of documents as an excuse for not paying all fees in default? Will this lead to huge losses of public money?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, regarding the case which Mr CHUNG has mentioned, I think we need to conduct further studies on the extent of its impact. But as a matter of principle, I think that this is hard to accept because the fees payable for our services are all roughly calculated on the basis of costs — not all the costs, of course. This involves the principle of cost recovery in service provision, and I think that it is only proper to apply this principle. As to whether this case will result in any difficulties for us, I think we need to conduct further studies.

**DR KENNETH CHAN** (in Cantonese): *President, I would like to ask a supplementary question. It is mentioned by the Secretary in the main reply that the healthcare personnel concerned will explain in detail the relevant diagnostic results to the patient. The Secretary hence concludes that people's right to know is not impacted. In such cases, explanations of patients' medical conditions are communicated to them orally, so may I ask whether such oral explanations of medical conditions are no different from medical reports written in English in terms of legal force?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): *President, I am no expert in law. But as far as I know, communications between medical practitioners and patients cannot possibly be conducted entirely in writing. There is indeed a rising trend of using written communications, though. But there is no absolute guarantee that communications in writing can always serve the purpose. So, oral communications are often used. With my limited knowledge of the common law, I can say that oral communications should likewise carry legal force. Of course, when it comes to establishing the actual existence of the communication process, it will all be a question of adducing.*

**DR KWOK KA-KI** (in Cantonese): *In his reply, the Secretary said that he did not know the prices of translation software. In that case, I will give him time for consideration. At present, the medical reports issued by the HA are all printed copies, but in the private sector, soft copies of medical reports are already available. Does the HA currently provide any soft copies of reports — sorry, President, I am talking about computer copies — which can be converted more easily to the target languages desired by patients through the use of translation software? The target language may not necessarily be Chinese because the patient concerned may be a Japanese or one of the ethnic minorities. Can they also be given the same treatment, and does the HA provide any soft copies?*

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): *President, this is not always the case, but I know that in the case of some medical records provided to patients, the HA has gradually started to provide soft copies. For example, some of the patients whom I treated in private practice in the past few years all came back to me with a disc after I had asked them to get their X-ray films from public hospitals. Therefore, I think that this practice is already adopted by some hospitals. Especially in the case of images, soft copies are already available.*

But as to whether soft copies can be issued in all cases, I think certain technical problems may be involved, and I need to know more, because I know that documents containing mainly words are still issued in printed copies.

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

### **Assistance Provided to Working Poor Households**

5. **MR LEUNG CHE-CHEUNG** (in Cantonese): *President, the "Poverty Analysis (1st half of 2012)" published by the Hong Kong Council of Social Service (HKCSS) showed that the number of working poor households in the first half of 2012 was as high as 200 000, or an increase by 15 000 households from that of 2011, reflecting that the problem of working poverty was deteriorating. It is learnt that many overseas countries or regions have adopted measures to support their low-income households. For example, the Taiwanese Government provides living allowances to households in poverty of different amounts according to their income levels, and those low-income households with children will receive a larger sum of allowances. In this connection, will the Government inform this Council:*

- (a) *of the dedicated measures currently taken by the Government to support the working poor households, whether it has reviewed the effectiveness of such measures and the number of beneficiaries, and how it will improve such measures;*
- (b) *why the Government does not follow the practices of other countries or regions in providing low-income households with living allowances; and*
- (c) *whether, apart from the existing Comprehensive Social Security Assistance (CSSA) Scheme, the Government will consider improving the second-level safety net, including changing the subsidy provided under the Work Incentive Transport Subsidy (WITS) Scheme to direct living allowance for low-income households; if so, of the details; if not, the reasons for that?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, my response to Mr LEUNG Che-cheung's question is set out below:

- (a) The implementation of Statutory Minimum Wage (SMW) since 1 May 2011 has been smooth. The overall employment market has remained stable and the employment earnings of low-income employees have continued to improve notably. Based on the latest statistics for the period of February to April 2013, the average monthly employment earnings of low-income (that is, the lowest decile group) full-time employees registered a year-on-year increase of 8.7% (or an increase of 4% after discounting inflation) while the average monthly employment earnings of all full-time employees increased moderately by 1.9%. The SMW rate was adjusted upwards from \$28 to \$30 on 1 May this year and some 210 000 low-paid employees would be covered according to the data of the 2012 Annual Earnings and Hours Survey. The Administration will continue to closely monitor the implementation of SMW and the Minimum Wage Commission has commenced a further study of the SMW rate.

In addition, the CSSA Scheme provides a safety net for those who cannot support themselves financially. It is designed to bring their income up to a prescribed level to meet their basic needs. The total CSSA caseload at the end of May this year stood at 266 510, with a total of 412 220 recipients. Among the total caseload, about 10 000 of them were under low-income category. The CSSA Scheme, to a certain extent, provides low-income supplement to these CSSA recipients in active employment.

The Government introduced the WITS Scheme in 2011 to help low-income earners (including CSSA beneficiaries) reduce their cost of travelling to and from work and encourage them to secure or stay in employment. As at 8 July 2013, the WITS Scheme granted subsidy totalling \$346 million to over 44 600 applicants. Starting from the claim months of 2013, the Scheme provides the option of individual application as an alternative to household application (that is, the commonly known "dual track" approach), and the income and asset limits for the WITS have been relaxed in parallel. Individual-based applicants may start applying this month (that is, July) at the earliest for subsidy from January to June this year.

Over 1 800 individual applications have been received as at 8 July 2013. These measures would definitely benefit more needy low-income employed persons and thus help further alleviate working poverty.

For those low-income working households not on CSSA, the Government also puts in place various recurrent assistance schemes to suit their needs. In addition, the Community Care Fund has launched various assistance programmes, the majority of which provide support to low-income working households.

(b) and (c)

We notice that various individuals and community groups have suggested that the Government consider providing low-income households with living allowances, with the WITS-based approach being one of the options. The proposal involves major policy and resource considerations, and as such must be handled with care. We are keeping an open mind on the issue and will listen carefully to the views from various sectors of the community.

The Commission on Poverty had an initial discussion on the issue at its meeting in May 2013 and will continue to explore the subject.

In addition, after the Government Economist has completed the analysis on the social, economic and housing characteristics of the population below the poverty line, we will have a better understanding of the characteristics of low-income working households. These data will help us identify those low-income working households below the poverty line which may need further support from the Government. This will enable the Government to introduce targeted measures to prevent and alleviate poverty.

**MR LEUNG CHE-CHEUNG** (in Cantonese): *President, according to the statistics released by the HKCSS, there is an income difference of 300% between high-income households and low-income households. The Secretary said earlier that he would consider the provision of some support measures to the working poor, but given the extensive policy scope and the need to consider many factors,*

*these measures cannot be implemented immediately. In this respect, we think that the Government is only employing a stalling stratagem and does not want to provide any immediate assistance to "wage earners". My question to the Secretary is this: As the Government now has a very huge surplus, can it allocate a certain sum of money from the surplus to provide direct support to the working poor?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, I thank Mr LEUNG for his concern about this issue, and we are likewise extremely concerned about it. That is why we already re-established the Commission on Poverty (CoP) last year with the aim of drawing up new policies to facilitate our work in poverty alleviation in the coming few years. One of the major tasks of the CoP is to set a poverty line and our plan is to officially announce the poverty line in September. Meanwhile, the Government Economist and the Census and Statistics Department are thoroughly analysing the various factors that I mentioned in the main reply, including the geographical distribution of the poor population, their social and housing characteristics, as well as their family compositions (such as the numbers of families made up of elderly singletons, elderly couples, and new arrivals from the Mainland, and so on). After completing these detailed analyses, we will focus on the needs of each group and adopt targeted measures to offer them assistance.

In a word, our approach is all-directional and quite comprehensive. It is our hope to roll out specific measures in the future to provide assistance to people in need, especially working poor households. The Honourable Member asked in his question whether the Government would provide working poor families with living allowances. We are studying and exploring this proposal in an active and serious manner.

**MR TANG KA-PIU** (in Cantonese): *The community has started to discuss how the policy on living allowances can be implemented step by step to provide support to low-income households. Part (b) of the main reply also points out the view that a WITS-based approach can be adopted for providing living allowances to low-income families. But many residents in the remote districts, meaning the North District, Yuen Long, Tung Chung (or the outlying islands) and Tuen Mun which the CoP initially listed out, think that the original intent of the WITS Scheme is to subsidize the transport expenses of residents living in remote*

*districts, so it should not be mixed up with living allowances for low-income families, or else the core issue of low income will be blurred. What is the Secretary's reply to this view?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, I thank Mr TANG for his input. I understand Members' views. In fact, the CoP also noticed two different views in its initial studies on this issue. Many Members consider that a WITS-based approach should be adopted, whereby some elements of low-income supplement or the factor of household sizes are to be included to improve the WITS Scheme, so that it can evolve into a mechanism for providing living allowances to low-income families. But other Members consider that the WITS Scheme should not be dragged in because the objectives of the two are different. Anyway, our attitude is open, and we hope to draw on collective wisdom.

I attended the four-hour meeting of the Legislative Council Subcommittee on Poverty on Monday and listened to the views of many organizations. These organizations put forward many valuable opinions. We will analyse and digest these views, and we will exchange our views with members of the CoP, in the hope that a consensus can be forged on how assistance can be provided to these families. Our objective is to draw up a feasible and pertinent scheme which can truly focus on these families in the provision of assistance.

**MR POON SIU-PING** (in Cantonese): *Under the existing WITS Scheme, the two concepts of living allowances for low-income families and work incentives are mixed up. That is why the WITS Scheme is ineffectual either way, failing to help low-income families and increase employment opportunities for low-income earners. May I ask the Government whether it will consider the long-standing proposal of the Federation of Hong Kong and Kowloon Labour Unions on linking the WITS Scheme with wages only, abolishing the asset test, and introducing a separate assistance scheme for low-income families, so as to help all those poor households numbering more than 200 000?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): I thank Mr POON's views and supplementary question. We did also consider these basic factors in the course of designing the WITS Scheme, and we eventually found that we must focus resources on the people with the greatest need. We therefore decided that the requirement of asset and income test and declaration must be imposed. This requirement is necessary because we must perform the gate-keeping role.

Having said that, I understand that Members would like us to conduct a review from time to time. In this connection, I have already honoured my relevant undertaking. In fact, as Members all know, we have adopted a "dual track" approach and relaxed the income and asset limits in parallel. In the case of individual-based applications, an applicant can receive a monthly transport subsidy of \$600 if he works no less than 72 hours a month, earns no more than \$8,105 a month before deducting his Mandatory Provident Fund contribution, and owns assets valued below \$75,000. Therefore, we have relaxed the requirements and adopted a "dual track" approach. As I pointed out in my main reply, we have received 1 800 applications since the introduction of a "dual track" approach. In fact, as at this morning, we actually received a total of 2 300 individual-based applications. As more than 2 000 applications have been submitted over the short span of time right after the introduction of the "dual track" approach, I believe the number of people who can benefit from the "dual track" approach will definitely increase substantially. I hope that Members can give us more time, so that we can improve the relevant measures in line with the pace of the economy and society.

**MR MA FUNG-KWOK** (in Cantonese): *President, according to the Government, a poverty line will not be formulated until the end of this year. But the problem is that after drawing the poverty line, the Government must still introduce corresponding policies on poverty alleviation, and this may take a year or half a year. During this long period of time, what should the many people in working poverty do? The Secretary has mentioned some measures, but these measures may not necessarily help the working poor. In this period of time, will the Government introduce any effective measures to help the working poor?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): I thank Mr MA for his question. First of all, our plan is to announce the poverty line in



September. We have started making preparations to dovetail with the setting of the poverty line, so that measures can be rolled out shortly after the announcement is made. In the interim, as I pointed out in my main reply earlier on, the minimum wage has been implemented and this is a mechanism which can obviously improve the living of the grassroots and wage earners. Besides, we have improved the WITS Scheme. As I said just now, over 2 000 individual applications have been received in the past few days. Of course, there are still other measures. For example, an allowance is provided to low-income CSSA families under the CSSA Scheme.

Meanwhile, in this period of time, the Community Care Fund is performing the role of remedying omissions. As Members can see, the series of measures introduced recently by the Community Care Fund aim precisely to respond to social aspirations speedily, tactically and flexibly, and in particular, they aim to focus on the needy groups in society and provide assistance to them. For example, to assist families living in poor conditions, we held a meeting last week and agreed to continue to allocate funds for benefiting as many as 70 000 non-CSSA families living in "subdivided units" and in appalling conditions — these families must meet the requirement of not being CSSA recipients. A total of over 70 000 families or 200 000 people will benefit. It is estimated that this will incur some \$570 million and the subsidy may hopefully be disbursed by the end of this year.

Therefore, the Community Care Fund will provide support and play a complementary role. To sum up, we have put in place long-term strategies and measures. And, we have also put in place certain medium-term measures and immediate relief measures. We hope that these measures can help the grassroots in Hong Kong, particularly those working households not in receipt of CSSA.

**MISS CHAN YUEN-HAN** (in Cantonese): *President, the Secretary said that he attended a four-hour meeting held here on Monday. That day, tens of organizations participated in the discussion on the provision of living allowances for low-income families, and the Government also expressed a lot of views. The question asked by the Member just now puts across a very important message. According to the survey of the HKCSS, the number of people in working poverty has increased since the implementation of the minimum wage on 1 May 2011. This is a key point. Since the Secretary can also see that the number has increased, then if we must still wait until the CoP ..... President, I am not*

*optimistic about the CoP. What will the CoP do? In reply to Mr LEUNG Che-cheung's question earlier on, the Secretary said that many people had put forward different views. In fact, two points are involved here. One is the WITS Scheme, which is primarily meant to help and encourage some people to secure employment; the other point is how assistance can be provided to low-income families .....*

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

**MISS CHAN YUEN-HAN** (in Cantonese): *President, I am about to ask my supplementary question.*

**PRESIDENT** (in Cantonese): Please ask your supplementary question at the outset and do not put forward any arguments.

**MISS CHAN YUEN-HAN** (in Cantonese): *Alright. So, I very much hope that the Secretary can .....* He should know these two points clearly. *I urge him not to talk about those piecemeal and wishy-washy measures any more. I urge him to pluck up his courage and stop using the CoP as an excuse all the time. Concerning the issue of living allowances for low-income families, can he tell us explicitly whether the Government has any intention of providing them? It is better for the Secretary to do so. Please do not always behave like a submissive little fellow who would only repeat what other people have said. He must remember that he is a Director of Bureau .....*

**PRESIDENT** (in Cantonese): Miss CHAN, please sit down if you have asked your supplementary question, so that the Secretary can give his reply.

**MISS CHAN YUEN-HAN** (in Cantonese): *Here is my supplementary question. Could he, as the Secretary for Labour and Welfare, promise us right away, before any measures are drawn up by the CoP, that living allowances will be provided?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): I thank Miss CHAN for the advice she has given us. First, let me clarify and reiterate that the re-establishment of the CoP and the formulation of a poverty line by the Government are the very demonstration of our political courage and commitment. We have never ever evaded the problem of poverty. We have actually sought to embrace this problem. We earnestly wish to address this problem seriously.

Second, as I made it clear a moment ago, we are now seriously exploring the issue of providing low-income families with living allowances. We are serious about it and we will, after listening to views, forge a consensus and decide on the policy direction. We hope that the CoP can make a decision before long.

**DR CHIANG LAI-WAN** (in Cantonese): *President, it must be admitted that the Government has always been providing support to the working poor, only that such support is not adequate. I know, for example, that if a public housing tenant is really in dire poverty, the Government will pay half of the rent for him, and the Government also provides assistance to tenants in receipt of CSSA. However, will the Secretary consider the idea of providing regular rental subsidies to the working poor who live in private rental housing?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, I have replied that last year, we already provided such subsidies through the Community Care Fund, and we will continue to do so this year. We will provide people in need with cash assistance, and we hope that money can be disbursed at the end of this year. The Task Force has proposed that this item be discussed at the meeting of the CoP to be held on 22 July. I think there should not be any big problem because everyone is very concerned about this issue.

As I pointed out just now, targeting on tenants of private rental housing with poor living conditions (such as cubicle apartments and subdivided units) who are non-CSSA recipients — as for CSSA recipients, they already receive subsidies from the Government — we will continue to issue subsidies to the one-person households, two-person households and three-person households concerned. The subsidies for such households were respectively \$3,000, \$6,000 and \$8,000 in the past, all given in one lump sum. We hope to provide this subsidy again at the end of this year, and it is expected that about 70 000

households or 200 000 people will benefit. These are precisely the group of people with poor living conditions that we must help.

**MR LEE CHEUK-YAN** (in Cantonese): *President, the minimum wage ..... We cannot rely entirely on the minimum wage to resolve the problem of working poverty. That is why we in the Labour Party have always advocated that reference be made to the negative income tax systems adopted in foreign countries, whereby tax authorities are to provide a low-income supplement. But most importantly, any negative income tax must be non-means-tested. With regard to the requirement of means testing under the WITS Scheme ..... It is stated clearly in the Secretary's main reply that only 44 600 applicants have benefited from the WITS Scheme. Obviously, this is the figure under the household-based system. But please ask him not to talk about his having adopted the "dual track" approach when replying to my question later.*

*My question is: Has he ever reviewed why such a small number of people can receive the transport subsidy under the household-based system? Is it because the imposition of an asset limit has barred many people from receiving the subsidy despite their meeting the income limit? He first estimated that 400 000 people would meet the income limit and 200 000 of them would apply for the subsidy, but eventually only 44 600 people have actually benefited. Is the asset test the reason for such a small number of applications? When working on the provision of living allowances to low-income families, will he abolish all asset test requirements?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): I thank Mr LEE's question and views. Up to this moment, a total of 44 600 people have successfully applied for the transport subsidy, and they have certainly met the various thresholds that we have set. Mr LEE asked me whether the asset test requirement is the reason for the small number of applications. We really do not know the answer. Why? Let me reiterate that when we sought funding approval from the Finance Committee (FC) a few years ago, the figures that we put forward were all pure estimates, because we did not have any actual data at that time. Our projection that about 400 000 people could meet the requirements of working hours and household income, and that 200 000 of them would submit an application, was based purely on the relevant statistics supplied by the Census

and Statistics Department. And, we also provided these statistics to the FC. We estimated at the time that about half of the people who could meet the requirements of working hours and household income would submit an application, and we eventually received only some 60 000 applications. Perhaps some of these people really do not need any transport subsidy. But in any case, we have still sought to improve the scheme from time to time. We have adjusted upward the monthly income and asset limits. Personal assets are currently capped at \$75,000 whereas the income limit is \$8,105 (before deducting Mandatory Provident Fund contributions). With the upward adjustment of these two limits, more people, especially young people who have just started to take up employment, can now meet the eligibility criteria. Moreover, many manual workers, such as cleaners and security guards, have also become eligible for application.

Therefore, I hope that Members can understand our thinking. We must set certain basic requirements and perform a gate-keeping role financially. But while we perform our gate-keeping role, we will be sympathetic and flexible, and we will work in line with the actual needs of society. I hope that Members can understand the positioning of our policy.

**MR IP KWOK-HIM** (in Cantonese): *President, since the Secretary adopted a "dual track" approach for the WITS Scheme, the coverage and number of beneficiaries have truly increased, and the Scheme has been able to provide assistance more directly. In his main reply, the Secretary makes it a point to talk about the views held by some people and organizations in the community. In fact, will the Secretary likewise consider the idea of using the WITS Scheme as the basis of gradually developing a living allowance scheme for low-income households over time? The Secretary says that the Government is open-minded on this issue. May I therefore ask the Secretary whether he will promptly consider, even within a specific timeframe, the views of different organizations, such as factoring in the number of children in a family — because small children need schooling and will incur many other fees and expenses? Will the Government also consider these factors for the benefit of working-poor families?*

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): I thank Mr IP for his question and the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) for its advice. I understand that the DAB proposes to make

improvements on the basis of the WITS Scheme with the aim of expeditiously providing living allowances to low-income families. We think this proposal merits our in-depth consideration. We are actually considering a number of proposals. We are also analysing the views of the community, including the views of Oxfam. What Oxfam proposes is precisely a kind of computation based on the number of children in a household. We will draw on the collective wisdom of the community. In this regard, I must say that after listening to the the four-hour discussion by 40-odd organizations in the Legislative Council on Monday, I have collected a lot of valuable information. We will expeditiously collate the information, hold discussions in the Task Force, and then raise this issue for further discussion at the meetings of the CoP. I hope that we can set a direction shortly, and we will not hold it over for too long. When the time comes, we will give Members an account of our decision.

**PRESIDENT** (in Cantonese): This Council has spent over 22 minutes on this question. Last oral question.

### **Follow-up On Hostage-taking Incident in Manila**

6. **MR JAMES TO** (in Cantonese): *President, a Hong Kong tour group was taken hostage in Manila, the Philippines, on 23 August, 2010 (the hostage-taking incident). In the end, eight Hong Kong people were shot dead and several others were injured with some of them still receiving follow-up treatment such as operations to date. On 1 September, 2011, the then Premier of the State Council said that he hoped that "the Philippine Government will accord great importance to the demands made by the Hong Kong SAR Government as well as the people of Hong Kong, and handle the issues arising from the incident properly". However, nearly three years have lapsed since the hostage-taking incident but the Philippine Government has yet to make any apologies and compensation to the victims and their family members. In this connection, will the Government inform this Council of the follow-up actions taken by the Central Government and the SAR Government since the occurrence of the hostage-taking incident with a view to urging the Philippine Government to respond to the demands of the Hong Kong people, the victims and their family members, so as to enable Hong Kong people to "share the dignity and glory of being Chinese", together with a list of the details, including the dates and contents, of such follow-up actions?*

**SECRETARY FOR SECURITY** (in Cantonese): President, the SAR Government is highly concerned that some Hong Kong residents lost their lives or were injured in the Manila hostage-taking incident. We also understand the grief of Hong Kong people over the incident. Since the incident, apart from providing necessary assistance to the victims and their families, including medical treatment for the injured through the Hospital Authority as well as psychological and living support to the concerned tour group members and their families through the Social Welfare Department, we have also been closely liaising with the Central People's Government (CPG) and the local Consulate General of the Philippines to urge the Philippine Government to seriously follow up the four requests of Hong Kong people as well as the victims and their families, including formal apology, compensation, holding officials accountable for the mishandling of the incident and devising and implementing effective measures to ensure the safety of tourists.

As mentioned in the question by Mr TO, during the Philippine President's visit to Mainland China in September 2011, the then Premier WEN Jiabao urged the Philippine Government to attach importance to the requests of the Government and people of the SAR and properly handle the aftermath of the incident. In addition, after receiving a letter addressed to the then President HU Jintao from some victims and their family members and tens of thousands of petition signatures collected from the community, the CPG urged the Philippine Government to address the requests of the victims and families and properly handle the aftermath of the incident through proper channels including the Chinese Embassy in the Philippines. Upon the request of the SAR Government, the CPG again urged the Philippine Government to properly handle the four requests at the 5th Sino-Philippine consular meeting in June 2013.

Furthermore, the SAR Government has requested the Philippine side to proactively follow up the aforementioned demands on various occasions, including the Asia-Pacific Economic Co-operation meeting held in September last year, during which the Financial Secretary met with the President and Minister of Foreign Affairs of the Philippines and reiterated the four requests of the victims and their family members, as well as their strong feelings, and urged the Philippine Government to take further measures. The Minister of Foreign Affairs undertook to ask the Consul General in Hong Kong to meet and brief the victims and their families on the follow-up work. In addition, the Security Bureau has assigned a designated officer to communicate with representatives of the victims' families with a view to providing practical assistance according to

their needs. Since 2012, the SAR Government has been in contact with the local Consulate General of the Philippines for 21 times to follow up the four requests.

We understand that the public is still dissatisfied with the Philippine Government for their refusal to admit its responsibility in the Manila hostage-taking incident. The SAR Government will do its utmost to continue to follow up the incident.

**MR JAMES TO** (in Cantonese): *The recent shooting at a Taiwan fishing boat led to the fierce reaction of the Taiwan authorities. There is no formal diplomatic relationship between Taiwan and the Philippines, but due to the fierce response of Taiwan, the Filipino authorities quickly tendered an apology and agreed to allow the relevant Taiwan personnel to go to the Philippines for investigation.*

*President, is it correct for us to say that all our efforts are of no avail because we have since lowered the level of handling this incident after Premier WEN Jiabao's high-level and direct attempt to present our relevant demands to the President of the Philippines in 2011? May I ask the Government whether it will ask the Central Government to express the demands of our country and Hong Kong people more forcefully, so as to urge the Philippines to give a concrete reply within a reasonably short period and untie the knot in the hearts of the public?*

**SECRETARY FOR SECURITY** (in Cantonese): I wish to thank Mr TO for his supplementary question. I believe that not only Mr TO, but also the family members of the victims and all Hong Kong people have been waiting for a long time, earnestly looking forward to a more specific reply from the Philippine Government.

In 2011, during the Philippine President's visit to Beijing, Premier WEN Jiabao personally put forth the relevant demands to him, and this is a high-level channel. But I hope Honourable Members can understand that such visits by heads of states to Beijing are not so frequent and large in number, and Premier WEN Jiabao still presented the demands in person.



Last year, after the family members of the hostages had expressed their demands to President HU Jintao, he likewise reiterated our demands and asked for a response from the Philippine side through the Chinese Embassy in Manila and other proper channels — the Ambassador to the Philippines in Manila is the plenipotentiary of our country in the Philippines.

Earlier this year, during a diplomatic negotiation between China and the Philippines, we also grasped the opportunity to present the demands to them face to face again. We will continue to make use of such proper channels and every available opportunity to present the strong aspirations of Hong Kong people and the family members of the deceased and injured victims, and demand the Philippine Government to handle the incident seriously. In this connection, we will neither draw back nor just muddle through.

**DR PRISCILLA LEUNG** (in Cantonese): *President, Hong Kong people are ever so forgetful. However, I believe we will never forget this fatal hostage-taking incident in the Philippines years ago. Therefore, I think this oral question today can serve the purpose of enabling Members to follow up the incident and demand the Philippine Government to do justice to the family members of the deceased victims. In this connection, I think we all have the responsibility to show the unequivocal stance of Hong Kong people to the Philippine Government.*

*I for one am extremely dissatisfied with the Government's response as stated in the main reply. The Secretary points out in the last paragraph that the Government understands the dissatisfaction of Hong Kong people, and in the second last paragraph, he points out that the authorities have provided practicable assistance and followed up the requests for 21 times. But there is no mentioning of the authorities' progress of following up the incident. I think this request is only reasonable .....*

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

**DR PRISCILLA LEUNG** (in Cantonese): *Therefore, can the Secretary tell us clearly whether the four requests were just repeated mechanically like tape-recording in all these 21 follow-up meetings? Or, was there any actual progress in each of these meetings? Will the Secretary say a few words to all of us?*

**SECRETARY FOR SECURITY** (in Cantonese): Regarding the four requests made by us, I believe Members should remember that following the incident, the Philippine Government did take certain actions in response after the incident, but we do not think that such actions are adequate.

Let me give some examples to illustrate my point. First, the Philippine Government sent its Secretary of Tourism to Hong Kong. Second, the Philippines conducted a review of how such emergencies should be handled and subsequently published a report. However, the report apparently was not given any media coverage in Hong Kong. Third, the Philippine Government undertook to discipline the officials who had violated the rules. Regrettably — if I can remember correctly — the police officers concerned were only suspended from duties for 11 days. Moreover, an ombudsman had resigned before the Congress of the Philippines imposed the intended disciplinary action, whereas a deputy ombudsman was removed from office by the Philippine Government. However, regarding the punishment of other officers involved in the incident, we have not received any specific reply so far. We have been pressing the Philippine Government for answers to the above questions.

Another point is that apart from demanding an apology, the family members of the deceased and injured victims also ask for compensation. In respect of compensation, certain community organizations in the Philippines have raised a sum of what I would call "condolences money" and distributed it to the family members of the deceased victims. Apart from this, they have not given any specific reply in relation to the demand for compensation. Therefore, we will reiterate these demands every time we meet with any personnel of the Philippine Embassy. We have also requested them to tell the family members of the deceased and the injured victims clearly and directly how they have been following up the incident. We do all this on each occasion. However, Honourable Members should understand that what we can do at our own level is to repeat the demands which we think they have not yet acceded to and request

them to follow up. But every time, we are invariably given the reply that they will seek advice from their government and will inform us when they get the answers. Therefore, we will continue to follow up the matter.

**MISS ALICE MAK** (in Cantonese): *President, every time when this incident is mentioned, I will always feel very sorry because one of the deceased victims was a kaifong whom I had known for nearly 20 years, and I still have contacts with her parents. The Secretary keeps saying that the authorities have been communicating with the Philippine Government. May I know when he thinks the Philippine Government will be willing to respond to the demands? We do not want to bring up the incident time after time at intervals, because the elderly couple do not want people to keep mentioning the incident and remind them of their two daughters and their son-in-law. They hope that the incident can come to an end.*

*The Secretary says that the authorities have followed up the incident for 21 times since 2012. Since the authorities have still failed to make the Philippine Government apologize to the family members concerned despite the 21 times of follow-up, will the authorities consider whether they can make use of other channels to exert pressure on the Philippine Government at a higher level, so as to compel it to apologize to the family members concerned and assume accountability?*

**SECRETARY FOR SECURITY** (in Cantonese): President, it is the hope of everyone in this Chamber and all Hong Kong people that the incident can soon be properly resolved. And, everyone thinks that the four demands put forth by the family members of the victims are serious and justified. It is regrettable, however, that no concrete reply has been forthcoming despite our efforts all along. But we cannot possibly request the other side to tell us when they can give us a definite answer.

As for the level of dealing with the incident, I have explained in the main reply and my earlier replies to the supplementary questions of other Members that the country is very serious about the incident. The previous Premier himself raised the incident with the President of the Philippines face to face during the latter's visit to Beijing. This was a high-level protest. Apart from this, our Ambassador to the Philippines raised the incident personally. This is likewise a

high-level diplomatic protest. What is more, we even mention the demands at regular bilateral meetings between the two countries. In other words, we have been making efforts both at the state level and the Hong Kong level. But I am disappointed that we have not yet received any definite answer to date.

**MR MA FUNG-KWOK** (in Cantonese): *I have listened to the Secretary's reply and noted his special emphasis on his disappointment. In fact, I am even more disappointed. Regarding this incident, I am extremely disappointed that the overall efforts made by the SAR Government have failed to bring forth any achievement. Honestly, the public want to see that justice is upheld. They all look forward to a reply and the upholding of justice, both as Hong Kong people and as Chinese nationals. If we look at the treatment received by those affected by the shooting at the Taiwan fishing boat and the subsequent response of the Philippine Government, we will see the stark contrast. Therefore, I think that no matter how much the Government has done, the only important thing should still be effectiveness .....*

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

**MR MA FUNG-KWOK** (in Cantonese): *..... It is mentioned in the third paragraph of the Government's main reply that the Minister of Foreign Affairs of the Philippines undertook to ask the Consul General of the Philippines in Hong Kong to meet with the families of the victims to explain the case to them. Has any concrete action been taken? Has the undertaking been honoured? Has there been any follow-up? Moreover, has any achievement been made in the 21 times of follow-up? It is useless to follow up the matter even 210 times if no results can be achieved. Secretary, in the face of the stalling tactic and insincerity of the other side, do we have any other effective measures that can urge the Philippine Government to give a meaningful response to the incident, measures that can be taken by the SAR Government on its own or via the Ministry of Foreign Affairs of the Central Government?*

**SECRETARY FOR SECURITY** (in Cantonese): We will continue to make efforts. However, I believe Members can understand that how the other side responds to our requests is beyond our control. We have been raising our

requests at a high level, and rather than raising the requests only once, we have been very persistent. The figures cited by me earlier are evidence that we have not given up. However, in order to get the reply we desire, we must be persistent. Around August last year, the family members of the deceased and injured victims launched a signature campaign, and several dozen thousand Hong Kong people signed up. We subsequently referred the case to the Central Government, whereupon the Central Government gave a timely instruction on bringing up the matter on a high-level diplomatic occasion. The matter was subsequently brought up, and Members should know the result only too well. But I can assure Members that we will carry on. Mr MA Fung-kwok said that we might not get the desired outcome even if another 21 times of follow-up were carried out, but we will still carry on and persist in our work.

**MR WU CHI-WAI** (in Cantonese): *After the incident, the SAR Government issued a Black Outbound Travel Alert (OTA) in respect of the Philippines, but the Philippine Government has repeatedly asked the Government to withdraw the Black OTA. May I ask the SAR Government whether it will undertake here that the Black OTA will not be withdrawn until the incident is resolved?*

**SECRETARY FOR SECURITY** (in Cantonese): President, the purpose of the OTA System is to help Hong Kong residents better understand the risk or threat to personal safety before they set off for popular travel destinations. The Manila hostage-taking incident has aroused concerns and doubts about the personal safety of Hong Kong people who travel in the Philippines. That is why the SAR Government has issued the Black OTA on the Philippines.

When we look at the actual situation, we will notice that the Black OTA in respect of certain countries has been in force for quite a long time. At present, the Black OTA is in force in respect of two countries. One of these countries is the Philippines, in which case the Black OTA has been in force for nearly three years. In the case of the other country, the alert has been in force for over two years. As for the Red OTA on the lower tier, it has been in force for more than two years in some cases. How to account for the long durations of these alerts? The factors we consider mainly cover several aspects, including whether we are confident that the Hong Kong people who travel in the country concerned for sightseeing or on business can have assurance of personal safety; the ability of the country concerned to handle incidents involving personal safety; and the availability of proper, swift and reliable arrangements that can restore the

confidence of Hong Kong people in the event of unfortunate incidents. Our decision on issuing an OTA is based on the whole basket of factors mentioned above.

As for the Black OTA in respect of the Philippines, while considering the factors mentioned above, we have also communicated with the industry and given regard to the public responses relating to the several factors I just mentioned. Certainly, I cannot make the undertaking requested by the Honourable Member because this is not the original intent of the OTA System. Under certain specific circumstances, we may consider withdrawing the Black OTA in respect of the Philippines, but it must be added that before considering any changes to the OTA, we will still examine the aforementioned factors carefully. We will not raise or lower the level of an OTA hastily or arbitrarily because all decisions must be preceded by careful studies on all the relevant factors.

**PRESIDENT** (in Cantonese): Mr WU, has your supplementary question not been answered?

**MR WU CHI-WAI** (in Cantonese): *The Secretary has not answered my supplementary question. I asked him whether the Government would undertake not to withdraw the Black OTA before the hostage-taking incident was resolved, but the Secretary has not answered this.*

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

**SECRETARY FOR SECURITY** (in Cantonese): I have mentioned the factors we have to consider in deciding whether an OTA should be withdrawn, and this is our established policy. I believe the various factors which I have mentioned should have answered the supplementary question of the Member.

**PRESIDENT** (in Cantonese): This Council has spent more than 22 minutes and 30 seconds on this question. Oral questions end here.

**WRITTEN ANSWERS TO QUESTIONS****Rest Facilities for Employees Working at Hong Kong International Airport**

7. **MR YIU SI-WING** (in Chinese): *President, it was reported two months ago that a number of employees working at the Hong Kong International Airport (the airport) had been found sleeping on the seats near the boarding gates with their shoes and socks off thereby emitting odors. The scene caused a lot of travellers to look askance at them. After the report was published in the press, my Member's Office received telephone calls from people who claimed to be working at the airport complaining about the plight of the manual workers of the service contractors (contractors) of the Hong Kong Airport Authority (HKAA), which included excessively long working hours, insufficient rest rooms and canteen facilities as well as the lack of shower facilities. In this connection, will the Government inform this Council if it knows:*

- (a) *the current total number of manual workers working at the airport and, among them, the respective numbers of those directly employed by HKAA and by the contractors;*
- (b) *the rest facilities available at the airport at present for use by manual workers; whether HKAA has assessed if such facilities are adequate; whether the contractors' employees are permitted to use such facilities;*
- (c) *whether HKAA has any plans to increase the rest facilities for staff; if it has, of the details; if not, the reasons for that; and*
- (d) *the measures HKAA has taken to prevent the recurrence of the aforesaid incident in order to avoid damaging the image of Hong Kong?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Chinese): *President, my reply to the various parts of the question raised by Mr YIU Si-wing is as follows:*

- (a) *According to the Airport Authority Hong Kong (AAHK)'s manpower statistics of 2010, there are around 65 000 people working on the airport island. They are respectively employed by the AAHK, airport's business partners (for example, airlines), service*

franchisees (for example, aviation logistics service providers) and the service contractors (for example, cleansing service contractors). Among these 65 000 staff, about 12 000 are manual or lower-skilled workers. Most of them are employed by airport's business partners, service franchisees and service contractors; and 14 workers are directly hired by the AAHK.

- (b) At the airport Terminals 1 and 2, and the SkyPier, rest rooms, changing rooms and other facilities are provided for manual workers. Furthermore, rest rooms, changing rooms and canteens are also provided in the airfield on the apron.

In the Terminal Building, there are two staff canteens, one is located near Gate 60 at West Hall of the Arrivals Level, and the other in the baggage handling restricted area (near Gate 15 at East Hall of the Terminal Building). All employees who work in the airport can use these two canteens.

- (c) and (d)

The AAHK attaches great importance to the welfare and needs of the staff working on the airport island. The AAHK has all along maintained communication with airport's business partners, service franchisees, outsourced service providers and representatives of staff unions on the provision of staff facilities, and make improvements as necessary. For example, when drawing up new service contracts in the future, the AAHK plans to include in the scope of contract evaluation the welfare package and basic rest facilities to be provided by contractors for their staff. Meanwhile, the AAHK is planning to provide additional staff canteen, convenience store and vending machine in the Terminal Building for all airport staff.

The AAHK imposes strict requirements for the dress code and physical appearance of staff providing service in the Terminal Building. All staff, while at work, must wear tidy uniform. The AAHK will step up inspections and checks on staff who are on-duty, and conduct real-time monitoring at the Integrated Airport Centre, to ensure that staff of service franchisees and outsourced service contractors comply with the relevant requirements.



**Monitoring Performance of Service Contractors by Airport Authority Hong Kong**

8. **MR WONG KWOK-KIN** (in Chinese): *President, at present, the Airport Authority Hong Kong (HKAA) and various airlines respectively engage service contractors (contractors) to provide services (for example, cleaning, ground handling and maintenance services) within the precinct of the Hong Kong International Airport (the airport). Some members of the public consider that the service performance of these contractors directly affects travellers' impression of the airport and even affects the civil aviation industry and tourism industry of Hong Kong. In this connection, will the Government inform this Council if it knows whether HKAA has, by itself or through the respective airlines:*

- (a) *laid down specific requirements on the scope and workload of the outsourced services as well as the manpower needed for the provision of such services; if it has, of the details; if not, the reasons for that;*
- (b) *assessed and monitored the respective performances of the various outsourced services; if it has, whether there are dedicated staff to conduct the assessment and monitoring work; if not, whether it will allocate manpower dedicated to undertaking such tasks; and*
- (c) *established a mechanism for imposing penalties on contractors with poor performance; if it has, of the details of the mechanism, and the number of times the contractors concerned were issued warnings and penalized in the past three years; if not, whether it will establish the relevant mechanism?*

**SECRETARY FOR TRANSPORT AND HOUSING** (in Chinese): President, my reply to the various parts of the question raised by Mr WONG Kwok-kin is as follows:

- (a) The Airport Authority Hong Kong (AAHK) signed contracts with franchisees for the latter to provide cleaning, ground handling, and maintenance services to airlines in the Hong Kong International Airport. The scopes of service and performance indicators in

respect of major service areas are stipulated clearly in all the contracts signed between the AAHK and its franchisees. The indicators cover various airport services, for example, the arrival time of baggage at baggage conveyor belt.

Since franchisees may use different equipment, devices, or adopt different management models and work arrangements, it is undesirable for the AAHK to impose rigid workload and manpower requirements in the service contracts with its franchisees. That said, the AAHK will specify in all service contracts that the franchisees should deploy sufficient resources to ensure that the services provided are up to standard.

- (b) The AAHK has an established monitoring mechanism whereby its departments responsible for relevant contracts would regularly monitor and assess the performance and service quality of its service franchisees. Service franchisees are required to submit monthly performance reports. Furthermore, the AAHK regularly meets with its franchisees to review their service standard and look into their manpower arrangement and staff training. From past monitoring, AAHK had identified cases that fell short of the required performance standard. For example, the baggage of arrival flights could not be conveyed to the baggage conveyor belt within the time frame as specified in the performance pledge (that is, the first baggage to arrive at the baggage conveyor belt within 20 minutes while the last baggage to arrive within 40 minutes).
- (c) For the franchisees who are unable to meet the performance standard, the AAHK will take follow-up actions commensurate with the nature and seriousness of the problems identified. Follow-up actions include immediate investigation, requiring the franchisees to submit reports, and convening review meetings with the management of the franchisees for working out the necessary improvement measures. If the performance of the franchisees involves non-compliance or no improvement is seen after a prolonged period, the AAHK would issue warning letters to the management of the franchisees concerned.

Besides, in every contract signed between the AAHK and a franchisee, there are provisions which give the AAHK the right to terminate the contract and revoke the relevant licence should the franchisee fail to meet its performance targets consistently and in the absence of any improvement.

According to AAHK's records, from 2011 to June 2013, the AAHK issued a total of nine letters to its franchisees, requesting for service improvement. All the cases concerned baggage conveyance of arrival flights, that is, about the situation that the baggage was not conveyed to the baggage conveyor belt within the specified time frame. In all cases, AAHK requested the service franchisees to improve their service and followed up their improvement measures.

### **Occupy Central Movement**

9. **MR JEFFREY LAM** (in Chinese): *President, it has been reported that some scholars have initiated the Occupy Central movement, one of the actions of which is to call for more than 10 000 people to block the roads in Central next year (the road occupation action), with the intent to force the Hong Kong Special Administrative Region Government and the Central Government to accept the proposal for universal suffrage recognized by these people. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of people currently working, studying and residing in Central, as well as the current daily vehicular traffic volume in Central;*
- (b) *whether the authorities have assessed the impact the road occupation action will bring about to people working, studying or residing in Central and other road users, and whether they have formulated contingency measures in this regard; if an assessment has been conducted and contingency measures formulated, of the details; if not, the reasons for that;*
- (c) *of the respective numbers of banks, other financial institutions and registered companies which have set up offices in Central at present;*

- (d) *whether it has assessed the impact the road occupation action will bring about to the banks and the financial industry in Hong Kong, and whether it has formulated contingency measures in this regard; if an assessment has been conducted and contingency measures formulated, of the details; if not, the reasons for that; and*
- (e) *whether it has assessed, when 10 000 people participate in the road occupation action, the rescue services that need to be deployed; and whether it has assessed the impact of the deployment of police manpower and rescue services in this regard on the police manpower and rescue services in other districts; whether the police will draw up different corresponding plans to deal with the road occupation action (for example, how to disperse people who illegally block the roads)?*

**SECRETARY FOR SECURITY** (in Chinese): President, Hong Kong residents enjoy the rights of assembly, procession and demonstration according to the Basic Law and other relevant laws. The police always handle public meetings, demonstrations and processions in a fair, just and impartial manner in accordance with the laws of Hong Kong. The enforcement policy of the police is to endeavour to strike a balance by facilitating all lawful and peaceful public meetings, demonstrations and processions on the one hand, and on the other hand, reducing the impact of such activities on other members of the public or road users, and ensuring public order and public safety.

The Administration is very concerned about "Occupy Central" initiated by some members of the community. According to reports, some members of the community hope to rally over 10 000 people to occupy trunk roads in Central as a means to express their aspirations. We understand that there are concerns from quite a number of organizations and individuals over the impact of "Occupy Central" on the community, including disruption of social order, damage to the local economy and the business environment, undermining of Hong Kong's competitiveness and, consequently, withdrawal of business by multinational corporations.

We have to reiterate that when expressing their aspirations, participants of public meetings, demonstrations or processions should, under the premise of observing the laws of Hong Kong, conduct such activities in a peaceful and

orderly manner. Participants should not engage in any behaviour to the detriment of public order or any act of violence. If there is any occupancy of trunk roads in Central, collective paralysis of traffic, blocking up of public thoroughfares, and so on, by over 10 000 people, it will cause grave impact on social order and public safety and even affect the emergency services rendered to the public, thereby threatening lives and property of the public.

In consultation with the relevant bureaux, the consolidated reply to the Member's question is as follows:

- (a) According to the latest statistics of the Census and Statistics Department, the numbers of persons working and residing in the Central and Western District (including Central and the nearby Admiralty and Sheung Wan) are 345 300 and 250 800 respectively. Some 54 000 students undertake full-time studies at one university, 17 secondary schools, 28 primary schools and 40 kindergartens/kindergarten cum child care centres in the district. According to the Annual Traffic Census carried out by the Transport Department (TD), the average daily traffic entering and exiting the Central District is about 535 000 vehicles per day.
- (b) In view of the hectic road traffic on the Hong Kong Island, particularly in the vicinity of Central, any unforeseen incidents that occur on the roads in that area may critically impede the traffic nearby and affect the major trunk roads and other accesses connecting to the district. Currently, the eastbound and westbound of Connaught Road Central and Harcourt Road (the Corridor) are the major roads in the central business district. Based on past experience, minor accidents or incidents occurring on the Corridor or in its vicinity often result in congestion on the road network. Any traffic blockages around Central will quickly give rise to severe impact on other districts and major routes. In addition to Central, Sheung Wan, Wan Chai, Causeway Bay and the Happy Valley would experience acute congestion, while other major trunk roads including Connaught Road, Gloucester Road, the Island Eastern Corridor, the Cross-Harbour Tunnel at Hung Hom and the Western Harbour Crossing would be gravely affected, and the effect may even reach as far as Kowloon. Therefore, blocking up of trunk roads in Central will cause disruption to the life and work of tens of

thousands of citizens. Such an action would also cause obstruction to the emergency rescue services provided by four hospitals and six fire stations/ambulance depots in the Central and Western District.

As for foreseeable incidents including public order events, the police will assess their impact and discuss with relevant stakeholders in a bid to formulate corresponding contingency measures, including road closure, traffic diversion and crowd control, such that the impact on all road users can be minimized. The Emergency Transport Co-ordination Centre under TD is responsible for monitoring the traffic and public transport situations 24-hour daily and handling related incidents.

- (c) According to the information provided by the Financial Services and the Treasury Bureau, the regulators have roughly estimated that more than 1 000 banks and other regulated financial institutions have an office in Central. As for registered companies, the Administration does not have the breakdown by district.
- (d) Based on information provided by the Financial Services and the Treasury Bureau, the Administration, financial regulators, trading and clearing systems, and financial institutions have put in place contingency plans, with a view to coping with various situations which may affect the normal operation of business. This is to ensure that when an emergency arises, the relevant organizations will be able to adopt appropriate contingency measures, so as to minimize any impact on the operation of their core businesses.

Notwithstanding the above, Central is the core business district of Hong Kong, and most of the major financial institutions, infrastructure and regulators operate in Central. If there is a large-scale road occupation action in the district, financial and other related activities may inevitably be affected. It will also cause inconvenience to members of the public who use the relevant services.

- (e) The extent of resources to be deployed by the police in handling individual public order events depends upon the nature of the events, the number of participants, locations and actual circumstances on the

spot. Based on past experience, the police would require substantial manpower and resources when handling large-scale public order events including public processions and demonstrations, so as to ensure public order and public safety. On another front, the Fire Services Department would formulate contingency action plans based on the information about the relevant public order events. Where necessary, additional fire engines and ambulances would be deployed to the nearby area for providing support.

The police appeal to any person, who plans to organize public order events with the number of participants exceeding the limit prescribed in the law (that is, public meetings of more than 50 persons and public processions of more than 30 persons), for approaching the police as early as possible for the discussion of the specific arrangements so that corresponding measures can be formulated and adopted, whereby facilitating the concerned activities to be conducted in a peaceful manner, minimizing the impact on other members of the community and ensuring public order and public safety.

### **Services of Elderly Health Centres Under Department of Health**

10. **MS STARRY LEE** (in Chinese): *President, the Department of Health (DH) set up the Elderly Health Service (EHS) in 1998, under which one elderly health centre (EHC) was established in each of the 18 District Council districts in Hong Kong to enhance primary healthcare for the elderly, improve their self-care ability and encourage healthy living. Yet, some members of the public have recently relayed to me that quite a number of elderly people do not know the services provided by EHCs, and at present, elderly people wishing to enrol as members of EHCs have to wait for more than one year to receive the first health assessment service. In this connection, will the Government inform this Council:*

- (a) *of the ways through which the Government promotes the services of EHCs to the elderly people at present; whether it has reviewed the effectiveness of such promotional efforts; if it has, of the details; if not, the reasons for that;*

- (b) *of the numbers of members of various EHCs at present and the percentages of such numbers in the total numbers of elderly people eligible for enrolling as members in the relevant districts, as well as the respective average waiting time for elderly people to become members of various EHCs;*
- (c) *whether it has recently reviewed the effectiveness of EHCs' services; if it has, of the details; if not, the reasons for that; and*
- (d) *whether the Government has considered increasing the number of EHCs in tandem with the rising elderly population; if it has, of the details; if not, the reasons for that?*

**SECRETARY FOR FOOD AND HEALTH** (in Chinese): President, the EHS under the DH, which comprises 18 EHCs and 18 Visiting Health Teams (VHTs), was established in 1998 to provide primary healthcare services, especially preventive care services, for the elderly. The EHCs provide integrated healthcare services, including health assessment, treatment and health education, for elderly aged 65 and over on a membership status. Health talks and workshops are organized regularly to raise the elders' awareness of disease prevention and to promote their health literacy. Families of members and non-member elders may also join the health talks. My reply to the four parts of the question raised by Ms Starry LEE is as follows:

- (a) Over the past few years, the EHS has been promoting public awareness of elderly health through various channels, including press releases, Internet websites, television and radio interviews, and the production of various health promotion materials (for example, VCDs and booklets).

As the services of the EHCs are heavily subsidized and the charge is very low, there is a huge demand for their services. Besides, as most old members of the EHCs will renew their membership, the membership turnover is not high and the annual quota for new membership is limited. As at the end of May 2013, there were about 13 700 elders awaiting enrolment as EHC members and the average waiting time was 15.8 months. We have no plan to further promote the EHCs at this stage.



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- (b) Please refer to the Annex for the existing number of elders enrolled as EHC members, the percentage of enrolled members in the population aged 65 or above in respective districts and the median waiting time for enrolment as new members of the EHCs.
- (c) The performance of the EHCs is regularly monitored through enrolment and attendance statistics as well as ad hoc studies. Members are highly satisfied with the services provided by the EHCs and there is a high re-enrolment rate of over 80%.
- (d) In addition to EHCs, there are various primary care service providers in the community including other service units of the DH, the Hospital Authority, non-governmental organizations (NGOs), private doctors and other private healthcare service providers. The Government has also implemented, in collaboration with the private sector and NGOs, the following initiatives with particular focus on the elderly population:
- (i) the Elderly Health Care Voucher Scheme launched in January 2009, to provide elderly persons aged 70 or above with subsidy for using private primary care services. The annual voucher amount was increased to \$1,000 starting from January this year and the Scheme will be converted into a recurrent support programme for the elderly next year;
  - (ii) the Elderly Vaccination Subsidy Scheme launched in October 2009, to provide subsidies for elderly aged 65 or above to receive influenza vaccination and pneumococcal vaccination from private medical practitioners;
  - (iii) the Pilot Project on Outreach Primary Dental Care Services for the Elderly launched in collaboration with NGOs since April 2011, to provide primary dental care through outreach services for elderly people in residential care homes for the elderly and day care centres for the elderly; and
  - (iv) the Elderly Health Assessment Pilot Programme launched in collaboration with NGOs, to provide elderly persons aged 70 or above with subsidy for receiving health assessment services

in the private sector. The two-year pilot programme will be launched in mid-2013. It is expected that 10 000 elderly persons will be benefited from the pilot programme.

Annex

Statistics on the EHCs under the DH

<i>District (EHC)</i>	<i>Number of enrolled members in 2012</i>	<i>Percentage of enrolled members in population aged 65 or above in 2012</i>	<i>Median waiting time for enrolment as new members (month) (As at end-May 2013)</i>
Central and Western (Sai Ying Pun)	2 130	6.1%	19.8
Eastern (Shau Kei Wan)	2 211	2.4%	18.9
Wan Chai (Wan Chai)	2 141	9.4%	27.5
Southern (Aberdeen)	2 126	5.8%	10.4
Sham Shui Po (Nam Shan)	2 206	3.5%	16.6
Kwun Tong (Lam Tin)	2 230	2.2%	8.5
Yau Tsim Mong (Yau Ma Tei)	2 121	4.8%	23.1
Wong Tai Sin (San Po Kong)	2 121	3.0%	15.0
Kowloon City (Kowloon City)	2 210	3.8%	21.0
Sha Tin (Lek Yuen)	2 125	3.0%	25.6
North (Shek Wu Hui)	2 122	6.8%	10.8
Sai Kung (Tseung Kwan O)	2 136	5.5%	17.1
Tai Po (Tai Po)	2 124	7.0%	27.9
Islands (Tung Chung)	2 245	15.9%	10.6
Tsuen Wan (Tsuen Wan)	2 117	5.6%	12.0
Tuen Mun (Tuen Mun Wu Hong)	2 133	4.6%	14.1
Kwai Tsing (Kwai Shing)	2 212	3.1%	9.0
Yuen Long (Yuen Long)	2 217	4.3%	8.3
Total	38 927	4.3%	15.8

Note:

To narrow the gap between the waiting time in different EHCs, each EHC provides information on those EHCs with shorter waiting time for enrolment as members. Elders may choose to apply for membership at these EHCs.

**Fire Safety Directions Issued Under Fire Safety (Buildings) Ordinance**

11. **DR PRISCILLA LEUNG** (in Chinese): *President, under the Fire Safety (Building) Ordinance (Cap. 572), the authorities may issue Fire Safety Directions (Directions) to require the owners or occupiers of composite and domestic buildings to improve, by a specified date, the fire service installations (including the installation of automatic sprinkler systems) and fire safety construction (including the provision of fire resisting construction) for the parts of their properties intended for non-domestic purposes. However, it is learnt that quite a number of old Chinese tenement buildings cannot comply with the requirements of the Directions due to technical problems, for example, the building structure is unable to bear the loading of a water tank required for an automatic sprinkler system. Moreover, according to the guidelines on fire resisting construction of buildings issued by the authorities, no opening may be made on any fire resisting walls and floors in buildings or on the fire resisting walls and doors of protected lobby (such as the opening for an exhaust fan). Nevertheless, quite a number of residents have relayed that poor ventilation in buildings of old designs renders it necessary for them to install exhaust fans and make additional openings so that the corridors will have better ventilation. Should these openings be sealed, these residents are worried that this will cause thick smoke trapped within confined corridors in the event of fire, which will pose threats to residents' lives. In this connection, will the Government inform this Council:*

- (a) *of the number of Directions, issued in the past three years by the authorities after inspection, which required the installation of automatic sprinkler systems (and the percentage of such number in the total number of Directions issued) and, among these Directions, the respective numbers of those which had not been complied with by the deadline, those which had been complied with, and those for which extension had been granted;*
- (b) *given that the authorities have indicated that they are happy to discuss with the owners or authorized persons of the owners' corporations and qualified contractors in relation to the aforesaid problem of building overloading for water tanks involved in the installation of sprinkler systems in old buildings, so as to come up with alternatives, of the details of the alternatives commonly adopted at present, and whether the owners or occupiers can apply for*

*extension of the deadline for compliance when they are still in discussion with the authorities; of the number of cases in which alternatives had been adopted to replace the original instructions in the Directions in the past three years; and*

- (c) *regarding the concerns expressed by the aforesaid residents on fire resisting construction in buildings, whether the authorities will review the relevant guidelines or draw up more viable alternatives; if they will, of the details; if not, the reasons for that?*

**SECRETARY FOR SECURITY** (in Chinese): President, the Fire Safety (Buildings) Ordinance (Cap. 572) (the Ordinance) came into operation on 1 July 2007. The Ordinance stipulates that the fire safety of composite and domestic buildings constructed on or before 1 March 1987 should be enhanced to better meet the requirements of today. There are notable differences between the fire safety requirements at the time of the construction of those buildings and the standards nowadays, for example, the commercial portions of composite buildings were not required by law at that time to install automatic sprinkler systems. Enhancements are therefore necessary.

The Fire Services Department (FSD) and the Buildings Department (BD) have been conducting joint inspections on target buildings in Hong Kong by two phases. The first phase covers about 9 000 old composite buildings and the second phase covers about 3 000 old domestic buildings. The two departments will issue Fire Safety Directions (FS Directions) to owners and/or occupiers on the fire service installation and fire safety construction requirements in those buildings, with a view to enhancing their basic fire protection measures. The BD is the enforcement department on fire safety measures in terms of the planning, design and construction of buildings, while fire service installations and equipment (for example, automatic sprinkler systems and emergency lighting, and so on) fall under the purview of the FSD.

The Administration's reply to the three parts of the question is as follows:

- (a) In the past three years (that is, from June 2010 to May 2013), the FSD has issued over 46 000 FS Directions to the owners and/or occupiers of 1 981 target composite buildings after conducting

inspections in accordance with the Ordinance. Among them, 700 buildings (that is, 35% of the target buildings issued with FS Directions during that period) were required to install automatic sprinkler systems in their commercial portions<sup>(1)</sup>.

Among the 1 981 buildings issued with FS Directions, 1 392 buildings have been granted extension of deadline for compliance of the FS Directions or their extension applications are being processed by the FSD (among them, 482 buildings are required to install automatic sprinkler systems). The FS Directions of the remaining 589 buildings have not reached their deadlines yet (among them, 218 buildings are required to install automatic sprinkler systems).

- (b) The Administration is aware that individual buildings might not be able to fully comply with the requirements set out in the FS Directions due to structural or spatial constraints. In this connection, the relevant departments would, without compromising basic fire safety, adopt a flexible and pragmatic approach in handling individual cases. The FSD normally gives an owner/occupier one year to comply with FS Directions. If more time is needed to prepare for (including formulation of alternative proposals to comply with the requirements set out in the FS Directions) and carry out the improvement works, they could file an application to extend the compliance period. The department would consider the application basing on the circumstances of individual cases.

If there are genuine structural or spatial constraints in installing automatic sprinkler systems and sprinkler water tanks in the commercial portions of individual composite buildings, the FSD would reasonably relax some of the requirements or accept alternatives such as giving consideration to allow the installation of improvised automatic sprinkler systems (that is, the water supplies for the systems may come from direct connection from town mains<sup>(2)</sup>

- (1) According to the requirements, if the total floor area of the commercial portions of a target composite building exceeds 230 sq m, the relevant portions are required to install automatic sprinkler systems. The domestic portions of composite buildings are not required to provide such installation.
- (2) The alternative of obtaining water directly from town mains for automatic sprinkler systems is applicable to only those composite buildings with commercial portions not exceeding four storeys (counting from ground floor level).

or the shared use of the water tank of the hose reel system) in the light of the circumstances of individual cases and the information submitted by authorized persons. According to the experience of the FSD, most of the structural and technical problems concerning the installation of water tanks for automatic sprinkler systems can be resolved by the installation of improvised automatic sprinkler systems.

In the past three years, the FSD has approved a total of 69 target buildings to install improvised automatic sprinkler systems in their commercial portions as alternatives.

- (c) Facilities of fire resisting construction in old buildings (that is, compartment walls separating escape stairways and flat units, protected lobbies, and fire resisting walls and doors on common corridors, and so on) fall under the ambit of the BD. According to the BD, fire resisting constructions can prevent the spread of heat, smoke and fire into escape stairways during a fire in order to ensure the safety of residents in escape. Therefore, no openings or holes may be made on such fire resisting constructions in general.

Notwithstanding the above, according to the BD's code of practice for fire resisting constructions in buildings, openings may be made on those facilities if special measures are taken. For instance, if owners intend to make openings on a compartment wall or floor to make room for air-conditioning ducts, ventilation ducts, electrical trunking, conduits, pipes and electrical cables, and so on, they are required to install fire dampers in compliance with relevant specifications or other suitable forms of fire stop to protect those openings in accordance with the BD's code of practice. That is to maintain the fire resistance of such fire resisting constructions. As for openings for installing exhaust fans on fire resisting constructions, those are considered not acceptable because the openings would lead to the spread of heat, smoke and fire into the fire escape route during a fire and cause danger to the residents when they escape.

## Combating Operation of Unlicensed Guesthouses

12. **MR WONG KWOK-HING** (in Chinese): *President, some members of the public have relayed that there are a large number of unlicensed guesthouses in some districts, and that a fire which broke out earlier in an unlicensed guesthouse in Mong Kok has further raised concerns about the risks posed to the safety of the residents of the buildings in which unlicensed guesthouses operate. These members of the public question that this problem persists because the Home Affairs Department has been ineffective in its law enforcement. Moreover, according to the reply of the Government to my question on the Estimates of Expenditure 2013-2014, the number of complaints in relation to unlicensed guesthouses increased significantly from 205 in 2008 to 1 418 in 2012, while in the same period, the number of prosecutions increased from 28 to 128 and that of convictions increased from 30 to 110. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of complaints, prosecutions and convictions in relation to unlicensed guesthouses in each of the past five years, broken down by District Council district;*
- (b) *of a breakdown by District Council district of the number of inspections against unlicensed guesthouses conducted by the authorities in each of the past five years and, among such inspections, the number of those conducted by undercover officers posing as customers (commonly known as "covert operations");*
- (c) *given that among the 1 418 complaints in 2012, only 128 (that is, 9%) prosecutions were instituted, of the reasons for such a low prosecution rate;*
- (d) *of the number of persons who were sentenced to imprisonment in each of the past five years for operating unlicensed guesthouses with a breakdown by term of imprisonment; whether the authorities will consider setting a heavier penalty in order to increase the deterrent effect; if they will, of the details; if not, the reasons for that; and*
- (e) *whether the authorities will review the existing legislation and draw up relevant measures in order to combat the operation of unlicensed guesthouses; if they will, of the details; if not, the reasons for that?*

**SECRETARY FOR HOME AFFAIRS** (in Chinese): President, operation of guesthouses in Hong Kong is regulated by the Hotel and Guesthouse Accommodation Ordinance (the Ordinance) (Cap. 349). In accordance with the Ordinance, any premises providing sleeping accommodation at a fee shall obtain a guesthouse licence for operation unless all accommodation in the premises are provided with a tenancy period of 28 consecutive days or more for each letting. The Office of the Licensing Authority (OLA) under the Home Affairs Department is responsible for implementation of the Ordinance, including issuing guesthouse licences and carrying out relevant enforcement work.

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

(a) and (b)

The OLA is committed to combating and raiding unlicensed guesthouses. To this end, the OLA has increased its manpower resources and recruited frontline officers with law enforcement experience in recent years. It has also adjusted its enforcement strategies and adopted different enforcement approaches flexibly to increase the number of inspections significantly and enhance the effort to collect evidence.

Upon identification of unlicensed guesthouse operation, or upon receipt of such a report, the OLA will, having regard to the specific circumstances of individual case, follow up and investigate the case in the most appropriate and effective manner, and collecting evidence through various specific means, such as conducting surprise inspections at different times (including outside office hours), launching large-scale and targeted inter-departmental operations, or posing as clients and visitors to Hong Kong (commonly known as "snaking"), and so on. Prosecution shall be instituted immediately if there is sufficient evidence that the premises concerned are involved in unlicensed guesthouse operation.

The OLA's enforcement and prosecution figures against suspected unlicensed guesthouses over the past five years are at Annex 1. The intensity and effectiveness of the enhanced enforcement actions are vividly demonstrated by a substantial increase in the number of OLA's inspections to suspected unlicensed premises (from 2 430 to about 6 800), prosecutions (from 39 to 128) and convictions (from



36 to 110) over the period from 2009 to 2012, representing an increase of over 250%, over 300% and 300% respectively. The OLA does not keep the breakdown of the specific tactics adopted during the law-enforcement actions (including the number of "snaking").

- (c) The reports on suspected unlicensed guesthouse operation usually involve repeated complaints against the same premises. Upon investigation, some premises are found to be fallen beyond the purview of the Ordinance as they are leased on a monthly basis. Given that unlicensed guesthouse operation is a criminal offence, the OLA shall take account of individual circumstances and launch multiple law enforcement actions with a view to gathering sufficient evidence for instituting a prosecution in the Court. Therefore, figures of complaint received and prosecution cannot be compared directly.
- (d) Operating an unlicensed guesthouse is a criminal offence and will lead to a criminal record. Upon conviction, an offender is liable to imprisonment. The maximum penalty is a fine of \$200,000 and imprisonment for two years, and a fine of \$20,000 for each day during which the offence continues. We are of the view that the existing penalty level is sufficient to create a deterrent effect.

In instituting a prosecution, prosecution officers will appeal to the Court to reflect the seriousness of the offence in its sentence taking into consideration the threat posed by unlicensed guesthouses to the safety of its lodgers, residents of the building and members of the public as well as previous conviction record(s) of a re-offender. The OLA will also seek the Department of Justice's advice as to whether an appeal or a review should be filed to the Court against the sentence of an individual verdict.

The number of persons sentenced to imprisonment and their term of imprisonment for operating an unlicensed guesthouse over the past five years is at Annex 2.

- (e) To ensure the safety of tourists and members of the public, the OLA has adopted a multi-pronged approach by strengthening law

enforcement action, enhancing the deterrent effect and stepping up publicity to combat unlicensed guesthouses.

As far as law enforcement action is concerned, the OLA will, in addition to increasing its manpower and adjusting its enforcement strategies and approaches as abovementioned, step up inspection of buildings with a higher risk of fire hazards and spare no effort in raiding unlicensed guesthouses in such buildings. The OLA has also strengthened its intelligence gathering work by deploying staff to conduct surprise inspections at districts from time to time in a bid to collect information of and investigate into the publicity material of suspected unlicensed guesthouses. Recently, the OLA has set up a dedicated Internet enforcement team to browse web pages, discussion forums and blogs to search information and intelligence about suspected unlicensed guesthouses on one hand, and appealing to tourists to patronize licensed guesthouses on the other.

The OLA has also set up a reporting hotline (Telephone number: 2881 7498) and an email address <hadlaenq@had.gov.hk> for tourists and members of the public to report suspected illegal operation of guesthouses. A report form has also been uploaded to OLA's website <www.hadla.gov.hk> for members of the public to make reports by fax (Fax. number: 2504 5805).

To strengthen deterrent effect, the OLA will pass information on convicted records of successful prosecution cases and their relevant details to the Rating and Valuation Department, the Inland Revenue Department, mortgage banks or monetary institutions, property owners, owners' corporations and management offices of the buildings, so that they can take follow-up actions under their purview, such as prosecution of tax evasion and recovery of tax. Should any property or insurance agent be convicted, the OLA will also pass the conviction records to the Estate Agents Authority or the Office of the Commissioner of Insurance for follow-up actions.

The OLA has also implemented a stringent measure and targeting at those licensed guesthouses operators who operate guesthouses at other premises. If a guesthouse licence holder is convicted of an offence involving operation of an unlicensed guesthouse, the OLA will consider cancelling all the licences being held by the licensee

concerned or refusing to renew the licences pursuant to the Ordinance. So far, the OLA has cancelled or refused to renew the licences of 13 guesthouses for this reason.

Moreover, the OLA has established a communication mechanism with the Travel Industry Council (TIC) and the Consumer Council (CC). If it is found during investigation that Mainland tour groups are received by unlicensed guesthouse operators, the OLA will inform the TIC for appropriate follow-up actions in addition to notifying the Mainland tourism authorities. The OLA will also take follow-up actions immediately upon receipt of complaints of suspected unlicensed guesthouse operation referred by the CC.

As regards publicity, all licensed guesthouses are required by the OLA to display the guesthouse logos to the entrances and doors of each of the guest rooms to facilitate tourists' identification. Besides, the Government has increased the frequency of Announcements of Public Interest (APIs) on television and radio, whilst posters/banners are displayed and publicity leaflets distributed at immigration checkpoints and districts with more suspected unlicensed guesthouses, urging tourists to Hong Kong to patronize licensed guesthouses. Moreover, the OLA, in collaboration with the Tourism Commission and Hong Kong Tourism Board, encourages tourists to patronize licensed guesthouses and conveys relevant messages to the Mainland tourism authorities. On its dedicated "Shopsmart" website for Mainland tourists, the CC also urges the visitors not to patronize unlicensed guesthouses. The full list of licensed guesthouses has already been uploaded onto the OLA's webpage <[www.hadla.gov.hk](http://www.hadla.gov.hk)> for easy reference by tourists.

The OLA plans to launch a new round of large-scale publicity in Hong Kong and on the Internet later this year, appealing to tourists to patronize licensed guesthouses for the sake of their own safety and disseminating the message that operating an unlicensed guesthouse is a criminal offence and will lead to a criminal record. The OLA will also launch a smartphone application for tourists to search information of licensed guesthouses anytime and anywhere.

During the peak travel seasons and long holidays with more inbound tourists, the OLA will step up enforcement actions and strengthen

publicity to tourists, appealing to the tourists to patronize licensed guesthouses.

The Administration will review from time to time the implementation of the Ordinance and its enforcement strategies, with a view to combating unlicensed guesthouse operation as well as ensuring the safety of tourists and members of the public.

## Annex 1

Figures of law-enforcement actions against suspected unlicensed guesthouse operation (2009 to the present)

District	2009				2010				2011				2012				2013 (As at 30 June)			
	Complaint <sup>(1)</sup>	Inspection	Prosecution <sup>(2)</sup>	Conviction <sup>(2)</sup>	Complaint <sup>(1)</sup>	Inspection	Prosecution <sup>(2)</sup>	Conviction <sup>(2)</sup>	Complaint <sup>(1)</sup>	Inspection	Prosecution <sup>(2)</sup>	Conviction <sup>(2)</sup>	Complaint <sup>(1)</sup>	Inspection	Prosecution <sup>(2)</sup>	Conviction <sup>(2)</sup>	Complaint <sup>(1)</sup>	Inspection	Prosecution <sup>(2)</sup>	Conviction <sup>(2)</sup>
Islands	6	19	0	1	4	12	3	3	1	9	0	0	34	172	2	0	14	65	0	1
North	16	63	0	1	5	34	0	0	3	26	0	0	33	52	1	0	7	24	1	1
Sai Kung	3	11	2	0	3	14	0	2	9	17	3	2	30	61	2	2	6	27	0	1
Sha Tin	1	6	0	0	0	1	0	0	3	7	0	0	22	65	0	0	4	28	0	0
Tai Po	0	0	0	0	3	9	0	0	1	8	0	0	10	19	0	0	1	12	1	1
Tsuen Wan	6	19	2	3	2	29	0	1	34	79	1	1	45	206	0	0	23	126	0	0
Tuen Mun	2	4	0	0	0	6	0	0	0	1	0	0	2	4	0	0	0	2	0	0
Yuen Long	12	43	2	0	6	56	4	6	9	40	6	5	16	57	4	4	2	14	3	3
Kwai Tsing	0	0	0	0	0	0	0	0	0	0	0	0	5	8	0	0	3	19	0	0
Central & Western	9	52	0	0	14	83	0	0	5	55	0	0	46	134	0	0	23	99	2	2
Wan Chai	87	437	2	2	95	495	3	3	135	526	4	3	279	1 073	7	7	115	807	7	11
Eastern	33	179	1	1	65	239	5	3	131	344	1	2	235	846	10	11	33	340	6	4
Southern	3	6	0	0	1	1	0	0	0	0	0	0	2	4	0	0	0	4	0	0
Kowloon City	6	17	0	0	9	21	0	0	24	47	1	1	111	323	8	6	45	300	2	1
Kwun Tong	3	17	0	0	8	29	0	0	13	29	0	0	24	94	0	0	7	61	2	2
Sham Shui Po	12	34	2	2	26	56	3	2	39	87	8	5	77	292	9	10	22	189	2	1
Wong Tai Sin	1	1	0	0	0	6	0	0	4	8	0	0	21	48	0	0	1	8	0	0
Yau Tsim Mong	245	1 522	28	26	125	1 587	20	24	285	1 842	29	20	426	3 333	85	70	240	2 254	60	56
Total	445	2 430	39	36	366	2 678	38	44	696	3 125	53	39	1 418	6 791	128	110	546	4 379	86	84

## Notes:

- (1) Complaints that were directed against the same premises are all included. Upon investigations, some of the premises under complaint were found to be fallen beyond the purview of the Ordinance as they were leased on a monthly basis.
- (2) The figures of prosecution and those of conviction in the same year are slightly different because trials of some prosecution cases were/will be conducted in the following/next year.

## Annex 2

Number of persons sentenced to imprisonment for unlicensed  
guesthouse operation (2009 to the present)

<i>Term of imprisonment</i> \ <i>Year</i>	2009	2010	2011	2012	2013 (As at 30 June)
Four months	1	0	0	0	0
Three months	0	1	2	0	0
Two months	2	2	0	4	2
Six weeks	0	0	0	2	0
One month or less	0	3	1	1	1
Total	3	6	3	7	3

### General Out-patient Services in Tai Po

13. **MR GARY FAN** (in Chinese): *President, a few years ago, the Hospital Authority (HA) consulted the Tai Po District Council (TPDC) on a proposal to build an integrated community medical centre (medical centre) in Tai Po for partial or full replacement of the two existing general out-patient clinics (GOPCs) (that is, the Tai Po Jockey Club General Out-patient Clinic and the Wong Siu Ching Family Medicine Centre) in the district. In this connection, will the Government inform this Council:*

- (a) *whether it knows the progress of HA in identifying sites for building the medical centre, and set out the various considerations, the sites considered and the assessment results on the suitability of the various sites; if a suitable site has not yet been identified, whether the authorities will consider in situ reprovisioning of the two clinics; of the latest progress and implementation schedule of the proposal to build the medical centre;*
- (b) *whether the Department of Health has any plan to re-organize the healthcare services provided in the original buildings upon the relocation of the aforesaid two clinics to the medical centre; if it has, of the details and timetable; if not, the reasons for that;*

- (c) *whether it knows the respective average daily attendance of the aforesaid two clinics in the past three years; of the Government's anticipated changes in such attendance in the next five years; and*
- (d) *whether the authorities will consult the local community of Tai Po and TPDC again on the proposal to build the medical centre and the arrangements for the services provided in the buildings in which the two clinics are originally accommodated; if they will, of the timetable; if not, the reasons for that?*

**SECRETARY FOR FOOD AND HEALTH** (in Chinese): President, at present, public primary healthcare services are mainly provided through GOPCs of the HA and are primarily targeted at the low-income groups, the elderly and patients with chronic diseases. There are two GOPCs run by HA in the Tai Po District, namely, Tai Po Jockey Club General Out-patient Clinic and Wong Siu Ching Family Medicine Centre. Our reply to the various parts of the question is as follows:

- (a) and (b)

In planning for the provision of public healthcare services, HA takes into account a number of factors, including the projected demand for healthcare services having regard to population growth and demographic changes, the growth rate of individual services as well as possible changes in utilization patterns of healthcare services. To meet the long-term demand for healthcare services, we have also reserved a site in Tai Po for the future development of primary healthcare facilities.

In view of the convenient locations of the two existing GOPCs in Tai Po, which allows direct access by various means of public transport, HA considers that the expansion of and enhancement to these GOPCs can increase their service capacity in a more effective manner and meet the demand for general out-patient services in the district more efficiently. As such, HA completed the renovation of Tai Po Jockey Club General Out-patient Clinic in 2010-2011, which helped streamline the patient flow and improved the Clinic's environment, as well as upgraded the facilities to cope with the

development needs of general out-patient services. To further enhance service quality, HA is studying with the relevant departments the feasibility of carrying out alteration works to the access road outside Tai Po Jockey Club General Out-patient Clinic to further increase the area of the clinic.

The Administration has no plan to merge or redevelop Tai Po Jockey Club General Out-patient Clinic and Wong Siu Ching Family Medicine Centre at this stage.

- (c) The number of attendances in the GOPCs in Tai Po over the past three years (that is, 2010-2011 to 2012-2013) is set out as follows:

	<i>2010-2011</i>	<i>2011-2012</i>	<i>2012-2013</i>
Tai Po Jockey Club General Out-patient Clinic	119 972	125 664	127 210
Wong Siu Ching Family Medicine Centre	90 247	95 140	97 276

According to the "Projections of Population Distribution 2013-2021" of the Planning Department, the projected population of Tai Po will increase from around 300 000 in 2013 to around 320 000 in 2018. By that time, elderly persons aged 65 or above will account for about 15% of the population in the district. HA will continue to closely monitor the demand for primary healthcare services in the district and flexibly deploy resources with a view to providing adequate services to meet local demand.

- (d) HA briefed the Social Services Committee (SSC) under the TPDC on 12 September 2012 and 19 October 2012 on the alteration works to the access road of Tai Po Jockey Club General Out-patient Clinic as mentioned in part (a) above. HA will maintain liaison with the local community (including TPDC) and send representatives to attend the meeting of the SSC of TPDC to be held on 10 July 2013 to gauge and collect views of the local community on healthcare services.

**Public-private Partnership Under Nature Conservation Policy**

14. **MR CHAN HAK-KAN** (in Chinese): *President, the World Wide Fund for Nature (WWF) Hong Kong announced in May 2013 its decision to withdraw immediately from its partnership with the proponent of the Fung Lok Wai nature reserve project (Fung Lok Wai project) as the proposal of WWF to run the proposed Fung Lok Wai project on the Wetland Trust model had not been accepted by the authorities, and WWF was concerned that the conservation objectives set for this project could not be achieved should the project be rushed through. Some environmentalists have pointed out that the incident has aroused public concerns over the effects and feasibility of implementing the nature conservation policy under the mode of public-private partnership (PPP). In this connection, will the Government inform this Council:*

- (a) *whether it has assessed the impact of WWF's withdrawal from the Fung Lok Wai project on the future conservation of Fung Lok Wai; if it has, of the results; how the authorities will follow up the project;*
- (b) *why the Government did not accept WWF's proposal to run the Fung Lok Wai project on the Wetland Trust model and proposed instead that the land ownership to remain with the developer and the Environment and Conservation Fund (ECF) to take up the fund and appoint a management agent for managing the wetland site;*
- (c) *of the details concerning the PPP projects under the nature conservation policy, including the vetting criteria, procedures of vetting and execution, monitoring of the approved projects, the roles and responsibilities of the parties involved (including the Government and non-governmental organizations);*
- (d) *of the respective numbers of PPP projects approved and being vetted at present, and the contents as well as the progress of such projects;*
- (e) *as some environmentalists have pointed out that since the environmental impact assessment (EIA) reports of the Fung Lok Wai project have been approved, the authorities will not require another EIA to be conducted because of the withdrawal of the project proponent or the participating green group at the current stage,*



*which may have impact on the development of the project, whether the authorities will make up for the existing inadequacies in the Environmental Impact Assessment Ordinance (EIA Ordinance) (Cap. 499); if they will, of the specific proposals; and*

- (f) *how the authorities will prevent the recurrence of the aforesaid situation in which conflicts arise between commercial development and nature conservation in future PPP projects?*

**SECRETARY FOR THE ENVIRONMENT** (in Chinese): President, under the New Nature Conservation Policy (NNCP), a total of 12 priority sites of high ecological importance for enhanced conservation have been identified. Fung Lok Wai lies within one of these priority sites. Public Private Partnership (PPP) scheme was launched to promote conservation of private land in these priority sites by allowing development of an agreed scale at the ecologically less sensitive portion of the site, provided that the project proponent undertakes to conserve and manage the rest of the site that is ecologically more sensitive on a long-term basis. To ensure sustainable support for the conservation of the ecologically sensitive areas under the PPP scheme, particularly after the completion of the approved developments, we promulgated a set of implementation arrangements in June 2011 and advised project proponents accordingly.

In relation to the funding support for the long term conservation of the ecologically sensitive areas of projects under the PPP scheme, the project proponent will be required to provide an upfront lump sum sufficient to generate recurrent incomes to support the pledged conservation programmes to the ECF, which is established under the Environment and Conservation Fund Ordinance (Cap. 450). As a statutory trust, the ECF has in place a credible and publicly accountable mechanism for holding the lump sum amount provided by the project proponents. To ensure that the conservation works are properly conducted, the developers will also be required to identify competent bodies as their conservation agents to manage the ecologically sensitive portions of the concerned sites. The conservation agents will then apply for the necessary funding from the ECF for carrying out conservation projects and their performance will be monitored by the Agriculture, Fisheries and Conservation Department.

Our replies to Mr CHAN's questions are as follows:

- (a) The project is still going through various statutory and administrative approval processes including the Town Planning Ordinance. In the EIA report of the Fung Lok Wai project, which was approved in 2009, the project proponent has provided proposed conservation plans for the ecologically sensitive areas. It is the responsibility of the project proponent to fulfil the implementation arrangements including that on funding and the identification of a competent conservation agent as promulgated so that the objectives of NNCP could be achieved as it seeks for various approvals.
- (b) The funding arrangement put forward by the project proponent of Fung Lok Wai development in its planning application does not conform to the funding arrangement promulgated by the Government in 2011. We consider that the proposed long-term maintenance and management plan suggested by the project proponent using a private trust arrangement does not provide for comparable assurance on long term viability of the conservation plan as compared to the arrangement promulgated by the Government which involves the ECF.
- (c) Whether a particular proposal is feasible and should be taken forward as a PPP project has to be examined on its own merits, taking into account the net benefits of the proposals in enhancing conservation of the site, possible adverse environmental impacts, financial viability of the proposals, capability of and the long-term commitment of the proponent, and so on. To implement a selected PPP pilot project, the proponent is still required to fulfil the statutory requirements, where applicable, including application for change of land use zoning or application for planning permission in accordance with the Town Planning Ordinance, and acceptability of the environmental impacts as assessed under the EIA Ordinance.
- (d) Apart from Fung Lok Wai, we are processing the application of PPP project for Sha Lo Tung under NNCP. The project is going through the EIA process. Submission of additional information from the project proponent is still pending.

- (e) As stated in part (a) above, the Fung Lok Wai EIA report was approved on 27 November 2009. However in the event that there are material changes that affect environmental performance of the project, for example, changes to the proposed conservation plans, the project proponent would have to ensure that the requirements of the EIA Ordinance are complied with. Thus, the EIA Ordinance has already provisions in place to cater for changes that may affect the environmental performance requirements set out in the EIA report for a project. The project proponent will also need to identify a competent conservation agent as it seeks for approval for the proposed project under the PPP scheme.
- (f) As stated above, the objective of PPP scheme is for promoting conservation of private land in priority sites. Apart from PPP, the Government has also launched the Management Agreement scheme to promote nature conservation on private land. Established mechanism has been put in place to promote nature conservation on ecologically important sites in private ownership and we will continue our efforts on this front.

### **Direct Subsidy Scheme Schools**

15. **DR HELENA WONG** (in Chinese): *President, recently, the plans of some aided schools to become Direct Subsidy Scheme (DSS) schools have aroused wide public concern that DSS schools are becoming increasingly aristocratic. In this connection, will the Government inform this Council:*

- (a) *(i) of the school fees charged, (ii) the total number of students, (iii) the respective numbers of students who have been awarded scholarships and grants, and (iv) the respective total amounts of scholarships and grants awarded, in respect of each DSS school in each school year since 2002 (set out in table form);*
- (b) *whether it has any specific plans to enhance the transparency of the finances of DSS schools at present; if it has, of the details; if not, the reasons for that; and*

- (c) *whether it will draw up guidelines or codes to require DSS schools to broaden the representativeness of their school management committees, including the introduction of representatives of parents and teachers, so as to increase the channels for stakeholders to convey their views to the schools and participate in policy decisions in a democratic manner; if it will, of the details; if not, the reasons for that?*

**SECRETARY FOR EDUCATION** (in Chinese): President, all along, the Government is devoted to enhancing the quality of education in Hong Kong. In tandem with the growth of the society, diversification in school system is a natural tendency in the development of school education. DSS schools help facilitate such diversification in school system and provide parents with more choices in selection of schools for their children. As a diversified system, there is great variation in the level of school fees collected by the DSS schools. Some DSS schools collect relatively high school fees while quite a number of DSS schools collect low school fees or even do not collect school fees at certain class levels. To cater for the needs of students with different socio-economic backgrounds and to ensure that there is a fair opportunity of admission for students coming from different social strata, the Education Bureau requires DSS schools to set aside at least 10% of the total school fee income to provide fee remission and scholarship for students.

Our reply to the questions raised by Dr WONG is as follows:

- (a) From the 2002-2003 school year to this school year (that is, 2012-2013 school year), the information of the annual school fees and the number of students of each DSS school is tabulated in Annexes 1 and 2 respectively.

DSS schools, having set aside the amount as required, can use the amount of income flexibly for fee remission and scholarship purposes, which should be reflected in the audited accounts submitted to the Education Bureau on an annual basis. As schools are not required to provide information on the number of students concerned, the total annual expenditure of the fee remission and scholarship for the 2002-2003 school year to 2010-2011 school year

is listed in Annex 3 whereas the number of students cannot be provided.

- (b) As regards strengthening the financial management and financial transparency of DSS schools, the Education Bureau set up the Working Group on DSS in February 2011, which discussed and made relevant recommendations. In this connection, the Education Bureau issued the Education Bureau Circular No. 16/2012 in August 2012 requiring DSS schools to delineate the accumulated surplus of schools into operating reserve and four designated reserves, including (i) school fee remission/scholarship reserve, (ii) long service payment reserve, (iii) reserve for donations with specific purposes and (iv) reserve for construction, maintenance and upgrading of above-standard facilities at the end of the 2011-2012 school year. This helps make clear the delineation of different sources of incomes and expenditures and facilitate their stakeholders to understand the financial situation of the schools.

Moreover, under the School Development and Accountability Framework, DSS schools are required to upload their School Development Plans, Annual School Plans and School Reports (which include a financial summary) onto their websites. To meet the public expectation of increased accountability and transparency in the operation of DSS schools especially on their major incomes and expenditures, the Education Bureau issued the Education Bureau Circular No. 17/2012 in August 2012 requiring DSS schools to report the following financial information in the School Report as from the 2012-2013 school year (that is, after the end of that school year and before the end of November 2013):

- (i) major expenditures (including staff remuneration, repair and maintenance, fee remission and scholarship, learning and teaching resources, and miscellaneous expenditures) in terms of percentages of their annual overall expenditures; and
- (ii) the cumulative operating reserve in terms of equivalent months of operating expenditure.

In addition, DSS schools are required to submit the audited accounts annually to reflect the financial situation and the budget of the next school year at the beginning of the second term of each school year to the Education Bureau for inspection. If DSS schools propose fee revision, the Education Bureau would require schools to conduct prior consultation with parents, provide parents with relevant financial information, explain the reasons for fee increase in details and properly address their concerns. All these aim at enhancing the transparency and accountability of school fees collection and financial situation of DSS schools. The Education Bureau would consider each factor carefully when processing DSS schools' fee revision applications, including the financial situation of schools (for example, schools' operating reserve, the revised estimate of the respective year and the budget of next year), the process of parent consultation conducted by schools, the information provided to parents, the reasons for the proposed fee increase, and so on.

- (c) Starting from the 2000-2001 school year, all schools approved for joining the DSS are required to enter into a service agreement with the Government. For broadening the representativeness of DSS schools' management committees, the Education Bureau has included a requirement in the School Sponsoring Body Service Agreement to be entered into by DSS schools with the Government under which schools are required to establish an Incorporated Management Committee (IMC)/incorporated School Management Committee (SMC) within one year after they have commenced operation under the DSS. DSS schools may decide to establish an IMC as required by the Education Ordinance or to apply to Companies Registry to establish an SMC under the Companies Ordinance. In accordance with the Education Ordinance, an IMC should consist of six types of members, including school managers of the school sponsoring body, the principal, teachers, parents, alumni as well as independent school manager(s). For DSS schools managed by an SMC, the SMC members should include not only the principal, representatives of the school sponsoring body, other community members or professionals and, where appropriate, alumni, but also representatives of parents and teachers. There are 15 schools which joined the DSS before the 2000-2001 school year (that is, prior to the introduction of the requirement of a time-limited service agreement signed with the Education Bureau). Although

they are not required to set up either an IMC or an incorporated SMC, these DSS schools have been encouraged to include representatives of key stakeholders in their school governing bodies and increase as far as possible the transparency of their operation so as to meet the public expectation of increased accountability.

Moreover, to further enhance the transparency of school governing bodies of DSS schools so as to allow the key stakeholders to get hold of the relevant important information and to establish a healthy management structure and culture, the Education Bureau issued the Education Bureau Circular No. 7/2012 in July 2012 to set out measures on strengthening the transparency of governance of DSS schools, among which DSS schools with an IMC are obliged to disclose the manager's name, tenure of office and category of manager. As for DSS schools managed by an SMC, the Education Bureau will, after seeking the consent of their managers, upload the information including the name, tenure of office/date of registration and category of managers onto the Education Bureau's website as from the 2012-2013 school year for public reference.

## Annex 1

## School Fees of DSS Schools in the 2002-2003 School Year (\$)

## Primary Schools

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>
1	G. T. (Ellen Yeung) College	24,200		26,400		28,600	
2	HKCCC Union Logos Academy	20,000	NA				
3	HKUGA Primary School	15,000			NA		
4	Pegasus Philip Wong Kin Hang Christian Primary School	9,000					
5	PLK Camoes Tan Siu Lin Primary School	9,380					
6	St. Paul's Co-educational (Kennedy Road) Primary School	48,000	NA				
7	St. Paul's Co-educational (MacDonnell Road) Primary School	48,000	NA				
8	WF Joseph Lee Primary School	6,500				NA	

## Secondary Schools

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>
1	Chan Shu Kui Memorial School	200			5,700		9,400	
2	China Holiness College	2,500			5,480		9,040	9,030

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
3	Delia Memorial School (Broadway)	Free			5,340		9,040		
4	Delia Memorial School (Glee Path)	Free			5,340		9,040		
5	Delia Memorial School (Hip Wo)	Free			5,340		9,040		
6	Delia Memorial School (Yuet Wah)	Free			5,340		9,040		
7	Fanling Lutheran Secondary School	2,500			5,340		9,040		
8	Fukien Secondary School	2,800			6,300	6,600	12,000		
9	German Swiss International School	96,600 (KL12 & KL13)							
10	Good Hope School	35,000	NA						
11	Hang Seng School of Commerce	NA					10,800		
12	Heung To Middle School	3,000			6,600		11,000		
13	Heung To Middle School (Tin Shui Wai)	1,000			5,320		9,170		
14	HKMA David Li Kwok Po College	9,000			13,300		23,500	23,502	
15	Hon Wah Middle School	2,400			6,400		8,750		
16	Kiangsu-Chekiang College	2,450			5,800		9,300		
17	Li Po Chun United World College of Hong Kong	NA					102,000		
18	Matteo Ricci College, Kowloon	Free			5,340		9,040		
19	Mongkok Workers' Children School	2,000			5,200		8,800		
20	New Method College	16,590			19,570		34,670		
21	Pak Kau College	Free			5,600		NA		
22	Pak Kau Girl's School	Free			5,650		9,350		
23	Pak U Middle School	Free			5,600		9,300		
24	Pui Kiu Middle School	2,800			6,300		10,000		
25	St. Margaret's Girls' College	3,000	NA		8,000		NA		
26	St. Margaret's Girls' College, HK (Caine Road)	2,000			7,500		11,200		
27	St. Paul's Co-educational College	48,000	NA						
28	St. Paul's College	48,000	NA						
29	Tak Sun Secondary School	4,500			NA		16,500	16,400	
30	Tak Yan School	Free			5,840		NA		
31	The Chinese Foundation Secondary School	9,050			13,300	NA	20,000		
32	Wai Kiu College	3,000	Free		5,050		11,750	8,750	

School Fees of DSS Schools in the 2003-2004 School Year (\$)

Primary Schools

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>	
1	G. T. (Ellen Yeung) College	24,200		26,400		28,600		
2	HKCCC Union Logos Academy*	20,000		NA				
3	HKUGA Primary School	15,000				NA		
4	Pegasus Philip Wong Kin Hang Christian Primary Cum Junior Secondary School*	12,000						
5	PLK Camoes Tan Siu Lin Primary School	12,000						
6	St. Margaret's Co-educational English Secondary and Primary School*	9,000	NA					
7	St. Paul's Co-educational (Kennedy Road) Primary School	48,000		NA				



	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>
8	St. Paul's Co-educational (MacDonnell Road) Primary School	48,000		NA			
9	St. Paul's College Primary School	30,000	NA				
10	WF Joseph Lee Primary School	6,500					NA

Note:

\* Schools operate classes at both secondary and primary levels

### Secondary Schools

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
1	Caritas Charles Vath College	NA		5,350		NA			
2	CCC Kung Lee College	NA		5,500		NA			
3	Chan Shu Kui Memorial School	200		5,700		9,400			
4	China Holiness College	2,500		5,480		9,040		9,030	
5	Delia Memorial School (Broadway)	Free		5,340		9,040			
6	Delia Memorial School (Glee Path)	Free		5,340		9,040			
7	Delia Memorial School (Hip Wo)	Free		5,340		9,040			
8	Delia Memorial School (Yuet Wah)	Free		5,340		9,040			
9	Diocesan Boys' School	28,000	NA						
10	ECF Saint Too Canaan College	1,000	NA		5,050	NA			
11	Fanling Lutheran Secondary School	2,500		5,340		9,040			
12	Fukien Secondary School	2,800		6,300	6,600	12,000			
13	German Swiss International School	96,600 (KL13)							
14	Good Hope School	35,000		NA					
15	Hang Seng School of Commerce	NA					10,800		
16	Heung To Middle School	3,000		6,600		11,000			
17	Heung To Middle School (Tin Shui Wai)	1,000		5,320		9,170			
18	Heung To Secondary School (Tseung Kwan O)	4,000	NA		8,000	NA			
19	HKCCC Union Logos Academy *	23,000	NA						
20	HKMA David Li Kwok Po College	9,000		13,300		23,500	23,502		
21	Hon Wah Middle School	2,400		6,400		8,750			
22	Kiangsu-Chekiang College	2,450		5,800		9,300			
23	Li Po Chun United World College of Hong Kong	NA					102,000		
24	Matteo Ricci College, Kowloon	Free		5,340		9,040			
25	Mongkok Workers' Children School	2,000		5,200		8,800			
26	New Method College	16,590		19,570		34,670			
27	Pak Kau College	Free		5,600		9,300	NA		
28	Pak Kau Girl's School	Free		5,050		8,750			
29	Pak U Middle School	Free		5,600		9,300			
30	Pegasus Philip Wong Kin Hang Christian Primary Cum Junior Secondary School*	18,000	NA						
31	PLK Ngan Po Ling College	10,000	NA		10,000	NA			
32	Pui Kiu Middle School	2,800		6,300		10,000			
33	QualiEd College	Free		5,050		8,750			
34	St. Margaret's Co-educational English Secondary and Primary School*	9,000		12,000		18,000	NA		

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>
35	St. Margaret's Girls' College, Hong Kong	2,500			8,000	8,500	12,000	
36	St. Paul's Co-educational College	48,000			NA			
37	St. Paul's College	38,000			NA			
38	Tak Sun Secondary School	4,500			8,500	NA	16,500	16,400
39	Tak Yan School	Free			5,840		NA	
40	The Chinese Foundation Secondary School	9,050			13,300		20,000	
41	United Christian College (Kowloon East)	12,000	NA		6,050	NA		
42	Wai Kiu College	3,000		Free	5,050		11,750	
43	YMCA of Hong Kong Christian College	11,000	NA		15,000	NA		

Note:

\* Schools operate classes at both secondary and primary levels

### School Fees of DSS Schools in the 2004-2005 School Year (\$)

#### Primary Schools

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>	
1	Diocesan Boys' School*	38,000						
2	G. T. (Ellen Yeung) College	24,200		26,400		28,600		
3	HKCCC Union Logos Academy*	20,000			NA			
4	HKUGA Primary School	15,000					NA	
5	Pegasus Philip Wong Kin Hang Christian Primary Cum Junior Secondary School*	15,000						
6	PLK Camoes Tan Siu Lin Primary School	12,000						
7	St. Margaret's Co-educational English Secondary and Primary School*	15,000	10,000	NA				
8	St. Paul's Co-educational (Kennedy Road) Primary School	48,000			NA			
9	St. Paul's Co-educational (MacDonnell Road) Primary School	48,000			NA			
10	St. Paul's College Primary School	30,000		NA				
11	WF Joseph Lee Primary School	12,000						

Note:

\* Schools operate classes at both secondary and primary levels

#### Secondary Schools

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>
1	Caritas Charles Vath College	NA			6,500	5,350	NA	
2	CCC Kung Lee College	NA			6,800 - 7,500	5,800	NA	
3	Chan Shu Kui Memorial School	200			5,700		9,400	
4	China Holiness College	2,500			5,480		9,040	9,030
5	Delia Memorial School (Broadway)	Free			5,340		9,040	
6	Delia Memorial School (Glee Path)	Free			5,340		9,040	
7	Delia Memorial School (Hip Wo)	Free			5,340		9,040	
8	Delia Memorial School (Yuet Wah)	Free			5,340		9,040	

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
9	Diocesan Boys' School*	28,000		NA					
10	ECF Saint Too Canaan College	3,000	1,000	NA	7,000	5,050	NA		
11	Fanling Lutheran Secondary School	2,500		5,340		9,040			
12	Fukien Secondary School	2,800		6,300	6,600	12,000			
13	Good Hope School	35,000		NA					
14	Hang Seng School of Commerce	NA					10,800		
15	Heung To Middle School	3,000		6,600		11,000			
16	Heung To Middle School (Tin Shui Wai)	1,000		5,320		9,170			
17	Heung To Secondary School (Tseung Kwan O)	4,000		NA	8,000		NA		
18	HKCCC Union Logos Academy*	23,000		NA					
19	HKMA David Li Kwok Po College	9,600		13,900		24,100	24,102		
20	Hon Wah Middle School	2,600		6,930		9,450			
21	Kiangsu-Chekiang College	2,450		5,800		9,300			
22	Lam Tai Fai College	10,000	NA		13,000	NA			
23	Li Po Chun United World College of Hong Kong	NA					102,000		
24	Matteo Ricci College, Kowloon	Free		5,340		9,040			
25	Mongkok Workers' Children School	2,000		5,200		8,800			
26	New Method College	16,590		19,570		34,670			
27	Pak Kau College	1,800	Free		6,400	5,600	9,300		
28	Pegasus Philip Wong Kin Hang Christian Primary Cum Junior Secondary School*	20,000		NA					
29	PLK Laws Foundation College	12,000	NA						
30	PLK Ngan Po Ling College	10,000		NA	10,000		NA		
31	Pui Kiu Middle School	2,800		6,300		10,000			
32	QualiEd College	3,000	Free		6,400	5,050	9,300	8,750	
33	St. Margaret's Co-educational English Secondary and Primary School*	10,000		13,000	13,020	18,900			
34	St. Margaret's Girls' College, Hong Kong	3,000		8,000	8,500	12,000			
35	St. Paul's Co-educational College	48,000		NA					
36	St. Paul's College	38,000		NA					
37	St. Paul's Convent School	25,000	NA						
38	Stewards Pooi Kei College	10,000	NA						
39	Tak Sun Secondary School	4,500		8,500		16,500	16,400		
40	Tak Yan School	Free		5,840		NA			
41	The Chinese Foundation Secondary School	9,050		13,300		20,000			
42	Tsung Tsin Christian Academy	18,000	NA		22,000	NA			
43	United Christian College (Kowloon East)	13,000		NA	7,000		NA		
44	Wai Kiu College	3,000		5,050		11,750			
45	VTC Yeo Chei Man Senior Secondary School	NA		7,000	NA				
46	YMCA of Hong Kong Christian College	13,000	11,000	NA	15,000		NA		

Note:

\* Schools operate classes at both secondary and primary levels

## School Fees of DSS Schools in the 2005-2006 School Year (\$)

## Primary Schools

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>	
1	Diocesan Boys' School*	38,000						
2	G. T. (Ellen Yeung) College*	24,200		26,400		28,600		
3	HKCCC Union Logos Academy*	20,000				NA		
4	HKUGA Primary School	15,000						
5	Pegasus Philip Wong Kin Hang Christian Primary Cum Junior Secondary School*	16,500-28,000	16,500			16,500-28,000	16,500	
6	PLK Camoes Tan Siu Lin Primary School	12,000						
7	PLK HKTA Yuen Yuen Primary School	8,000	NA					
8	PLK Luk Hing Too Primary School	9,800	NA					
9	Pui Kiu College*	17,000			NA			
10	St. Margaret's Co-educational English Secondary and Primary School*	18,000	16,000	11,000	NA			
11	St. Paul's Co-educational (Kennedy Road) Primary School	48,000				NA		
12	St. Paul's Co-educational (MacDonnell Road) Primary School	48,000				NA		
13	St. Paul's College Primary School	30,000			NA			
14	WF Joseph Lee Primary School	12,000						

Note:

\* Schools operate classes at both secondary and primary levels

## Secondary Schools

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
1	Caritas Charles Vath College	NA			7,000	6,500	9,500	NA	
2	CCC Kung Lee College	NA			6,800 - 7,500		NA		
3	Chan Shu Kui Memorial School	400			5,900		9,600		
4	China Holiness College	2,500			5,480		9,040	9,030	
5	Delia Memorial School (Broadway)	Free			5,610		9,390		
6	Delia Memorial School (Glee Path)	Free			5,610		9,390		
7	Delia Memorial School (Hip Wo)	Free			5,610		9,390		
8	Delia Memorial School (Yuet Wah)	Free			5,610		9,390		
9	Diocesan Boys' School*	28,000			NA				
10	Diocesan Girls' School	38,000	NA						
11	ECF Saint Too Canaan College	3,000		1,000	7,000		10,000	NA	
12	Fanling Lutheran Secondary School	2,500			5,340		9,040		
13	Fukien Secondary School	2,800			6,300	6,600	12,000		
14	G. T. (Ellen Yeung) College*	28,600	NA						
15	Good Hope School	35,000			45,000	NA			
16	Hang Seng School of Commerce	NA					10,800		
17	Heung To Middle School	3,000			6,600		11,000		
18	Heung To Middle School (Tin Shui Wai)	1,300			5,620		9,470		
19	Heung To Secondary School (Tseung Kwan O)	4,000			8,000		11,900	NA	
20	HKCCC Union Logos Academy*	23,000			NA				
21	HKMA David Li Kwok Po College	9,600			13,900		24,100	24,102	

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
22	Hon Wah Middle School	2,860			7,630		10,500		
23	Kiangsu-Chekiang College	2,450			6,300		10,300		
24	Lam Tai Fai College	10,000	11,000	NA	13,000	14,000	NA		
25	Li Po Chun United World College of Hong Kong	NA					171,000		
26	Matteo Ricci College, Kowloon	Free			5,610		9,390		
27	New Method College	Free			19,570		34,670		
28	Pak Kau College	1,800		Free	6,400		9,300		
29	Pegasus Philip Wong Kin Hang Christian Primary Cum Junior Secondary School*	22,000			NA				
30	PLK Laws Foundation College	12,000		NA					
31	PLK Ngan Po Ling College	12,000				10,000	12,000	NA	
32	Pui Kiu College*	19,000	NA						
33	Pui Kiu Middle School	2,800			6,300		10,000		
34	QualiEd College	3,000		Free	6,400		9,300		
35	St. Margaret's Co-educational English Secondary and Primary School*	11,000			14,000		19,600		
36	St. Margaret's Girls' College, Hong Kong	3,500			8,800		13,000		
37	St. Paul's Co-educational College	48,000				NA			
38	St. Paul's College	38,000				NA			
39	St. Paul's Convent School	25,000		NA					
40	Stewards Pooi Kei College	11,000		NA					
41	Tak Sun Secondary School	4,500			8,500		16,500	16,400	
42	Tak Yan School	Free			6,230		NA		
43	The Chinese Foundation Secondary School	9,050			13,300		20,000		
44	Tsung Tsin Christian Academy	18,000		NA	22,000		NA		
45	United Christian College (Kowloon East)	16,000				7,000	10,000	NA	
46	Wai Kiu College	3,000			5,950	5,050	11,750		
47	Workers' Children Secondary School	2,000			5,200		8,800		
48	VTC Yeo Chei Man Senior Secondary School	NA			8,800	7,000	NA		
49	YMCA of Hong Kong Christian College	13,000		11,000	15,000		18,000	NA	

Note:

\* Schools operate classes at both secondary and primary levels

### School Fees of DSS Schools in the 2006-2007 School Year (\$)

#### Primary Schools

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>
1	Delia (Man Kiu) English Primary School	5,000	NA				
2	Diocesan Boys' School*	38,000					
3	Evangel College*	12,000	NA				
4	G. T. (Ellen Yeung) College *	24,200		26,400		28,600	
5	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000			NA		
6	HKCCC Union Logos Academy*	20,000					NA
7	HKUGA Primary School	16,500					
8	Hon Wah College*	13,000	NA				

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>
9	Lingnan University Hong Kong Alumni DSS Primary School	11,000	NA				
10	Pegasus Philip Wong Kin Hang Christian Primary Cum Junior Secondary School*	18,000-30,000	18,000-30,000	18,000	18,000	18,000-30,000	18,000-30,000
11	PLK Camoes Tan Siu Lin Primary School	12,000					
12	PLK HKTA Yuen Yuen Primary School	8,000		NA			
13	PLK Luk Hing Too Primary School	9,800		NA			
14	Pui Kiu College*	17,000				NA	
15	St. Margaret's Co-educational English Secondary and Primary School*	22,000	19,000	17,000	12,000	NA	
16	St. Paul's Co-educational College Primary School	48,000					NA
17	St. Paul's College Primary School	30,000				NA	
18	WF Joseph Lee Primary School	12,000					

Note:

\* Schools operate classes at both secondary and primary levels

#### Secondary Schools

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>
1	Caritas Charles Vath College	NA			7,500	7,000	NA	
2	CCC Kung Lee College	NA			7,500 - 8,250	6,800 - 7,500	NA	
3	Chan Shu Kui Memorial School	600	400		6,500		10,200	
4	China Holiness College	2,500			5,480		9,040	9,030
5	Creative Secondary School	45,000	NA					
6	Delia Memorial School (Broadway)	Free			5,960		9,740	
7	Delia Memorial School (Glee Path)	Free			5,960		9,740	
8	Delia Memorial School (Hip Wo)	Free			5,960		9,740	
9	Delia Memorial School (Yuet Wah)	Free			5,960		9,740	
10	Diocesan Boys' School*	28,000			33,000	NA		
11	Diocesan Girls' School	38,000		NA				
12	ECF Saint Too Canaan College	3,000			7,000		10,000	
13	Evangel College*	15,000	NA					
14	Fanling Lutheran Secondary School	2,500			5,910		9,690	
15	Fukien Secondary School	2,800			6,300	6,600	12,000	
16	G. T. (Ellen Yeung) College *	28,600	30,800	NA				
17	Good Hope School	35,000			45,000		NA	
18	Hang Seng School of Commerce	NA					12,000	
19	Heung To Middle School	3,000			6,600		11,000	
20	Heung To Middle School (Tin Shui Wai)	1,300			5,620		9,470	
21	Heung To Secondary School (Tseung Kwan O)	4,000			8,750		11,900	
22	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000	NA					
23	HKCCC Union Logos Academy*	23,000				NA		
24	HKFYG Lee Shau Kee College	18,000	NA					
25	HKICC Lee Shau Kee School of Creativity	NA			18,000	NA		
26	HKMA David Li Kwok Po College	9,600			13,900		24,100	24,102

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
27	HKUGA College	22,000	NA						
28	Hon Wah College*	14,000	2,860		7,630		10,500		
29	Kiangsu-Chekiang College	2,450		6,300		10,300			
30	Lam Tai Fai College	10,000	11,000	12,000	13,300	14,300	16,500	NA	
31	Li Po Chun United World College of Hong Kong	NA					171,000		
32	Matteo Ricci College, Kowloon	Free			5,960		9,740		
33	New Method College	Free			19,570		34,670		
34	Pak Kau College	1,800			6,600	6,400	9,800	9,300	
35	Pegasus Philip Wong Kin Hang Christian Primary Cum Junior Secondary School*	24,000			NA				
36	PLK Laws Foundation College	14,000	12,000		NA				
37	PLK Ngan Po Ling College	12,000							
38	Pui Kiu College*	19,000		NA					
39	Pui Kiu Middle School	3,100			7,000		11,000		
40	QualiEd College	3,000			6,600	6,400	9,800	9,300	
41	St. Margaret's Co-educational English Secondary and Primary School*	12,000			14,700		19,950		
42	St. Margaret's Girls' College, Hong Kong	4,000			9,500		14,500		
43	St. Paul's Co-educational College	48,000					NA		
44	St. Paul's College	38,000					NA		
45	St. Paul's Convent School	25,000			NA				
46	Stewards Pooi Kei College	13,000			NA				
47	Tai Po Sam Yuk Secondary School	2,500	NA						
48	Tak Sun Secondary School	4,500			8,500		16,500	16,400	
49	The Chinese Foundation Secondary School	9,050			13,300		20,000		
50	Tsung Tsin Christian Academy	18,000			22,000		25,000	NA	
51	United Christian College (Kowloon East)	18,000	16,000				12,000	10,000	
52	Wai Kiu College	3,000			5,950		11,750		
53	Workers' Children Secondary School	2,000			5,600		9,600		
54	VTC Yeo Chei Man Senior Secondary School	NA			8,800		13,000	NA	
55	YMCA of Hong Kong Christian College	15,000	13,000		15,000		18,000		

Note:

\* Schools operate classes at both secondary and primary levels

### School Fees of DSS Schools in the 2007-2008 School Year (\$)

#### Primary Schools

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>	
1	Delia (Man Kiu) English Primary School	5,500		NA				
2	Diocesan Boys' School*	38,000						
3	Evangel College*	13,000			NA			
4	G. T. (Ellen Yeung) College*	26,400			28,600		30,800	
5	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000				NA		

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>	
6	HKCCC Union Logos Academy*	20,000					NA	
7	HKUGA Primary School	16,500						
8	Hon Wah College*	13,000			NA			
9	Lingnan University Hong Kong Alumni DSS Primary School	11,000			NA			
10	Pegasus Philip Wong Kin Hang Christian Primary Cum Junior Secondary School *	18,000 - 30,000	18,000 - 30,000	18,000 - 30,000	18,000	18,000 - 30,000	18,000 - 30,000	
11	PLK Camoes Tan Siu Lin Primary School	14,800						
12	PLK HKTA Yuen Yuen Primary School	8,800			NA			
13	PLK NCE Past Students' Association Primary School	10,000	NA					
14	PLK Luk Hing Too Primary School	11,000	9,800		NA			
15	Pui Kiu College*	21,000					NA	
16	St. Margaret's Co-educational English Secondary and Primary School*	26,000	24,000	20,800	18,600	13,500	NA	
17	St. Paul's Co-educational College Primary School	48,000						
18	St. Paul's College Primary School	30,000					NA	
19	WF Joseph Lee Primary School	12,000						

Note:

\* Schools operate classes at both secondary and primary levels

### Secondary Schools

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
1	Caritas Charles Vath College	NA			8,000	7,500	NA		
2	CCC Kung Lee College	NA			8,250	7,500 - 8,250	NA		
3	Chan Shu Kui Memorial School	700	600	400	7,000		11,000		
4	China Holiness College	2,500			5,480		9,040	9,030	
5	Creative Secondary School	45,000		NA					
6	Delia Memorial School (Broadway)	Free			6,310		10,160		
7	Delia Memorial School (Glee Path)	Free			6,310		10,160		
8	Delia Memorial School (Hip Wo)	Free			6,310		10,160		
9	Delia Memorial School (Yuet Wah)	Free			6,310		10,160		
10	Diocesan Boys' School*	28,000			33,000		NA		
11	Diocesan Girls' School	38,000			NA				
12	ECF Saint Too Canaan College	7,000	3,000		9,000	7,000	12,000	10,000	
13	Evangel College*	16,250		NA					
14	Fanling Lutheran Secondary School	2,500			5,960		9,740		
15	Fukien Secondary School	9,800		2,800	6,300	6,600	12,000		
16	G. T. (Ellen Yeung) College*	30,800	32,450		NA				
17	Good Hope School	35,000			45,000		50,000	NA	
18	Hang Seng School of Commerce	NA					12,000		
19	Heung To Middle School	3,000			6,600		11,000		
20	Heung To Middle School (Tin Shui Wai)	1,500			6,020		9,870		



	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
21	Heung To Secondary School (Tseung Kwan O)	4,000			8,750		11,900		
22	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000		NA					
23	HKCCC Union Logos Academy*	23,000					NA		
24	HKFYG Lee Shau Kee College	18,000		NA					
25	HKICC Lee Shau Kee School of Creativity	NA			20,000		NA		
26	HKMA David Li Kwok Po College	9,600			13,900		24,100	24,102	
27	HKUGA College	27,000		NA					
28	Hon Wah College*	14,000		2,860	7,630		10,500		
29	Kiangsu-Chekiang College	2,700			6,800		11,000		
30	Kowloon Sam Yuk Secondary School	1,000	NA						
31	Lam Tai Fai College	10,000	11,000	12,000	13,300	14,300	16,500		
32	Li Po Chun United World College of Hong Kong	NA					103,000		
33	Matteo Ricci College, Kowloon	Free			6,310		10,160		
34	New Method College	NA	Free		19,570		34,670		
35	Pak Kau College	1,800			7,000	6,600	9,800		
36	Pegasus Philip Wong Kin Hang Christian Primary Cum Junior Secondary School *	24,000			NA				
37	PLK Laws Foundation College	14,000		12,000	22,000	NA			
38	PLK Ngan Po Ling College	15,000							
39	Pui Kiu College*	23,000			NA				
40	Pui Kiu Middle School	3,600			7,800		13,000		
41	QualiEd College	6,000	3,000		8,000	6,600	9,800		
42	St. Margaret's Co-educational English Secondary and Primary School*	14,000	13,500		15,680 - 16,450	15,540	20,650 - 21,560	20,650	
43	St. Margaret's Girls' College, Hong Kong	4,000			9,500		14,500		
44	St. Paul's Co-educational College	48,000						NA	
45	St. Paul's College	38,000					42,000	NA	
46	St. Paul's Convent School	25,000			NA				
47	Stewards Pooi Kei College	15,000	13,000		16,000	NA			
48	Tai Po Sam Yuk Secondary School	2,500		NA					
49	Tak Sun Secondary School	4,500			8,500		16,500	16,400	
50	The Chinese Foundation Secondary School	9,050			13,300		20,000		
51	Tsung Tsin Christian Academy	20,000			24,000		25,000		
52	United Christian College (Kowloon East)	20,000	18,000				12,000		
53	Wai Kiu College	3,000			6,320		12,870		
54	Workers' Children Secondary School	2,500			6,160		11,000		
55	VTC Yeo Chei Man Senior Secondary School	NA			9,600	8,800	14,300	13,000	
56	YMCA of Hong Kong Christian College	15,000		13,000	18,000	15,000	18,000		

Note:

\* Schools operate classes at both secondary and primary levels

## School Fees of DSS Schools in the 2008-2009 School Year (\$)

## Primary Schools

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>	
1	Delia (Man Kiu) English Primary School	6,600			NA			
2	Diocesan Boys' School*	40,000						
3	Evangel College*	14,100			NA			
4	G. T. (Ellen Yeung) College*	28,600		30,800		32,780		
5	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000					NA	
6	HKCCC Union Logos Academy*	22,000					NA	
7	HKUGA Primary School	18,000						
8	Hon Wah College*	13,000			NA			
9	Lingnan University Hong Kong Alumni DSS Primary School	11,000			NA			
10	Pegasus Philip Wong Kin Hang Christian Primary Cum Junior Secondary School*	18,000 - 30,000						
11	PLK Camoes Tan Siu Lin Primary School	14,800						
12	PLK HKTA Yuen Yuen Primary School	8,800				NA		
13	PLK Lam Man Chan English Primary School	10,000		NA				
14	PLK Luk Hing Too Primary School	13,000	11,000	9,800		NA		
15	Pui Kiu College*	21,000						
16	St. Margaret's Co-educational English Secondary and Primary School*	28,000	27,300	25,200	21,900	19,600	14,800	
17	St. Paul's Co-educational College Primary School	48,000						
18	St. Paul's College Primary School	30,000						
19	WF Joseph Lee Primary School	12,000						
20	Ying Wa Primary School	15,000	NA					

Note:

\* Schools operate classes at both secondary and primary levels

## Secondary Schools

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
1	Caritas Charles Vath College	NA			8,000	7,500	NA		
2	CCC Kung Lee College	NA			6,000		NA		
3	Chan Shu Kui Memorial School	700	600	400	6,000		9,500		
4	China Holiness College	2,500			5,480		9,040	9,030	
5	Chinese Y.M.C.A. Secondary School	10,000	NA						
6	Creative Secondary School	47,500		49,000	NA				
7	Delia Memorial School (Broadway)	Free			3,000				
8	Delia Memorial School (Glee Path)	Free			3,000				
9	Delia Memorial School (Hip Wo)	Free			3,000				
10	Delia Memorial School (Yuet Wah)	Free			3,000				
11	Diocesan Boys' School*	33,000					38,000	NA	
12	Diocesan Girls' School	38,000				NA			
13	ECF Saint Too Canaan College	9,000	7,000	3,000		5,000	7,000		

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
14	Evangel College*	17,600			NA				
15	Fanling Lutheran Secondary School	3,500	2,500		4,500				
16	Fukien Secondary School	6,000			6,300	6,600	12,000		
17	G. T. (Ellen Yeung) College*	32,780	34,980		37,180	NA			
18	Good Hope School	35,000			45,000		50,000		
19	Hang Seng School of Commerce	NA					6,000		
20	Heung To Middle School	3,000			6,600		11,000		
21	Heung To Middle School (Tin Shui Wai)	1,500			4,200		6,650		
22	Heung To Secondary School (Tseung Kwan O)	4,000			8,750		11,900		
23	HKBUEAS Wong Kam Fai Secondary and Primary School*	35,000			NA				
24	HKCCC Union Logos Academy*	25,000					30,000	NA	
25	HKFYG Lee Shau Kee College	18,000			NA				
26	HKICC Lee Shau Kee School of Creativity	NA			23,000	20,000	28,000	NA	
27	HKMA David Li Kwok Po College	16,000	14,000		13,900		24,100		
28	HKUGA College	32,000		35,000	NA				
29	Hon Wah College*	14,000			7,630		10,500		
30	Kiangsu-Chekiang College	3,700							
31	Kowloon Sam Yuk Secondary School	1,500		NA					
32	Lam Tai Fai College	10,000	11,000	12,000	13,300	14,300	16,500		
33	Law Ting Pong Secondary School	10,000	NA						
34	Li Po Chun United World College of Hong Kong	NA					110,000		
35	Matteo Ricci College, Kowloon	Free			3,000				
36	New Method College	NA		Free	19,570		34,670		
37	Pak Kau College	1,800			3,800		4,800		
38	Pegasus Philip Wong Kin Hang Christian Primary Cum Junior Secondary School*	24,000			NA				
39	PLK Laws Foundation College	16,000	14,000		22,000		NA		
40	PLK Ngan Po Ling College	20,000	17,000		15,000				
41	Pui Kiu College*	23,000			29,000	NA			
42	Pui Kiu Middle School	3,600			7,800		13,000		
43	QualiEd College	6,000		3,000	8,000		9,800		
44	St. Margaret's Co-educational English Secondary and Primary School*	16,500	15,300	14,700	15,680 - 16,450				
45	St. Margaret's Girls' College, Hong Kong	5,000			9,500		14,500		
46	St. Paul's Co-educational College	48,000							
47	St. Paul's College	38,000					42,000		
48	St. Paul's Convent School	25,000			27,500	25,000	NA		
49	St. Stephen's College	50,000	NA						
50	Stewards Pooi Kei College	16,000	15,000	13,000			NA		
51	Tai Po Sam Yuk Secondary School	3,500	2,500		NA				
52	Tak Sun Secondary School	22,000	4,500		8,500		16,500	16,400	
53	The Chinese Foundation Secondary School	9,050			13,300		20,000		
54	Tsung Tsin Christian Academy	25,000	22,000		24,000		25,000		
55	United Christian College (Kowloon East)	20,000			18,000		12,000		
56	Wai Kiu College	3,000					4,000		
57	Workers' Children Secondary School	2,500			6,160		11,000		

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>
58	Yeo Chei Man Senior Secondary School	NA			6,000		14,300	
59	Ying Wa College	12,000	NA					
60	YMCA of Hong Kong Christian College	18,000	15,000		18,000			

Note:

\* Schools operate classes at both secondary and primary levels

### School Fees of DSS Schools in the 2009-2010 School Year (\$)

#### Primary Schools

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>	
1	Delia (Man Kiu) English Primary School	6,930				NA		
2	Diocesan Boys' School*	40,000						
3	Evangel College*	14,380				NA		
4	Fukien Secondary School Affiliated School*	18,000 - 30,000						
5	G. T. (Ellen Yeung) College*	28,600		30,800		32,780		
6	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000						
7	HKCCC Union Logos Academy*	23,000					NA	
8	HKUGA Primary School	18,000						
9	Hon Wah College*	13,000				NA		
10	Lingnan University Hong Kong Alumni DSS Primary School	13,200				NA		
11	PLK Camoes Tan Siu Lin Primary School	14,800						
12	PLK HKTA Yuen Yuen Primary School	9,400					NA	
13	PLK Lam Man Chan English Primary School	10,700			NA			
14	PLK Luk Hing Too Primary School	13,000		11,000		9,800		NA
15	Pui Kiu College*	21,000						
16	St. Margaret's Co-educational English Secondary and Primary School*	28,000		27,300		25,200	21,900	19,600
17	St. Paul's Co-educational College Primary School	60,000						
18	St. Paul's College Primary School	30,000						
19	WF Joseph Lee Primary School	12,000						
20	Ying Wa Primary School	15,000		NA				

Note:

\* Schools operate classes at both secondary and primary levels

#### Secondary Schools

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>
1	Buddhist Fat Ho Memorial College	Free	NA					
2	Caritas Charles Vath College	NA			8,400	8,000	NA	
3	CCC Kung Lee College	NA			6,000		NA	
4	Chan Shu Kui Memorial School	700	600	400	6,000		9,500	

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
5	China Holiness College	2,500		5,480		9,040	9,030		
6	Chinese Y.M.C.A. Secondary School	10,000		NA					
7	Creative Secondary School	49,500		51,500		NA			
8	Delia Memorial School (Broadway)	Free		3,000					
9	Delia Memorial School (Glee Path)	Free		3,000					
10	Delia Memorial School (Hip Wo)	Free		3,000					
11	Delia Memorial School (Matteo Ricci)	Free		3,000					
12	Delia Memorial School (Yuet Wah)	Free		3,000					
13	Diocesan Boys' School*	33,000					38,000		
14	Diocesan Girls' School	38,000					NA		
15	ECF Saint Too Canaan College	9,000	7,000	3,000	5,000	7,000			
16	Evangel College*	17,950				NA			
17	Fanling Lutheran Secondary School	3,500	2,500	4,500					
18	Fukien Secondary School	9,800		12,000					
19	Fukien Secondary School Affiliated School*	24,000		NA					
20	G. T. (Ellen Yeung) College*	32,780	34,980	37,180		NA			
21	Good Hope School	35,000		45,000		50,000			
22	Hang Seng School of Commerce	NA					6,000		
23	Heung To Middle School	3,000		6,600		11,000			
24	Heung To Middle School (Tin Shui Wai)	1,500		4,200		6,650			
25	Heung To Secondary School (Tseung Kwan O)	4,000		6,650		11,900			
26	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000				NA			
27	HKCCC Union Logos Academy*	26,000					30,000		
28	HKFYG Lee Shau Kee College	18,000		27,000	NA				
29	HKICC Lee Shau Kee School of Creativity	NA		23,000		28,000			
30	HKMA David Li Kwok Po College	20,000	17,500		13,900	20,000	24,100		
31	HKUGA College	32,000	35,000		NA				
32	Hon Wah College*	14,000				7,630	10,500		
33	Kiangsu-Chekiang College	3,950							
34	Kowloon Sam Yuk Secondary School	1,600	1,500		NA				
35	Lam Tai Fai College	10,000	11,000	12,000	13,300	14,300	16,500		
36	Law Ting Pong Secondary School	10,000		NA					
37	Li Po Chun United World College of Hong Kong	NA					110,000		
38	New Method College	NA		19,570		34,670			
39	Pak Kau College	1,800		3,800		4,800			
40	PLK Laws Foundation College	16,000	14,000	22,000			NA		
41	PLK Ngan Po Ling College	20,000		17,000					
42	Pui Kiu College*	23,000		29,000		NA			
43	Pui Kiu Middle School	3,600		7,800		13,000			
44	QualiEd College	6,000		8,000		9,800			
45	St. Margaret's Co-educational English Secondary and Primary School*	16,500	15,300	14,700 - 15,470					
46	St. Margaret's Girls' College, Hong Kong	5,000		9,500		14,500			
47	St. Paul's Co-educational College	52,000							
48	St. Paul's College	38,000					42,000		
49	St. Paul's Convent School	25,000		27,500		25,000	NA		
50	St. Stephen's College	50,000		NA					

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>
51	Stewards Pooi Kei College	16,000		15,000	13,000			NA
52	Tai Po Sam Yuk Secondary School	3,500		2,500	3,500	NA		
53	Tak Sun Secondary School	22,000		4,500	8,500		16,500	16,400
54	The Chinese Foundation Secondary School	9,050			13,300		20,000	
55	Tsung Tsin Christian Academy	26,500		23,500	25,500		26,500	25,000
56	United Christian College (Kowloon East)	21,000	20,000		19,000	18,000	12,500	12,000
57	Wai Kiu College	3,000			3,200		4,280	
58	Workers' Children Secondary School	2,500			6,160		11,000	
59	Yeo Chei Man Senior Secondary School	NA			6,000		14,300	
60	Ying Wa College	12,000		NA				
61	YMCA of Hong Kong Christian College	18,000		15,000	18,000			

Note:

\* Schools operate classes at both secondary and primary levels

#### School Fees of DSS Schools in the 2010-2011 School Year (\$)

##### Primary Schools

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>	
1	Delia (Man Kiu) English Primary School	7,370					NA	
2	Diocesan Boys' School*	40,000						
3	ELCHK Lutheran Academy*	35,000		NA				
4	Evangel College*	15,380					NA	
5	Fukien Secondary School Affiliated School*	18,000 - 30,000						
6	G. T. (Ellen Yeung) College*	28,600		30,800		32,780		
7	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000						
8	HKCCC Union Logos Academy*	23,000					NA	
9	HKUGA Primary School	21,000						
10	Hon Wah College*	13,000					NA	
11	Lingnan University Hong Kong Alumni DSS Primary School	13,200					NA	
12	PLK Camoes Tan Siu Lin Primary School	14,800						
13	PLK HKTA Yuen Yuen Primary School	9,900						
14	PLK Lam Man Chan English Primary School	11,400				NA		
15	PLK Luk Hing Too Primary School	13,000			11,000	9,800		
16	Pui Kiu College*	21,000						
17	St. Margaret's Co-educational English Secondary and Primary School*	29,000	28,000		27,300	25,200	21,900	
18	St. Paul's Co-educational College Primary School	60,000						
19	St. Paul's College Primary School	30,000						
20	WF Joseph Lee Primary School	12,000						
21	Ying Wa Primary School	15,000			NA			

Note:

\* Schools operate classes at both secondary and primary levels

## Secondary Schools

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
1	Buddhist Fat Ho Memorial College	3,000	Free	NA					
2	Caritas Charles Vath College	NA			8,400		NA		
3	CCC Kung Lee College	NA			9,000	6,400 - 12,800	NA		
4	Chan Shu Kui Memorial School	700	600	400	6,000		9,500		
5	China Holiness College	2,500			5,480		9,040	9,030	
6	Chinese Y.M.C.A. Secondary School	10,000			NA				
7	Creative Secondary School	52,000		55,000		59,000 - 78,000	NA		
8	Delia Memorial School (Broadway)	Free			3,000				
9	Delia Memorial School (Glee Path)	Free			3,000				
10	Delia Memorial School (Hip Wo)	Free			3,000				
11	Delia Memorial School (Matteo Ricci)	Free			3,000				
12	Delia Memorial School (Yuet Wah)	Free			3,000				
13	Diocesan Boys' School*	33,000				33,000 - 58,000	38,000		
14	Diocesan Girls' School	38,000						NA	
15	ECF Saint Too Canaan College	12,000	9,000		7,000	5,000	9,000	8,500	
16	ELCHK Lutheran Academy*	39,000	NA						
17	Evangel College*	19,020					NA		
18	Fanling Lutheran Secondary School	3,500			4,500				
19	Fukien Secondary School	9,800			12,000				
20	Fukien Secondary School Affiliated School*	NA	24,000		NA				
21	G. T. (Ellen Yeung) College*	32,780	34,980		37,180			NA	
22	Good Hope School	35,000			45,000		50,000		
23	Hang Seng School of Commerce	NA					9,000	6,000	
24	Heung To Middle School	3,000			6,600		11,000		
25	Heung To Middle School (Tin Shui Wai)	1,500			4,200		6,650		
26	Heung To Secondary School (Tseung Kwan O)	4,000			6,650		11,900		
27	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000				NA			
28	HKCCC Union Logos Academy*	26,000				30,000			
29	HKFYG Lee Shau Kee College	19,200			28,800		NA		
30	HKICC Lee Shau Kee School of Creativity	NA			23,000	24,500	28,000		
31	HKMA David Li Kwok Po College	22,500	21,400		18,725		21,400		
32	HKUGA College	35,000	36,000	37,000	38,000	39,000	NA		
33	Hon Wah College*	14,000					10,500		
34	Kiangsu-Chekiang College	4,225							
35	Kowloon Sam Yuk Secondary School	1,700	1,600	1,500		NA			
36	Lam Tai Fai College	15,000	12,980	14,160	15,694	16,874	19,470	16,500	
37	Law Ting Pong Secondary School	10,000			NA				
38	Li Po Chun United World College of Hong Kong	NA					115,000		
39	New Method College	NA				19,570		34,670	
40	Pak Kau College	1,800			3,800		4,800		
41	PLK Laws Foundation College	18,000	16,000		22,000				

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
42	PLK Ngan Po Ling College	22,000			20,000				
43	Pui Kiu College*	23,000			29,000			NA	
44	Pui Kiu Middle School	3,600			7,800		13,000		
45	QualiEd College	6,000			8,000		9,800		
46	St. Margaret's Co-educational English Secondary and Primary School*	19,600	16,500		14,700 - 15,300	14,700 - 15,470		10,290 - 10,829	
47	St. Margaret's Girls' College, Hong Kong	5,500			10,000		15,000		
48	St. Paul's Co-educational College	52,000							
49	St. Paul's College	38,000					42,000		
50	St. Paul's Convent School	25,000			27,500			25,000	
51	St. Stephen's College	50,000			NA				
52	Stewards Pooi Kei College	17,000	16,000		15,000	13,000			
53	Tai Po Sam Yuk Secondary School	3,500					NA		
54	Tak Sun Secondary School	22,000			8,500		16,500	16,400	
55	The Chinese Foundation Secondary School	9,050			13,300		20,000		
56	Tsung Tsin Christian Academy	28,000	26,500			25,500	26,500		
57	United Christian College (Kowloon East)	21,000		20,000	19,000		12,500		
58	Wai Kiu College	3,000			3,200		4,280		
59	Workers' Children Secondary School	2,500			6,160		11,000		
60	Yeo Chei Man Senior Secondary School	NA			6,300		14,300		
61	Ying Wa College	15,000	12,000		NA				
62	YMCA of Hong Kong Christian College	22,000	18,000		20,000	18,000	20,000	18,000	

Note:

\* Schools operate classes at both secondary and primary levels

### School Fees of DSS Schools in the 2011-2012 School Year (\$)

#### Primary Schools

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>	
1	Delia (Man Kiu) English Primary School	7,370						
2	Diocesan Boys' School*	40,000						
3	ELCHK Lutheran Academy*	36,750			NA			
4	Evangel College*	16,300						
5	Fukien Secondary School Affiliated School*	18,000-30,000						
6	G. T. (Ellen Yeung) College*	28,600		30,800		32,780		
7	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000						
8	HKCCC Union Logos Academy*	23,000					NA	
9	HKUGA Primary School	21,000						
10	Hon Wah College*	13,000						
11	Lingnan University Hong Kong Alumni DSS Primary School	13,200						
12	PLK Camoes Tan Siu Lin Primary School	14,800						
13	PLK HKTA Yuen Yuen Primary School	9,900						



	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>
14	PLK Lam Man Chan English Primary School	12,000					NA
15	PLK Luk Hing Too Primary School	13,000			11,000	9,800	
16	Pui Kiu College*	21,000					
17	St. Margaret's Co-educational English Secondary and Primary School*	29,000	28,000		27,300	25,200	
18	St. Paul's Co-educational College Primary School	60,000					
19	St. Paul's College Primary School	30,000					
20	WF Joseph Lee Primary School	12,000					
21	Ying Wa Primary School	15,000				NA	

Note:

\* Schools operate classes at both secondary and primary levels

### Secondary Schools

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
1	Buddhist Fat Ho Memorial College	3,000	Free	NA					
2	Caritas Charles Vath College	NA			8,400		NA		
3	CCC Kung Lee College	NA			10,500	9,500	6,700	NA	
4	Chan Shu Kui Memorial School	700	600	400	6,000			9,500	
5	China Holiness College	2,500			5,480	9,040	9,030		
6	Chinese Y.M.C.A. Secondary School	10,000				NA			
7	Confucius Hall Secondary School	1,000	NA						
8	Creative Secondary School	54,500		57,500	61,920		NA		
9	Delia Memorial School (Broadway)	Free			3,000				
10	Delia Memorial School (Glee Path)	Free			3,000				
11	Delia Memorial School (Hip Wo)	Free			3,000				
12	Delia Memorial School (Matteo Ricci)	Free			3,000				
13	Delia Memorial School (Yuet Wah)	Free			3,000				
14	Diocesan Boys' School*	33,000						38,000	
15	Diocesan Girls' School	38,000							
16	ECF Saint Too Canaan College	12,000	9,000		7,000	5,000	9,000		
17	ELCHK Lutheran Academy*	40,950			NA				
18	Evangel College*	19,970						NA	
19	Fanling Lutheran Secondary School	5,500	3,500		4,500				
20	Fukien Secondary School	10,380			12,720				
21	Fukien Secondary School Affiliated School*	NA		24,000	NA				
22	G. T. (Ellen Yeung) College*	32,780	34,980		37,180				
23	Good Hope School	35,000			45,000			50,000	
24	Hang Seng School of Commerce	NA						9,000	
25	Heung To Middle School	3,000			6,600				11,000
26	Heung To Middle School (Tin Shui Wai)	1,500			4,200				6,650
27	Heung To Secondary School (Tseung Kwan O)	4,000			6,650				11,900
28	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000						NA	
29	HKCCC Union Logos Academy*	26,000						30,000	
30	HKFYG Lee Shau Kee College	19,200			28,800			NA	

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	<i>S7</i>	
31	HKICC Lee Shau Kee School of Creativity	NA			23,000	24,500	27,000	28,000	
32	HKMA David Li Kwok Po College	25,425	23,850	22,684		19,849		22,684	
33	HKUGA College	35,000	36,000	37,000	38,000	39,000	40,000	NA	
34	Hon Wah College*	14,000						10,500	
35	Kiangsu-Chekiang College	4,478							
36	Kowloon Sam Yuk Secondary School	1,800	1,700	1,600	1,500		NA		
37	Lam Tai Fai College	20,000		14,160	15,694	16,874	19,470		
38	Law Ting Pong Secondary School	10,000			13,000	NA			
39	Li Po Chun United World College of Hong Kong	NA					115,000		
40	New Method College	NA					19,570	34,670	
41	Pak Kau College	1,800			3,800			4,800	
42	PLK Laws Foundation College	18,000		16,000	22,000				
43	PLK Ngan Po Ling College	22,000			20,000				
44	Pui Kiu College*	23,000			29,000				
45	Pui Kiu Middle School	3,800			8,260			13,000	
46	QualiEd College	6,000			8,000			9,800	
47	St. Margaret's Co-educational English Secondary and Primary School*	21,900	19,600	16,500		14,700		14,700 - 15,470	
48	St. Margaret's Girls' College, Hong Kong	6,000			11,000			15,000	
49	St. Paul's Co-educational College	52,000							
50	St. Paul's College	38,000						42,000	
51	St. Paul's Convent School	25,000			27,500				
52	St. Stephen's College	50,000				NA			
53	Stewards Pooi Kei College	17,500	17,000	16,000	15,000	13,000			
54	Tai Po Sam Yuk Secondary School	4,500						NA	
55	Tak Sun Secondary School	22,000			8,500		16,400		
56	The Chinese Foundation Secondary School	9,050			13,300			20,000	
57	Tsung Tsin Christian Academy	28,000		26,500		25,500		26,500	
58	United Christian College (Kowloon East)	21,000			20,000	19,000		12,500	
59	Wai Kiu College	3,000			3,200			4,280	
60	Workers' Children Secondary School	2,500			6,160			11,000	
61	Yeo Chei Man Senior Secondary School	NA			6,300			14,300	
62	Ying Wa College	15,000		12,000	15,000	NA			
63	YMCA of Hong Kong Christian College	25,500	22,000	18,000	20,000				

Note:

\* Schools operate classes at both secondary and primary levels

### School Fees of DSS Schools in the 2012-2013 School Year (\$)

#### Primary Schools

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>
1	Delia (Man Kiu) English Primary School	7,370					
2	Diocesan Boys' School*	40,000					
3	ELCHK Lutheran Academy*	41,160	36,750			NA	
4	Evangel College*	16,300					
5	Fukien Secondary School Affiliated School	30,000			18,000 - 30,000		
6	G. T. (Ellen Yeung) College*	28,600		30,800		32,780	

	<i>School Name</i>	<i>P1</i>	<i>P2</i>	<i>P3</i>	<i>P4</i>	<i>P5</i>	<i>P6</i>	
7	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000						
8	HKCCC Union Logos Academy*	23,000					NA	
9	HKUGA Primary School	21,000						
10	Hon Wah College*	14,000						
11	Lingnan University Hong Kong Alumni DSS Primary School	13,200						
12	PLK Camoes Tan Siu Lin Primary School	14,800						
13	PLK HKTA Yuen Yuen Primary School	9,900						
14	PLK Lam Man Chan English Primary School	12,800						
15	PLK Luk Hing Too Primary School	13,000					11,000	
16	Pui Kiu College*	21,000						
17	St. Margaret's Co-educational English Secondary and Primary School*	31,000			29,950		29,200	
18	St. Paul's Co-educational College Primary School	60,000						
19	St. Paul's College Primary School	30,000						
20	WF Joseph Lee Primary School	12,000						
21	Ying Wa Primary School	15,000					NA	

Note:

\* Schools operate classes at both secondary and primary levels

### Secondary Schools

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>	
1	Buddhist Fat Ho Memorial College	3,000				NA		
2	Caritas Charles Vath College	NA			8,400			
3	CCC Kung Lee College	NA			11,000	11,000 - 14,000	10,000 - 14,000	
4	Chan Shu Kui Memorial School	700	600	400	6,000			
5	China Holiness College	2,650			5,800		9,520	
6	Chinese Y.M.C.A. Secondary School	10,000					NA	
7	Confucius Hall Secondary School	2,000	1,200	NA				
8	Creative Secondary School	58,500		61,700		66,400		
9	Delia Memorial School (Broadway)	Free			3,000			
10	Delia Memorial School (Glee Path)	Free			3,000			
11	Delia Memorial School (Hip Wo)	Free			3,000			
12	Delia Memorial School (Matteo Ricci)	Free			3,000			
13	Delia Memorial School (Yuet Wah)	Free			3,000			
14	Diocesan Boys' School*	35,300						
15	Diocesan Girls' School	38,000						
16	ECF Saint Too Canaan College	12,600			9,450		7,350	
17	ELCHK Lutheran Academy*	45,860	40,950		NA			
18	Evangel College*	19,970						
19	Fanling Lutheran Secondary School	5,500		3,500	4,500			
20	Fukien Secondary School	11,200			13,720			
21	G. T. (Ellen Yeung) College*	32,780	34,980		37,180			
22	Good Hope School	35,000			45,000			
23	Heep Yuun School	30,000	NA					

	<i>School Name</i>	<i>S1</i>	<i>S2</i>	<i>S3</i>	<i>S4</i>	<i>S5</i>	<i>S6</i>
24	Heung To Middle School	3,000			6,600		
25	Heung To Middle School (Tin Shui Wai)	1,500			4,200		
26	Heung To Secondary School (Tseung Kwan O)	4,000			6,650		
27	HKBUAS Wong Kam Fai Secondary and Primary School*	35,000					
28	HKCCC Union Logos Academy *	26,000					
29	HKFYG Lee Shau Kee College	19,200			28,800		
30	HKICC Lee Shau Kee School of Creativity	NA			26,000	24,500	27,000
31	HKMA David Li Kwok Po College	29,239	27,205	25,520	24,272		21,238
32	HKUGA College	35,000	36,000	37,000	38,000	39,000	40,000
33	Hon Wah College*	15,120					
34	Kiangsu-Chekiang College	4,836					
35	Kowloon Sam Yuk Secondary School	1,900	1,800	1,700	1,600	1,500	
36	Lam Tai Fai College	20,000			15,694	16,874	19,470
37	Law Ting Pong Secondary School	10,000			13,000		NA
38	Li Po Chun United World College of Hong Kong	NA				98,000	
39	Pak Kau College	1,800			3,800		
40	PLK Laws Foundation College	18,000			22,000		
41	PLK Ngan Po Ling College	24,000			23,000		
42	Pui Kiu College*	23,000			29,000		
43	Pui Kiu Middle School	5,800	4,100		8,900		8,890
44	QualiEd College	6,000			8,000		
45	St. Margaret's Co-educational English Secondary and Primary School*	26,950	23,400	20,950	17,650		15,729
46	St. Margaret's Girls' College, Hong Kong	7,000			12,000		
47	St. Paul's Co-educational College	52,000					
48	St. Paul's College	38,000					
49	St. Paul's Convent School	25,000			27,500		
50	St. Stephen's College	50,000					NA
51	Stewards Pooi Kei College	18,000	17,500	17,000		16,000	15,000
52	Tai Po Sam Yuk Secondary School	5,500	4,500				
53	Tak Sun Secondary School	22,000					8,500
54	The Chinese Foundation Secondary School	9,050			13,300		
55	Tsung Tsin Christian Academy	28,000			26,500		
56	United Christian College (Kowloon East)	22,000			21,000	20,000	19,000
57	Wai Kiu College	3,000			3,200		
58	Workers' Children Secondary School	2,500			6,160		
59	Yeo Chei Man Senior Secondary School	NA				6,300	
60	Ying Wa College	16,500					NA
61	YMCA of Hong Kong Christian College	28,000	25,500	22,000	20,000		

Note:

\* Schools operate classes at both secondary and primary levels

## Annex 2

## Total Number of Students of DSS Schools in 2002-2003 School Year

## Primary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School A	303
2	School B	227
3	School C	359
4	School D	399
5	School E	1 172
6	School F	426
7	School G	410
8	School H	300

## Secondary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School I	1 170
2	School J	446
3	School K	812
4	School L	605
5	School M	1 409
6	School N	1 229
7	School O	1 210
8	School P	1 014
9	School Q	1 058
10	School R	1 402
11	School S	742
12	School T	1 000
13	School U	679
14	School V	845
15	School W	766
16	School X	1 250
17	School Y	252
18	School Z	641
19	School AA	917
20	School AB	1 199
21	School AC	631
22	School AD	636

	<i>School</i>	<i>Total Number of Students</i>
23	School AE	445
24	School AF	918
25	School AG	466
26	School AH	421
27	School AI	1 328
28	School AJ	1 288
29	School AK	710
30	School AL	572
31	School AM	664
32	School AN	684

Note:

The above information generally shows the number of students in the schools as at 1 October.

### Total Number of Students of DSS Schools in 2003-2004 School Year

#### Primary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School A	356
2	School B*	413
3	School C	492
4	School D*	494
5	School E	1 164
6	School F*	75
7	School G	406
8	School H	393
9	School I	565
10	School J	574

Note:

\* Schools operate classes at both secondary and primary levels

#### Secondary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School K	364
2	School L	330
3	School M	1 147
4	School N	463

	<i>School</i>	<i>Total Number of Students</i>
5	School O	858
6	School P	605
7	School Q	1 272
8	School R	1 130
9	School S	1 396
10	School T	446
11	School U	1 205
12	School V	1 038
13	School W	1 034
14	School X	1 365
15	School Y	715
16	School Z	982
17	School AA	844
18	School AB	469
19	School AC*	130
20	School AD	899
21	School AE	714
22	School AF	1 222
23	School AG	252
24	School AH	568
25	School AI	901
26	School AJ	1 281
27	School AK	657
28	School AL	418
29	School AM	312
30	School AN*	19
31	School AO	511
32	School AP	934
33	School AQ	568
34	School AR*	487
35	School AS	406
36	School AT	1 252
37	School AU	1 234
38	School AV	874
39	School AW	431
40	School AX	775
41	School AY	424

	<i>School</i>	<i>Total Number of Students</i>
42	School AZ	676
43	School BA	232

Notes:

\* Schools operate classes at both secondary and primary levels

The above information generally shows the number of students in the schools as at 1 October.

### Total Number of Students of DSS Schools in 2004-2005 School Year

#### Primary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School A*	540
2	School B	407
3	School C*	623
4	School D	622
5	School E*	523
6	School F	1 138
7	School G*	160
8	School H	394
9	School I	386
10	School J	556
11	School K	667

Note:

\* Schools operate classes at both secondary and primary levels

#### Secondary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School L	458
2	School M	550
3	School N	1 116
4	School O	445
5	School P	862
6	School Q	583
7	School R	1 297
8	School S	1 148
9	School T*	1 367
10	School U	777
11	School V	1 188



	<i>School</i>	<i>Total Number of Students</i>
12	School W	1 132
13	School X	1 376
14	School Y	731
15	School Z	967
16	School AA	889
17	School AB	765
18	School AC*	197
19	School AD	919
20	School AE	667
21	School AF	1 138
22	School AG	294
23	School AH	255
24	School AI	523
25	School AJ	890
26	School AK	1 176
27	School AL	840
28	School AM*	45
29	School AN	148
30	School AO	906
31	School AP	883
32	School AQ	1 142
33	School AR*	603
34	School AS	387
35	School AT	1 206
36	School AU	1 174
37	School AV	1 360
38	School AW	210
39	School AX	977
40	School AY	317
41	School AZ	880
42	School BA	241
43	School BB	742
44	School BC	743
45	School BD	383
46	School BE	420

Notes:

\* Schools operate classes at both secondary and primary levels

The above information generally shows the number of students in the schools as at 1 October.

## Total Number of Students of DSS Schools in 2005-2006 School Year

## Primary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School A*	720
2	School B*	474
3	School C*	776
4	School D	744
5	School E*	563
6	School F	1 082
7	School G	121
8	School H	776
9	School I*	269
10	School J*	239
11	School K	381
12	School L	376
13	School M	553
14	School N	736

Note:

\* Schools operate classes at both secondary and primary levels

## Secondary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School O	441
2	School P	811
3	School Q	1 163
4	School R	464
5	School S	852
6	School T	650
7	School U	1 356
8	School V	1 067
9	School W*	1 378
10	School X	1 044
11	School Y	919
12	School Z	1 182
13	School AA	1 145
14	School AB*	62
15	School AC	1 327
16	School AD	739

	<i>School</i>	<i>Total Number of Students</i>
17	School AE	1 010
18	School AF	982
19	School AG	915
20	School AH*	303
21	School AI	764
22	School AJ	673
23	School AK	992
24	School AL	539
25	School AM	256
26	School AN	537
27	School AO	1 160
28	School AP	860
29	School AQ*	82
30	School AR	328
31	School AS	932
32	School AT*	158
33	School AU	887
34	School AV	1 112
35	School AW*	674
36	School AX	384
37	School AY	1 169
38	School AZ	1 103
39	School BA	1 370
40	School BB	421
41	School BC	954
42	School BD	327
43	School BE	902
44	School BF	457
45	School BG	729
46	School BH	752
47	School BI	904
48	School BJ	655
49	School BK	597

Note:

\* Schools operate classes at both secondary and primary levels

The above information generally shows the number of students in the schools as at 1 October.

## Total Number of Students of DSS Schools in 2006-2007 School Year

## Primary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School A	56
2	School B*	811
3	School C*	168
4	School D*	519
5	School E*	255
6	School F*	1 021
7	School G	763
8	School H*	26
9	School I	36
10	School J*	574
11	School K	1 034
12	School L	246
13	School M	755
14	School N*	432
15	School O*	303
16	School P	734
17	School Q	547
18	School R	786

Note:

\* Schools operate classes at both secondary and primary levels

## Secondary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School S	414
2	School T	853
3	School U	1 189
4	School V	487
5	School W	107
6	School X	873
7	School Y	779
8	School Z	1 425
9	School AA	1 186
10	School AB*	1 375
11	School AC	1 066
12	School AD	961
13	School AE*	187

	<i>School</i>	<i>Total Number of Students</i>
14	School AF	1 192
15	School AG	1 176
16	School AH*	129
17	School AI	1 309
18	School AJ	730
19	School AK	990
20	School AL	995
21	School AM	953
22	School AN*	174
23	School AO*	336
24	School AP	114
25	School AQ	196
26	School AR	778
27	School AS	160
28	School AT*	612
29	School AU	950
30	School AV	761
31	School AW	256
32	School AX	603
33	School AY	1 130
34	School AZ	978
35	School BA*	92
36	School BB	485
37	School BC	924
38	School BD*	321
39	School BE	950
40	School BF	1 039
41	School BG*	657
42	School BH	382
43	School BI	1 159
44	School BJ	1 056
45	School BK	1 353
46	School BL	587
47	School BM	1 155
48	School BN	936
49	School BO	924
50	School BP	644
51	School BQ	834
52	School BR	684
53	School BS	923

	<i>School</i>	<i>Total Number of Students</i>
54	School BT	641
55	School BU	702

Note:

\* Schools operate classes at both secondary and primary levels

The above information generally shows the number of students in the schools as at 1 October.

### Total Number of Students of DSS Schools in 2007-2008 School Year

#### Primary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School A	150
2	School B*	901
3	School C*	327
4	School D*	562
5	School E*	417
6	School F*	1 004
7	School G	795
8	School H*	91
9	School I	87
10	School J*	471
11	School K	1 021
12	School L	368
13	School M	53
14	School N	726
15	School O*	572
16	School P*	390
17	School Q	714
18	School R	542
19	School S	828

Note:

\* Schools operate classes at both secondary and primary levels

#### Secondary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School T	458
2	School U	907
3	School V	1 196

	<i>School</i>	<i>Total Number of Students</i>
4	School W	489
5	School X	253
6	School Y	902
7	School Z	727
8	School AA	1 383
9	School AB	1 101
10	School AC*	1 373
11	School AD	1 089
12	School AE	881
13	School AF*	355
14	School AG	1 191
15	School AH	1 209
16	School AI*	201
17	School AJ	1 306
18	School AK	714
19	School AL	1 002
20	School AM	958
21	School AN	971
22	School AO*	345
23	School AP*	542
24	School AQ	259
25	School AR	367
26	School AS	786
27	School AT	338
28	School AU*	640
29	School AV	955
30	School AW	845
31	School AX	811
32	School AY	256
33	School AZ	596
34	School BA	1 152
35	School BB	1 099
36	School BC*	123
37	School BD	655
38	School BE	984
39	School BF*	448
40	School BG	944
41	School BH	1 105
42	School BI*	669

	<i>School</i>	<i>Total Number of Students</i>
43	School BJ	405
44	School BK	1 196
45	School BL	1 065
46	School BM	1 333
47	School BN	728
48	School BO	1 140
49	School BP	959
50	School BQ	941
51	School BR	806
52	School BS	875
53	School BT	687
54	School BU	928
55	School BV	680
56	School BW	791

Note:

\* Schools operate classes at both secondary and primary levels

The above information generally shows the number of students in the schools as at 1 October.

### Total Number of Students of DSS Schools in 2008-2009 School Year

#### Primary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School A	275
2	School B*	910
3	School C*	497
4	School D*	562
5	School E*	567
6	School F*	1 041
7	School G	723
8	School H*	145
9	School I	136
10	School J*	398
11	School K	991
12	School L	480
13	School M	135
14	School N	702



	<i>School</i>	<i>Total Number of Students</i>
15	School O*	691
16	School P*	477
17	School Q	750
18	School R	538
19	School S	840
20	School T	962

Note:

\* Schools operate classes at both secondary and primary levels

### Secondary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School U	391
2	School V	898
3	School W	1 191
4	School X	494
5	School Y	1 044
6	School Z	347
7	School AA	897
8	School AB	718
9	School AC	1 376
10	School AD	1 002
11	School AE*	1 357
12	School AF	1 143
13	School AG	871
14	School AH*	499
15	School AI	1 169
16	School AJ	1 222
17	School AK*	269
18	School AL	1 303
19	School AM	707
20	School AN	985
21	School AO	903
22	School AP	949
23	School AQ*	495
24	School AR*	666
25	School AS	394
26	School AT	464

	<i>School</i>	<i>Total Number of Students</i>
27	School AU	777
28	School AV	512
29	School AW*	643
30	School AX	974
31	School AY	860
32	School AZ	843
33	School BA	1 038
34	School BB	256
35	School BC	583
36	School BD	1 096
37	School BE	1 086
38	School BF*	123
39	School BG	747
40	School BH	951
41	School BI*	556
42	School BJ	928
43	School BK	1 143
44	School BL*	708
45	School BM	457
46	School BN	1 210
47	School BO	1 069
48	School BP	1 333
49	School BQ	1 106
50	School BR	905
51	School BS	1 035
52	School BT	954
53	School BU	930
54	School BV	833
55	School BW	886
56	School BX	698
57	School BY	923
58	School BZ	762
59	School CA	1 197
60	School CB	827

Note:

\* Schools operate classes at both secondary and primary levels

The above information generally shows the number of students in the schools as at 1 October.

## Total Number of Students of DSS Schools in 2009-2010 School Year

## Primary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School A	374
2	School B*	911
3	School C*	657
4	School D*	421
5	School E*	559
6	School F*	710
7	School G*	1 057
8	School H	726
9	School I*	196
10	School J	170
11	School K	1 002
12	School L	604
13	School M	208
14	School N	665
15	School O*	773
16	School P*	479
17	School Q	773
18	School R	544
19	School S	841
20	School T	946

Note:

\* Schools operate classes at both secondary and primary levels

## Secondary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School U	349
2	School V	224
3	School W	716
4	School X	1 151
5	School Y	517
6	School Z	1 119
7	School AA	476
8	School AB	890
9	School AC	626
10	School AD	1 442

	<i>School</i>	<i>Total Number of Students</i>
11	School AE	598
12	School AF	904
13	School AG*	1 385
14	School AH	1 164
15	School AI	852
16	School AJ*	644
17	School AK	1 162
18	School AL	1 217
19	School AM*	99
20	School AN*	362
21	School AO	1 293
22	School AP	702
23	School AQ	981
24	School AR	902
25	School AS	843
26	School AT	649
27	School AU	804
28	School AV	496
29	School AW	412
30	School AX	786
31	School AY	664
32	School AZ*	675
33	School BA	962
34	School BB	814
35	School BC	858
36	School BD	1 017
37	School BE	256
38	School BF	1 000
39	School BG	1 000
40	School BH	742
41	School BI	945
42	School BJ*	637
43	School BK	940
44	School BL	1 092
45	School BM*	755
46	School BN	458
47	School BO	1 221
48	School BP	1 073
49	School BQ	1 329

	<i>School</i>	<i>Total Number of Students</i>
50	School BR	1 095
51	School BS	965
52	School BT	959
53	School BU	933
54	School BV	924
55	School BW	802
56	School BX	877
57	School BY	697
58	School BZ	894
59	School CA	734
60	School CB	1 209
61	School CC	825

Note:

\* Schools operate classes at both secondary and primary levels

The above information generally shows the number of students in the schools as at 1 October.

### Total Number of Students of DSS Schools in 2010-2011 School Year

#### Primary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School A	474
2	School B*	913
3	School C*	113
4	School D*	820
5	School E*	480
6	School F*	558
7	School G*	794
8	School H*	1 026
9	School I	730
10	School J*	240
11	School K	222
12	School L	1 003
13	School M	722
14	School N	336
15	School O	615
16	School P*	835
17	School Q*	483
18	School R	813

	<i>School</i>	<i>Total Number of Students</i>
19	School S	547
20	School T	835
21	School U	933

Note:

\* Schools operate classes at both secondary and primary levels

### Secondary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School V	363
2	School W	154
3	School X	527
4	School Y	1 007
5	School Z	512
6	School AA	1 128
7	School AB	595
8	School AC	855
9	School AD	560
10	School AE	1 395
11	School AF	562
12	School AG	778
13	School AH*	1 373
14	School AI	1 156
15	School AJ	821
16	School AK*	83
17	School AL*	743
18	School AM	1 122
19	School AN	1 266
20	School AO*	50
21	School AP*	403
22	School AQ	1 243
23	School AR	703
24	School AS	948
25	School AT	895
26	School AU	741
27	School AV*	777
28	School AW*	897
29	School AX	604

	<i>School</i>	<i>Total Number of Students</i>
30	School AY	413
31	School AZ	805
32	School BA	803
33	School BB*	686
34	School BC	866
35	School BD	823
36	School BE	818
37	School BF	947
38	School BG	256
39	School BH	900
40	School BI	909
41	School BJ	695
42	School BK	917
43	School BL*	687
44	School BM	920
45	School BN	1 036
46	School BO*	702
47	School BP	439
48	School BQ	1 256
49	School BR	1 061
50	School BS	1 268
51	School BT	1 040
52	School BU	993
53	School BV	841
54	School BW	891
55	School BX	906
56	School BY	712
57	School BZ	865
58	School CA	684
59	School CB	774
60	School CC	631
61	School CD	1 172
62	School CE	973

Note:

\* Schools operate classes at both secondary and primary levels

The above information generally shows the number of students in the schools as at 1 October.

## Total Number of Students of DSS Schools in 2011-2012 School Year

## Primary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School A	561
2	School B*	914
3	School C*	211
4	School D*	965
5	School E*	508
6	School F*	531
7	School G*	891
8	School H*	1 005
9	School I	720
10	School J*	286
11	School K	267
12	School L	1 012
13	School M	722
14	School N	450
15	School O	625
16	School P*	797
17	School Q*	484
18	School R	819
19	School S	549
20	School T	846
21	School U	931

Note:

\* Schools operate classes at both secondary and primary levels

## Secondary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School V	374
2	School W	151
3	School X	380
4	School Y	1 109
5	School Z	554
6	School AA	1 184
7	School AB	364
8	School AC	694
9	School AD	918



	<i>School</i>	<i>Total Number of Students</i>
10	School AE	602
11	School AF	1 503
12	School AG	566
13	School AH	732
14	School AI*	1 435
15	School AJ	1 214
16	School AK	838
17	School AL*	198
18	School AM*	875
19	School AN	1 212
20	School AO	1 337
21	School AP*	25
22	School AQ*	476
23	School AR	1 329
24	School AS	349
25	School AT	1 011
26	School AU	952
27	School AV	793
28	School AW*	864
29	School AX*	1 041
30	School AY	681
31	School AZ	477
32	School BA	856
33	School BB	930
34	School BC*	713
35	School BD	855
36	School BE	899
37	School BF	856
38	School BG	1 017
39	School BH	255
40	School BI	518
41	School BJ	973
42	School BK	736
43	School BL	973
44	School BM*	767
45	School BN	975
46	School BO	1 065
47	School BP*	679
48	School BQ	468

	<i>School</i>	<i>Total Number of Students</i>
49	School BR	1 292
50	School BS	1 112
51	School BT	1 275
52	School BU	1 052
53	School BV	1 071
54	School BW	835
55	School BX	956
56	School BY	936
57	School BZ	712
58	School CA	927
59	School CB	759
60	School CC	784
61	School CD	489
62	School CE	1 238
63	School CF	1 057

Note:

\* Schools operate classes at both secondary and primary levels

The above information generally shows the number of students in the schools as at 1 October.

### Total Number of Students of DSS Schools in 2012-2013 School Year

#### Primary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School A	540
2	School B*	914
3	School C*	316
4	School D*	937
5	School E	516
6	School F*	556
7	School G*	886
8	School H*	971
9	School I	719
10	School J*	331
11	School K	293
12	School L	996
13	School M	731
14	School N	589
15	School O	615

	<i>School</i>	<i>Total Number of Students</i>
16	School P*	760
17	School Q*	461
18	School R	839
19	School S	562
20	School T	823
21	School U	922

Note:

\* Schools operate classes at both secondary and primary levels

### Secondary Schools

	<i>School</i>	<i>Total Number of Students</i>
1	School V	383
2	School W	112
3	School X	319
4	School Y	1 041
5	School Z	512
6	School AA	1 118
7	School AB	278
8	School AC	728
9	School AD	890
10	School AE	527
11	School AF	1 425
12	School AG	455
13	School AH	505
14	School AI*	1 385
15	School AJ	1 117
16	School AK	717
17	School AL*	305
18	School AM*	882
19	School AN	1 200
20	School AO	1 271
21	School AP*	493
22	School AQ	1 264
23	School AR	1 077
24	School AS	959
25	School AT	902
26	School AU	726
27	School AV*	874

	<i>School</i>	<i>Total Number of Students</i>
28	School AW*	1 111
29	School AX	704
30	School AY	358
31	School AZ	810
32	School BA	932
33	School BB*	653
34	School BC	734
35	School BD	850
36	School BE	767
37	School BF	888
38	School BG	253
39	School BH	878
40	School BI	708
41	School BJ	903
42	School BK*	715
43	School BL	928
44	School BM	953
45	School BN*	625
46	School BO	469
47	School BP	1 238
48	School BQ	1 028
49	School BR	1 244
50	School BS	955
51	School BT	1 034
52	School BU	711
53	School BV	890
54	School BW	872
55	School BX	692
56	School BY	875
57	School BZ	714
58	School CA	697
59	School CB	218
60	School CC	1 146
61	School CD	953

Note:

\* Schools operate classes at both secondary and primary levels

The above information generally shows the number of students in the schools as at 1 October.

## Annex 3

The Total Annual Expenditure of Fee Remission/Scholarship  
(Based on the 2002-2003 audited accounts from schools)

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
1	School A	Primary	327,900.00
2	School B	Primary	110,000.00
3	School C	Primary	92,141.50
4	School D	Primary	29,400.00
5	School E	Primary	129,682.00
6	School F	Primary	192,000.00
7	School G	Primary	192,000.00
8	School H	Primary	39,000.00
9	School I	Secondary	#
10	School J	Secondary	762,989.00
11	School K	Secondary	529,812.50
12	School L	Secondary	384,650.20
13	School M	Secondary	1,322,026.91
14	School N	Secondary	1,029,660.42
15	School O	Secondary	1,496,526.00
16	School P	Secondary	360,545.00
17	School Q	Secondary	#
18	School R	Secondary	1,714,056.00
19	School S	Secondary	#
20	School T	Secondary	449,534.00
21	School U	Secondary	78,839.00
22	School V	Secondary	#
23	School W	Secondary	#
24	School X	Secondary	884,160.00
25	School Y	Secondary	#
26	School Z	Secondary	508,846.00
27	School AA	Secondary	#
28	School AB	Secondary	2,977,791.00
29	School AC	Secondary	473,900.00
30	School AD	Secondary	180,980.00
31	School AE	Secondary	323,540.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
32	School AF	Secondary	110,300.00
33	School AG	Secondary	335,289.00
34	School AH	Secondary	162,858.00
35	School AI	Secondary	1,212,000.00
36	School AJ	Secondary	780,000.00
37	School AK	Secondary	19,425.00
38	School AL	Secondary	36,429.00
39	School AM	Secondary	528,457.50
40	School AN	Secondary	176,666.00

Notes:

Schools are not required to list out the expenditures for fee remission and scholarship separately in the annual audited accounts.

# Relevant amount was not separately reflected in the school's annual audited accounts.

**The Total Annual Expenditure of Fee Remission/Scholarship  
(Based on the 2003-2004 audited accounts from schools)**

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
1	School A	Primary	342,800.00
2	School B	Primary	259,256.41
3	School C	Primary	17,948.00
4	School D	Primary	338,400.00
5	School E	Primary	273,600.00
6	School F	Primary	127,440.00
7	School G	Primary	92,625.00
8	School H	Pri cum Sec	156,600.00
9	School I	Pri cum Sec	124,500.00
10	School J	Pri cum Sec	1,391,500.00
11	School K	Secondary	#
12	School L	Secondary	113,775.00
13	School M	Secondary	476,184.00
14	School N	Secondary	731,735.00
15	School O	Secondary	1,466,519.00
16	School P	Secondary	1,303,128.00
17	School Q	Secondary	2,943,727.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
18	School R	Secondary	2,511,613.00
19	School S	Secondary	539,000.00
20	School T	Secondary	178,667.00
21	School U	Secondary	1,555,116.00
22	School V	Secondary	715,025.00
23	School W	Secondary	#
24	School X	Secondary	2,324,435.00
25	School Y	Secondary	#
26	School Z	Secondary	830,864.00
27	School AA	Secondary	151,077.00
28	School AB	Secondary	258,905.00
29	School AC	Secondary	#
30	School AD	Secondary	#
31	School AE	Secondary	826,848.00
32	School AF	Secondary	#
33	School AG	Secondary	1,191,372.53
34	School AH	Secondary	#
35	School AI	Secondary	4,963,570.00
36	School AJ	Secondary	535,575.00
37	School AK	Secondary	283,035.00
38	School AL	Secondary	314,860.00
39	School AM	Secondary	198,700.00
40	School AN	Secondary	299,429.00
41	School AO	Secondary	523,735.00
42	School AP	Secondary	274,057.00
43	School AQ	Secondary	2,484,000.00
44	School AR	Secondary	1,818,300.00
45	School AS	Secondary	94,700.00
46	School AT	Secondary	204,472.00
47	School AU	Secondary	873,212.50
48	School AV	Secondary	#
49	School AW	Secondary	103,002.00
50	School AX	Secondary	260,690.00

Note:

# Relevant amount was not separately reflected in the school's annual audited accounts.

The Total Annual Expenditure of Fee Remission/Scholarship  
(Based on the 2004-2005 audited accounts from schools)

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
1	School A	Primary	534,310.00
2	School B	Primary	333,286.70
3	School C	Primary	796,020.00
4	School D	Primary	336,000.00
5	School E	Primary	324,000.00
6	School F	Primary	217,500.00
7	School G	Primary	741,600.00
8	School H	Pri cum Sec	352,800.00
9	School I	Pri cum Sec	960,400.00
10	School J	Pri cum Sec	257,000.00
11	School K	Pri cum Sec	1,381,464.00
12	School L	Secondary	#
13	School M	Secondary	352,155.00
14	School N	Secondary	438,186.00
15	School O	Secondary	702,970.00
16	School P	Secondary	637,658.10
17	School Q	Secondary	827,509.00
18	School R	Secondary	1,752,297.00
19	School S	Secondary	1,473,555.00
20	School T	Secondary	322,161.00
21	School U	Secondary	1,492,578.00
22	School V	Secondary	724,595.00
23	School W	Secondary	3,138,640.00
24	School X	Secondary	#
25	School Y	Secondary	676,210.00
26	School Z	Secondary	265,230.00
27	School AA	Secondary	441,080.00
28	School AB	Secondary	#
29	School AC	Secondary	#
30	School AD	Secondary	869,815.00
31	School AE	Secondary	444,500.00
32	School AF	Secondary	#
33	School AG	Secondary	684,820.00



<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
34	School AH	Secondary	#
35	School AI	Secondary	7,522,151.00
36	School AJ	Secondary	710,400.00
37	School AK	Secondary	86,400.00
38	School AL	Secondary	344,200.00
39	School AM	Secondary	355,105.00
40	School AN	Secondary	1,202,555.00
41	School AO	Secondary	265,917.00
42	School AP	Secondary	4,272,000.00
43	School AQ	Secondary	2,519,400.00
44	School AR	Secondary	798,376.60
45	School AS	Secondary	#
46	School AT	Secondary	374,440.00
47	School AU	Secondary	130,880.00
48	School AV	Secondary	1,629,375.00
49	School AW	Secondary	251,400.00
50	School AX	Secondary	437,574.00
51	School AY	Secondary	143,455.00
52	School AZ	Secondary	222,000.00
53	School BA	Secondary	547,640.00

Note:

# Relevant amount was not separately reflected in the school's annual audited accounts.

**The Total Annual Expenditure of Fee Remission/Scholarship**  
(Based on the Schools' 2005-2006 audited accounts from schools)

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
1	School A	Primary	395,580.00
2	School B	Primary	440,670.00
3	School C	Primary	64,000.00
4	School D	Primary	36,260.00
5	School E	Primary	312,000.00
6	School F	Primary	420,000.00
7	School G	Primary	150,000.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
8	School H	Primary	862,800.00
9	School I	Pri cum Sec	721,350.00
10	School J	Pri cum Sec	2,510,400.00
11	School K	Pri cum Sec	784,115.00
12	School L	Pri cum Sec	365,000.00
13	School M	Pri cum Sec	230,700.00
14	School N	Pri cum Sec	1,450,340.00
15	School O	Secondary	165,490.00
16	School P	Secondary	653,087.50
17	School Q	Secondary	407,439.00
18	School R	Secondary	668,703.00
19	School S	Secondary	718,731.00
20	School T	Secondary	867,801.00
21	School U	Secondary	1,639,840.00
22	School V	Secondary	1,493,790.00
23	School W	Secondary	57,000.00
24	School X	Secondary	609,965.00
25	School Y	Secondary	1,368,848.00
26	School Z	Secondary	677,845.00
27	School AA	Secondary	3,631,026.00
28	School AB	Secondary	#
29	School AC	Secondary	620,046.00
30	School AD	Secondary	382,342.00
31	School AE	Secondary	547,019.00
32	School AF	Secondary	#
33	School AG	Secondary	#
34	School AH	Secondary	841,838.00
35	School AI	Secondary	486,200.00
36	School AJ	Secondary	#
37	School AK	Secondary	662,455.00
38	School AL	Secondary	6,273,649.00
39	School AM	Secondary	784,215.00
40	School AN	Secondary	194,400.00
41	School AO	Secondary	1,023,658.00
42	School AP	Secondary	267,850.00
43	School AQ	Secondary	1,475,397.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
44	School AR	Secondary	273,570.00
45	School AS	Secondary	5,140,800.00
46	School AT	Secondary	3,634,700.00
47	School AU	Secondary	989,034.00
48	School AV	Secondary	33,500.00
49	School AW	Secondary	416,391.00
50	School AX	Secondary	77,540.00
51	School AY	Secondary	1,096,234.00
52	School AZ	Secondary	357,556.00
53	School BA	Secondary	#
54	School BB	Secondary	207,823.00
55	School BC	Secondary	#
56	School BD	Secondary	487,369.00
57	School BE	Secondary	796,628.00

Note:

# Relevant amount was not separately reflected in the school's annual audited accounts.

**The Total Annual Expenditure of Fee Remission/Scholarship  
(Based on the 2006-2007 audited accounts from schools)**

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
1	School A	Primary	28,000.00
2	School B	Primary	735,077.56
3	School C	Primary	#
4	School D	Primary	627,530.00
5	School E	Primary	143,200.00
6	School F	Primary	52,234.00
7	School G	Primary	876,000.00
8	School H	Primary	270,000.00
9	School I	Primary	927,000.00
10	School J	Pri cum Sec	3,486,473.00
11	School K	Pri cum Sec	58,900.00
12	School L	Pri cum Sec	1,125,645.00
13	School M	Pri cum Sec	16,652.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
14	School N	Pri cum Sec	421,400.00
15	School O	Pri cum Sec	#
16	School P	Pri cum Sec	943,020.00
17	School Q	Pri cum Sec	337,550.00
18	School R	Pri cum Sec	1,568,536.00
19	School S	Secondary	109,400.00
20	School T	Secondary	1,149,746.00
21	School U	Secondary	428,987.20
22	School V	Secondary	667,270.00
23	School W	Secondary	503,750.00
24	School X	Secondary	519,997.00
25	School Y	Secondary	983,303.00
26	School Z	Secondary	1,669,204.50
27	School AA	Secondary	1,527,035.00
28	School AB	Secondary	86,000.00
29	School AC	Secondary	705,205.00
30	School AD	Secondary	1,373,296.00
31	School AE	Secondary	929,995.00
32	School AF	Secondary	4,661,354.00
33	School AG	Secondary	1,707,000.00
34	School AH	Secondary	560,832.00
35	School AI	Secondary	426,126.00
36	School AJ	Secondary	603,227.00
37	School AK	Secondary	222,000.00
38	School AL	Secondary	#
39	School AM	Secondary	#
40	School AN	Secondary	#
41	School AO	Secondary	758,381.00
42	School AP	Secondary	1,029,250.00
43	School AQ	Secondary	#
44	School AR	Secondary	798,485.00
45	School AS	Secondary	6,698,476.00
46	School AT	Secondary	1,099,235.00
47	School AU	Secondary	181,852.00
48	School AV	Secondary	996,014.00
49	School AW	Secondary	288,300.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
50	School AX	Secondary	1,371,360.00
51	School AY	Secondary	240,697.00
52	School AZ	Secondary	6,876,000.00
53	School BA	Secondary	4,375,700.00
54	School BB	Secondary	1,742,202.00
55	School BC	Secondary	43,982.60
56	School BD	Secondary	1,402,198.00
57	School BE	Secondary	560,878.00
58	School BF	Secondary	1,119,220.00
59	School BG	Secondary	655,900.02
60	School BH	Secondary	#
61	School BI	Secondary	177,471.00
62	School BJ	Secondary	#
63	School BK	Secondary	577,280.00
64	School BL	Secondary	811,789.00

Note:

# Relevant amount was not separately reflected in the school's annual audited accounts.

The Total Annual Expenditure of Fee Remission/Scholarship  
(Based on the 2007-2008 audited accounts from schools)

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
1	School A	Primary	83,160.00
2	School B	Primary	617,705.20
3	School C	Primary	45,600.00
4	School D	Primary	613,061.00
5	School E	Primary	259,600.00
6	School F	Primary	48,000.00
7	School G	Primary	160,243.00
8	School H	Primary	1,020,000.00
9	School I	Primary	382,500.00
10	School J	Primary	931,000.00
11	School K	Pri cum Sec	5,186,773.00
12	School L	Pri cum Sec	232,538.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
13	School M	Pri cum Sec	1,329,123.00
14	School N	Pri cum Sec	166,347.00
15	School O	Pri cum Sec	696,250.00
16	School P	Pri cum Sec	#
17	School Q	Pri cum Sec	870,300.00
18	School R	Pri cum Sec	774,200.00
19	School S	Pri cum Sec	1,679,886.00
20	School T	Secondary	204,000.00
21	School U	Secondary	1,312,462.50
22	School V	Secondary	514,742.00
23	School W	Secondary	731,760.00
24	School X	Secondary	919,910.00
25	School Y	Secondary	510,415.00
26	School Z	Secondary	1,060,148.00
27	School AA	Secondary	1,596,480.00
28	School AB	Secondary	2,026,386.50
29	School AC	Secondary	#
30	School AD	Secondary	637,225.00
31	School AE	Secondary	1,147,930.00
32	School AF	Secondary	855,822.00
33	School AG	Secondary	5,067,340.00
34	School AH	Secondary	1,722,000.00
35	School AI	Secondary	612,738.00
36	School AJ	Secondary	468,665.00
37	School AK	Secondary	793,225.00
38	School AL	Secondary	568,200.00
39	School AM	Secondary	772,000.00
40	School AN	Secondary	#
41	School AO	Secondary	77,125.00
42	School AP	Secondary	811,205.00
43	School AQ	Secondary	869,227.00
44	School AR	Secondary	815,530.00
45	School AS	Secondary	#
46	School AT	Secondary	840,685.00
47	School AU	Secondary	8,119,042.00
48	School AV	Secondary	1,395,590.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
49	School AW	Secondary	504,810.00
50	School AX	Secondary	1,067,580.00
51	School AY	Secondary	548,417.00
52	School AZ	Secondary	1,373,175.00
53	School BA	Secondary	258,198.00
54	School BB	Secondary	7,804,800.00
55	School BC	Secondary	4,216,500.00
56	School BD	Secondary	2,059,307.00
57	School BE	Secondary	58,610.00
58	School BF	Secondary	1,408,907.00
59	School BG	Secondary	424,878.00
60	School BH	Secondary	1,109,681.00
61	School BI	Secondary	1,057,893.60
62	School BJ	Secondary	#
63	School BK	Secondary	178,656.00
64	School BL	Secondary	734,880.00
65	School BM	Secondary	685,501.00
66	School BN	Secondary	674,550.00

Note:

# Relevant amount was not separately reflected in the school's annual audited accounts.

**The Total Annual Expenditure of Fee Remission/Scholarship**  
(Based on the 2008-2009 audited accounts from schools)

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
1	School A	Primary	182,580.00
2	School B	Primary	612,479.00
3	School C	Primary	#
4	School D	Primary	509,999.00
5	School E	Primary	341,000.00
6	School F	Primary	85,600.00
7	School G	Primary	220,928.00
8	School H	Primary	4,521,987.00
9	School I	Primary	504,000.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
10	School J	Primary	630,800.00
11	School K	Primary	#
12	School L	Pri cum Sec	6,534,940.00
13	School M	Pri cum Sec	340,770.00
14	School N	Pri cum Sec	1,756,107.00
15	School O	Pri cum Sec	485,431.00
16	School P	Pri cum Sec	945,850.00
17	School Q	Pri cum Sec	569,579.00
18	School R	Pri cum Sec	584,220.00
19	School S	Pri cum Sec	1,281,380.00
20	School T	Pri cum Sec	2,466,396.00
21	School U	Secondary	240,640.00
22	School V	Secondary	933,565.00
23	School W	Secondary	434,498.00
24	School X	Secondary	597,322.00
25	School Y	Secondary	14,000.00
26	School Z	Secondary	2,118,800.00
27	School AA	Secondary	123,175.00
28	School AB	Secondary	503,190.00
29	School AC	Secondary	982,080.00
30	School AD	Secondary	804,810.00
31	School AE	Secondary	850,000.00
32	School AF	Secondary	416,670.00
33	School AG	Secondary	819,540.00
34	School AH	Secondary	1,514,499.00
35	School AI	Secondary	5,431,000.00
36	School AJ	Secondary	460,800.00
37	School AK	Secondary	1,045,697.00
38	School AL	Secondary	388,979.00
39	School AM	Secondary	1,842,185.00
40	School AN	Secondary	780,000.00
41	School AO	Secondary	1,051,025.00
42	School AP	Secondary	1,061,756.00
43	School AQ	Secondary	643,750.00
44	School AR	Secondary	504,573.00
45	School AS	Secondary	108,400.00



<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
46	School AT	Secondary	616,950.00
47	School AU	Secondary	151,500.00
48	School AV	Secondary	315,900.00
49	School AW	Secondary	8,921,954.00
50	School AX	Secondary	8,767,522.00
51	School AY	Secondary	1,202,082.00
52	School AZ	Secondary	929,010.00
53	School BA	Secondary	1,132,074.00
54	School BB	Secondary	581,589.00
55	School BC	Secondary	2,213,842.00
56	School BD	Secondary	319,653.00
57	School BE	Secondary	12,628,800.00
58	School BF	Secondary	4,351,200.00
59	School BG	Secondary	2,806,400.00
60	School BH	Secondary	737,500.00
61	School BI	Secondary	384,719.00
62	School BJ	Secondary	284,125.00
63	School BK	Secondary	544,416.00
64	School BL	Secondary	1,992,826.00
65	School BM	Secondary	1,017,551.00
66	School BN	Secondary	679,933.00
67	School BO	Secondary	385,700.00
68	School BP	Secondary	1,225,005.00
69	School BQ	Secondary	628,587.00
70	School BR	Secondary	36,000.00
71	School BS	Secondary	1,022,475.00

Note:

# Relevant amount was not separately reflected in the school's annual audited accounts.

**The Total Annual Expenditure of Fee Remission/Scholarship  
(Based on the 2009-2010 audited accounts from schools)**

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
1	School A	Primary	2,520.00
2	School B	Primary	629,405.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
3	School C	Primary	99,540.00
4	School D	Primary	611,386.00
5	School E	Primary	589,380.00
6	School F	Primary	157,655.00
7	School G	Primary	291,818.00
8	School H	Primary	1,140,000.00
9	School I	Primary	556,500.00
10	School J	Primary	788,100.00
11	School K	Primary	479,602.00
12	School L	Pri cum Sec	7,621,631.00
13	School M	Pri cum Sec	561,071.00
14	School N	Pri cum Sec	1,196,600.00
15	School O	Pri cum Sec	2,167,704.00
16	School P	Pri cum Sec	1,987,171.00
17	School Q	Pri cum Sec	1,226,458.00
18	School R	Pri cum Sec	722,459.00
19	School S	Pri cum Sec	1,439,798.00
20	School T	Pri cum Sec	3,496,353.00
21	School U	Secondary	NA^
22	School V	Secondary	170,868.00
23	School W	Secondary	795,025.00
24	School X	Secondary	548,040.00
25	School Y	Secondary	604,268.00
26	School Z	Secondary	34,500.00
27	School AA	Secondary	3,336,168.00
28	School AB	Secondary	147,229.00
29	School AC	Secondary	558,200.00
30	School AD	Secondary	1,586,550.00
31	School AE	Secondary	270,200.00
32	School AF	Secondary	778,050.00
33	School AG	Secondary	954,090.00
34	School AH	Secondary	509,936.00
35	School AI	Secondary	782,850.00
36	School AJ	Secondary	1,516,782.00
37	School AK	Secondary	5,846,386.00
38	School AL	Secondary	399,000.00
39	School AM	Secondary	1,017,793.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
40	School AN	Secondary	459,274.00
41	School AO	Secondary	1,613,040.00
42	School AP	Secondary	795,600.00
43	School AQ	Secondary	1,293,650.00
44	School AR	Secondary	52,066.00
45	School AS	Secondary	1,496,573.00
46	School AT	Secondary	487,209.00
47	School AU	Secondary	81,150.00
48	School AV	Secondary	847,920.00
49	School AW	Secondary	390,000.00
50	School AX	Secondary	3,665,399.00
51	School AY	Secondary	8,617,369.00
52	School AZ	Secondary	972,260.00
53	School BA	Secondary	1,240,970.00
54	School BB	Secondary	1,687,398.00
55	School BC	Secondary	705,993.00
56	School BD	Secondary	1,191,770.00
57	School BE	Secondary	343,913.00
58	School BF	Secondary	10,007,300.00
59	School BG	Secondary	4,391,800.00
60	School BH	Secondary	3,143,494.00
61	School BI	Secondary	1,276,250.00
62	School BJ	Secondary	536,720.00
63	School BK	Secondary	292,700.00
64	School BL	Secondary	777,616.00
65	School BM	Secondary	1,861,846.00
66	School BN	Secondary	1,684,889.00
67	School BO	Secondary	1,088,572.00
68	School BP	Secondary	420,250.00
69	School BQ	Secondary	1,426,180.00
70	School BR	Secondary	714,325.00
71	School BS	Secondary	192,000.00
72	School BT	Secondary	1,388,406.00

Note:

^ School did not charge school fees in the 2009-2010 school year.

The Total Annual Expenditure of Fee Remission/Scholarship  
(Based on the 2010-2011 audited accounts from schools)

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
1	School A	Primary	17,554.00
2	School B	Primary	914,219.00
3	School C	Primary	100,900.00
4	School D	Primary	560,316.00
5	School E	Primary	606,292.00
6	School F	Primary	318,502.00
7	School G	Primary	646,930.00
8	School H	Primary	6,279,919.00
9	School I	Primary	1,117,500.00
10	School J	Primary	771,830.00
11	School K	Primary	724,527.00
12	School L	Pri cum Sec	13,216,831.00
13	School M	Pri cum Sec	319,250.00
14	School N	Pri cum Sec	1,071,227.00
15	School O	Pri cum Sec	1,283,320.00
16	School P	Pri cum Sec	2,485,385.00
17	School Q	Pri cum Sec	4,316,759.00
18	School R	Pri cum Sec	1,697,608.00
19	School S	Pri cum Sec	729,420.00
20	School T	Pri cum Sec	1,532,758.00
21	School U	Pri cum Sec	3,430,693.00
22	School V	Secondary	15,000.00
23	School W	Secondary	178,152.00
24	School X	Secondary	722,985.00
25	School Y	Secondary	471,476.00
26	School Z	Secondary	660,770.00
27	School AA	Secondary	55,000.00
28	School AB	Secondary	5,617,581.00
29	School AC	Secondary	195,323.00
30	School AD	Secondary	528,400.00
31	School AE	Secondary	1,329,020.00
32	School AF	Secondary	245,700.00
33	School AG	Secondary	645,350.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
34	School AH	Secondary	1,466,833.00
35	School AI	Secondary	867,250.00
36	School AJ	Secondary	856,250.00
37	School AK	Secondary	1,542,190.00
38	School AL	Secondary	5,450,162.00
39	School AM	Secondary	759,000.00
40	School AN	Secondary	971,343.00
41	School AO	Secondary	468,472.00
42	School AP	Secondary	1,650,999.00
43	School AQ	Secondary	938,520.00
44	School AR	Secondary	1,542,010.00
45	School AS	Secondary	1,810,191.00
46	School AT	Secondary	2,858,453.00
47	School AU	Secondary	542,922.00
48	School AV	Secondary	108,550.00
49	School AW	Secondary	1,148,503.00
50	School AX	Secondary	471,923.00
51	School AY	Secondary	18,476,943.00
52	School AZ	Secondary	7,695,577.00
53	School BA	Secondary	896,190.00
54	School BB	Secondary	1,801,581.00
55	School BC	Secondary	1,800,691.00
56	School BD	Secondary	718,329.00
57	School BE	Secondary	1,133,850.00
58	School BF	Secondary	367,189.00
59	School BG	Secondary	14,619,600.00
60	School BH	Secondary	4,345,125.00
61	School BI	Secondary	3,657,314.00
62	School BJ	Secondary	1,920,000.00
63	School BK	Secondary	877,455.00
64	School BL	Secondary	339,500.00
65	School BM	Secondary	889,535.00
66	School BN	Secondary	1,765,412.00
67	School BO	Secondary	1,925,784.00
68	School BP	Secondary	1,433,739.00
69	School BQ	Secondary	482,720.00

<i>No.</i>	<i>School</i>	<i>Level</i>	<i>Total Annual Expenditure of Fee Remission/Scholarship</i>
70	School BR	Secondary	1,373,944.00
71	School BS	Secondary	729,120.00
72	School BT	Secondary	207,120.00
73	School BU	Secondary	2,437,604.00

### **Promotion of Dragon and Lion Dance Sports**

16. **MISS ALICE MAK** (in Chinese): *President, quite a number of members of dragon and lion dance organizations have told me that as financial and other kinds of support by the Government are inadequate, the development of dragon and lion dance sports has been constrained. In this connection, will the Government inform this Council:*

- (a) *whether it knows the current number of affiliates of the Hong Kong Chinese Martial Arts Dragon And Lion Dance Association (the Association), which is subvented by the Leisure and Cultural Services Department (LCSD) through the Sports Subvention Scheme, and the total number of members of such affiliates; of the amount of subvention LCSD granted to the Association and the details, and whether it knows the respective numbers of applications for subventions from affiliates which were approved and rejected by the Association, in each of the past five years; whether the Government has promoted the development of dragon and lion dance sports through other forms of subsidies;*
- (b) *whether it has assessed the demand of dragon and lion dance organizations for practising venues; if it has, of the details; of the number of venues under LCSD available to dragon and lion dance organizations for practising (broken down by District Council district);*
- (c) *of the number of applications made by dragon and lion dance organizations for renting LCSD venues for practising, the number of those approved among such applications, and the reasons for some of those not being approved, in each of the past five years; whether*

*the authorities have plans to provide additional practising venues for dragon and lion dances; if they have, of the details; if not, the reasons for that; and*

- (d) *given press reports that during practice, dragon and lion dance organizations are always complained by residents near the venues for causing obstruction and noise nuisances, of the respective numbers of such complaints received by the authorities in the past five years; whether the authorities have taken measures to assist dragon and lion dance organizations in finding suitable practising venues?*

**SECRETARY FOR HOME AFFAIRS** (in Chinese): President,

- (a) According to the information provided by the Association, it currently has about 1 900 individual members and 170 organization members.

At present, the LCSD provides an annual block grant subvention and venue support to 58 "national sports associations" under the Sports Subvention Scheme, and the Association is one of them. The scope of subvention covers the Association's expenses on staff, office accommodation and organization of programmes. The subvented activities include participation in international events, national squad training, schools sports programmes, local competitions, training for officials and participation in overseas sports conferences. The amount of subvention granted to the Association by the LCSD in each of the past five years is set out as follows:

<i>Year</i>	<i>Amount of Subvention (\$ million)</i>
2009-2010	1.39
2010-2011	1.87
2011-2012	1.84
2012-2013	1.87
2013-2014	2.67

The Association has indicated that as it does not provide any subvention to its organization members, no application for subvention has been received from them.

Apart from the Sports Subvention Scheme, the Home Affairs Bureau has also provided subsidy to the Association under the sports portion of the Arts and Sport Development Fund for organizing the "World Hong Kong Luminous Dragon Dance and Lion Dance Championships 2010" and the "World Hong Kong Luminous Dragon Dance and Lion Dance Championships 2012" in 2009-2010 and 2011-2012 respectively. Both championships were major local international events, and the respective amounts of subsidy granted were \$650,000 and \$800,000. In addition, support was given to the Hong Kong Dragon and Lion Festival Preparatory Committee by the Mega Events Fund under the Tourism Commission for organizing the "Dragon and Lion Dance Extravaganza" on the New Year's Day in the past few years. The ceiling of the subsidy ranged from \$1 million to \$1.4 million.

- (b) At present, the Morse Park Sports Centre in Wong Tai Sin District has been designated as the national squad training centre of the Association. The Kowloon Park Sports Centre in Yau Tsim Mong District, as well as the Choi Hung Road Sports Centre and Morse Park Sports Centre in Wong Tai Sin District have also been used as the Association's dedicated venues, offering priority booking to the national squad and the Association.

Other dragon and lion dance organizations may also have priority to hire or book leisure venues managed by the LCSD in various districts, such as sports centres (including multi-purpose arenas and other venues) or non-fee charging outdoor venues, for conducting dragon and lion dance activities in accordance with the existing booking arrangements.

- (c) Our record shows that the LCSD received a total of eight applications in 2012 from the Association and other organizations for hiring sports centres for their dragon and lion dance practices or activities under the existing priority booking arrangement (that is, applications can be made to the relevant venues three to 12 months



in advance). All of the eight applications were approved. In addition to sports centres, outdoor venues provided by the LCSD can be used for various sports purposes, including dragon and lion dance practices and other activities.

- (d) In the past five years, the LCSD received two complaints from the public about the noise nuisances caused by dragon and lion dance activities carried out at its venues.

As mentioned above, the LCSD has designated Morse Park Sports Centre as the national squad training centre of dragon and lion dance. The Association as well as other dragon and lion dance organizations may, according to their own needs, hire or book suitable venues of the LCSD in various districts for dragon and lion dance training and other activities.

### **Regulation of Organizations not Registered Under the Law**

17. **MS CLAUDIA MO** (in Chinese): *President, it has been reported that two organizations, namely "Caring Hong Kong Power" and "Voice of Loving Hong Kong", have not been registered under the Companies Ordinance (Cap. 32) or the Societies Ordinance (Cap. 151), and they have openly collected donations from the public and organized activities. Regarding regulation of organizations which have not been registered or exempted from registration under the law, will the Government inform this Council:*

- (a) *whether it has investigated (i) if the aforesaid organizations have contravened the Societies Ordinance, and (ii) how such organizations manage the funds raised; if it has, of the details; if not, the reasons for that, and whether it will take follow-up actions;*
- (b) *of the number of new societies registered or exempted from registration under the Societies Ordinance (with a breakdown by the objects for which they were formed) and the number of new companies registered under the Companies Ordinance in the past three years;*

- (c) *of the number of prosecutions instituted in the past three years against local organizations not registered under the law for illegal collection of donations and the penalties imposed by the Court on the convicted persons in the past three years;*
- (d) *of the details of the current policies and measures regarding regulation of the fundraising activities carried out by organizations not registered under the law; and*
- (e) *whether there are policies and measures in place for regulating the meetings and other open activities held by organizations not registered under the law; if there are, of the details, including which party should be held legally liable in the event that some participants are injured, lose their properties or even die in the course of such activities; if not, whether it will consider introducing relevant measures?*

**SECRETARY FOR SECURITY** (in Chinese): President, in Hong Kong, all organizations including companies, societies, trade unions and credit unions must be registered by authorities under applicable ordinances such as the Companies Ordinance (Cap. 32) and the Societies Ordinance (Cap. 151).

Member's question is related to the programme areas of other bureaux and departments. In consultation with the relevant bureaux and departments, the consolidated reply is as follows:

- (a), (c) and (d)

The Societies Ordinance does not regulate the general activities of registered societies, including fund-raising activities.

The regulation of fund-raising activities straddles the programme areas of a number of government bureaux and departments. They have put in place various regulatory and administrative measures. At present, the Director of Social Welfare may issue Public Subscription Permits under Summary Offences Ordinance (Cap. 228) for any collection of money or sale or exchange for donation of badges, tokens or similar articles for charitable purposes

in public places. The Secretary for Home Affairs may also issue permits under the above Ordinance for public fund-raising activities for other purposes, while public officer appointed by the Secretary for Home Affairs is empowered by the Gambling Ordinance (Cap. 148) and the Gambling Regulations (Cap. 148A) to grant lottery licences. For the sale of goods in public places for raising funds, temporary hawker licences may be issued by the Director of Food and Environmental Hygiene under the Public Health and Municipal Services Ordinance (Cap. 132).

The police will take appropriate follow-up actions upon receipt of complaints on suspected unauthorized fund-raising activities. From 2010 to 2012, one person was prosecuted for collecting money in a public place without lawful authority or excuse and was sentenced to a fine of \$500.

The Administration will not comment on individual organizations or cases.

- (b) From 2010 to 2012, the number of new societies registered or exempted from registration under the Societies Ordinance is listed in the table below. On the other hand, if a non-commercial entity is to be incorporated, it will typically be registered as a company limited by guarantee under the Companies Ordinance. The number of such companies is also listed in the table below:

	<i>Number of new societies registered or exempted from registration under the Societies Ordinance</i>	<i>Number of new companies limited by guarantee incorporated and registered under the Companies Ordinance</i>
2010	2 718	860
2011	2 923	753
2012	2 824	690

The police do not maintain statistics on new societies registered or exempted from registration under the Societies Ordinance by their objects.

- (e) Hong Kong residents enjoy the rights of assembly, procession and demonstration according to the Basic Law and other relevant laws. The police always handle public meetings, processions and demonstrations in a fair, just and impartial manner in accordance with the laws of Hong Kong. The enforcement policy of the police is to endeavour to strike a balance by facilitating all lawful and peaceful public meetings, processions and demonstrations on the one hand, and on the other hand, reducing the impact of such activities on other members of the public or road users, and ensuring public order and public safety.

If there are plans to organize public meetings or processions with the number of attendance exceeding the limit prescribed in the Public Order Ordinance (that is, public meetings of more than 50 persons and public processions of more than 30 persons), organizers of such events must abide by the requirements of the above Ordinance by giving a notice to the Commissioner of Police (CP) not less than seven days prior to the intended event, and it can only be conducted if the CP does not prohibit or object to it. The notice shall cover such basic information as the date of the public meeting or procession, time of commencement and duration, location or route, subject-matter, as well as the estimated number of participants, and so on. The CP may impose condition(s) on a notified public meeting or procession to ensure order of the event and overall public safety, and the corresponding condition(s) imposed will be stated explicitly in the "notice of no objection" issued to the organizers. Organizers may appeal to the statutory and independent Appeal Board on Public Meetings and Processions if they consider the CP's decision unreasonable.

Generally speaking, upon receipt of notifications of public meetings or processions, the police will take a proactive approach in maintaining close communication with the event organizers to offer advice and assistance. The police will make reference to the number of participants and information provided by organizers, past experience in handling similar events as well as other operational considerations when assessing the management measures required for the crowd, traffic and public transport services and manpower

deployment, with a view to maintaining public safety and public order during the events.

Organizers of public order events also have the responsibility to ensure as far as possible the orderly and safe conduct of such events, such as arranging marshals to assist in liaison and maintenance of order, as well as working closely with the police in their work of maintaining public order.

### **Efforts to Reduce Inter-generational Poverty**

18. **MR ABRAHAM SHEK:** *President, a study report released by The Hong Kong Institute of Education (HKIEd) in January 2013 indicated that in 2011, Hong Kong children from families in the top 10% income bracket were more likely (3.7 times) to receive university education than those from families earning half of the median household income or less. To reduce inter-generational poverty, the Child Development Fund (CDF) was set up in 2008 which aims at promoting the longer-term development of children from a disadvantaged background through collaboration of the family, the private sector, the community and the Government. In this connection, will the Government inform this Council:*

- (a) *of the number of children living in families earning half of the median household income or less in each of the past six years; whether the Government will encourage more children to take part in CDF projects, which have only benefited about 4 000 children, such as by expanding the age range of targeted participants; if it will, of the details; if not, the reasons for that;*
- (b) *as a paper submitted by the Labour and Welfare Bureau to this Council indicates that "among the 728 and 1 464 participants of the first and second batch participating children, respectively 721 (99.0%) and 1 441 (98.4%) successfully completed the two-year targeted savings programme [of CDF]", whether the Government will extend the programme's reach and make the programme a recurrent policy measure with matching contributions provided by the Government; if it will, of the details; if not, the reasons for that;*

- (c) *whether the Government has assessed the progress made by CDF towards achieving its stated objectives; if the assessment outcome is in the affirmative, whether such an outcome explains why the Steering Committee of CDF met much less frequently in 2011 and 2012 (once a year) than in previous years (thrice a year); given the result of the study by HKIEd, whether the Government will take further action to help CDF achieve its objective of reducing inter-generational poverty, especially in relation to increasing the chance of children in poverty to receive university education; if it will, of the details; if not, the reasons for that; and*
- (d) *whether the Government will consider setting up a committee with representatives from relevant Policy Bureaux, including the Education Bureau and the Labour and Welfare Bureau, to study the problem of inter-generational poverty and come up with alleviation measures; if it will, of the details; if not, the reasons for that?*

**SECRETARY FOR LABOUR AND WELFARE:** President, my reply to Mr Abraham SHEK's question is as follows:

- (a) According to the results of the General Household Survey conducted by the Census and Statistics Department, the number of persons aged below 18 living in domestic households with monthly household income less than half of the median monthly domestic household income of the corresponding household size from 2007 to 2012 is as follows:

<i>Year</i>	2007*	2008*	2009*	2010*	2011	2012
Number of Persons (in thousands)	292.5	295.9	277.7	265.8	260.4	260.8

Note:

- \* Figures presented in the above table are statistics which involve the use of the population figures in the compilation process. They have been revised to take into account the results of the 2011 Population Census which provided a benchmark for revising the population figures compiled since the 2006 Population By-census.

The CDF was set up in April 2008. It funds projects which promote the longer-term development of children from a disadvantaged background and encourage them to develop an asset-building habit with a view to reducing inter-generational poverty. With funding from CDF and the assistance of volunteer mentors, non-governmental organizations (NGOs) organize specially designed three-year projects for the participants, teaching them how to formulate personal development plans (PDPs) and implement them using their own savings, matching donations and Government's special financial incentive.

In early 2008 before CDF was set up, we discussed with the Legislative Council Panel on Welfare Services details of the CDF projects. Our original proposal was to set the age of beneficiaries at 12 to 16. Noting Members' view then that younger children should also be covered in CDF projects, we lowered the age requirement to 10 to 16. The beneficiaries should also come from families which are receiving Comprehensive Social Security Assistance or full grant under the student finance schemes administered by the Student Financial Assistance Agency, or whose household income is less than 75% of the median monthly domestic household income. We do not propose to further lower the age requirement to below 10 at this stage, because these children may be too young to develop and implement their own PDPs. However, the Administration will encourage more children to participate in CDF projects and are taking forward the measures set out in part (b) below to increase the number of beneficiaries.

- (b) The implementation of CDF projects has been the joint efforts of NGOs, the community and the Government. NGOs operate the projects and provide training and guidance to the participating children and mentors. This includes guiding the participating children to make targeted savings (generally \$200 per month for 24 months). The community (including the business sector) has been contributing with mentor participation and matching donations (generally \$200 per month for 24 months). The Administration offers a special financial incentive (\$3,000) for those children who have completed their targeted savings programme. It also provides financial provision to the operating NGOs to support the training and

administrative costs of the projects. We consider such arrangements appropriate and effective.

We have been launching CDF projects by batches. So far, three batches of 40 projects have been rolled out, benefiting over 4 000 children. We intend to award the fourth batch of 20 new projects in the third quarter of this year, benefiting another 2 000 to 2 300 children from disadvantaged background.

Furthermore, the Steering Committee on Child Development Fund (SCCDF) is exploring the experiment of school-based approach in operating CDF projects with a view to increasing the number of beneficiaries.

CDF has sufficient resource to support the above measures. If additional funding for operating CDF projects is required, it will be sought through the established mechanism at an appropriate time.

- (c) We have commissioned The Hong Kong Polytechnic University (the Consultant) to conduct a longitudinal study to evaluate the first batch projects, and the study was completed in end-2012. The Consultant has reaffirmed the contribution of the three key components (that is, PDP, mentorship programme and targeted savings) to the objectives of CDF. It is of the view that CDF has helped create favourable conditions for participating children to overcome inter-generational poverty. With PDP, participating children have been induced to conduct longer-term planning for their future development. They have higher expectation on their academic performance, have less delinquent behaviour and have exhibited better time management. The mentorship programme has enlarged participating children's social network by giving them exposure to environment and opportunities not provided by their own families. The process of accumulating savings and implementing PDP has prepared participating children for their future personal and career development.

CDF projects encourage participants to implement their PDPs. Operating NGOs' experience shows that while many CDF participating children aspire to receive university education, some of



their PDPs are related to other education and vocational training (for example, in the areas of language, information technology, catering, beauty/hair styling, tourism and graphic design), skill enhancement (for example, receiving sports training and attending computer courses), and/or cultivating a personal interest in music or art, and so on.

Taking into account the Consultant's recommendations, comments made by the SCCDF members, and practical experience gained in implementing the first three batches of CDF projects, we are taking forward a number of enhancement measures for CDF projects. As we briefed Members of the Legislative Council Panel on Welfare Services on 16 April 2013, this includes increasing the training provision and administrative fee provided to the operating NGOs, and so on. These measures will better empower NGOs in operating CDF projects and hence achieve the objectives of CDF.

The SCCDF will hold meetings as and when necessary. It has already held two meetings so far within the first seven months in 2013. SCCDF has also set up a task force to explore the experiment of school-based approach mentioned in part (b) above.

- (d) The Commission on Poverty was reinstated in December last year. It is underpinned by six task forces. One of the main areas of work of the Commission and its task forces is on reducing inter-generational poverty and promoting the upward social mobility of grass-roots children and young people so as to achieve the objectives of alleviating and preventing poverty. For instance, the Education, Employment and Training Task Force has examined the current student finance assistance schemes for students attending primary and secondary schools and receiving tertiary education to ensure that no student is denied access to education owing to lack of financial means. In addition, the Community Care Fund is also taking forward various assistance programmes for students from low-income families. This includes subsidizing primary and secondary school students from these families to participate in cross-boundary learning activities and competitions.

Representatives of the Labour and Welfare Bureau and the Education Bureau are already participating in the work of the Commission and the relevant task forces. The Administration does not consider it necessary to set up another cross-bureau committee to come up with poverty alleviating measures.

### **Treatment of Patients Suffering from Chronic Obstructive Pulmonary Disease**

19. **MR ALAN LEONG** (in Chinese): *President, since 2011-2012, the Government has funded the expansion of the clinical applications of long-acting bronchodilators listed in the Drug Formulary of the Hospital Authority (HA), and it is estimated that 7 500 patients suffering from chronic obstructive pulmonary (COP) disease will benefit from the initiative each year. In this connection, will the Government inform this Council if it knows:*

- (a) *the number of patients benefiting from the initiative each year since 2011-2012;*
- (b) *the number of patients of the HA who were referred, after being preliminarily diagnosed of suffering from COP disease, to the specialist out-patient (SOP) clinics of the Family Medicine Division or the Medicine Division for treatment each year since 2011-2012;*
- (c) *the average waiting time for the referred cases mentioned in part (b);*
- (d) *whether the HA has compiled statistics on the utilization rate of the pulmonary function testing equipment in its hospitals and clinics in the past three years; if it has, of the details, and the average number of patients who had undertaken a pulmonary function test out of every 100 patients diagnosed by chest physicians; and*
- (e) *the current number of healthcare personnel in the HA who have received relevant training on using the pulmonary function testing equipment?*

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

(a), (b) and (c)

Since 2011-2012, the Government has provided additional recurrent funding of \$44 million for the HA to expand the clinical application of long-acting bronchodilators. In 2012-2013, about 7 500 patients suffering from COP disease were benefited. Doctors will, based on the clinical needs of patients, assess their conditions and provide them with the appropriate examinations and treatment (including the pulmonary function test), or refer them to the appropriate SOP clinics for follow-up treatment. As the HA has not maintained any data on patients who were referred to SOP clinics after being preliminarily diagnosed as having COP disease, the relevant information is not available.

- (d) The pulmonary function testing equipment can facilitate the diagnosis of new cases of COP disease and monitor development of the case and the treatment progress. Doctors will offer the appropriate diagnosis and treatment to patients suffering from COP disease in the light of their clinical needs. As the diagnosis and treatment required by each patient may be different, the HA does not collect data on the utilization rate of the pulmonary function testing equipment.
- (e) All healthcare professionals (including nurses and equipment operators) using the pulmonary function testing equipment are required to receive specific on-the-job training to ensure that they are familiar with the operation of the equipment. The HA has kept operation guidelines of the pulmonary function testing equipment, and will calibrate the equipment on a regular basis to ensure its proper operation. All specialist doctors in respiratory medicine have received training in analysing pulmonary function test results. Since healthcare professionals are required to operate many types of equipment, the HA does not separately collect data on the number of staff who have received training in using the pulmonary function testing equipment.

## **Surrender by Hong Kong Mercantile Exchange Limited of Its Authorization to Provide Automated Trading Services**

20. **MR JAMES TIEN** (in Chinese): *President, on 17 May this year, the Hong Kong Mercantile Exchange Limited (HKMEx) decided to surrender its authorization to provide automated trading services (ATS) because its revenues had fallen short of expenditure (the HKMEx incident). The incident has aroused grave public concern. However, representatives from the Government and the Securities and Futures Commission (SFC) refused, on the ground that the incident was under investigation, to explain the details of the incident in reply to Members' questions raised at the meeting of the Panel on Financial Affairs of this Council held on 3 June. Subsequently, I proposed at the meeting of the House Committee (HC) of this Council on 7 June that a select committee be formed and authorized by this Council to exercise the powers under section 9(1) of the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) (the P&P Ordinance) to inquire into issues relating to the incident. At its meeting of 26 June this year, this Council also debated and voted on the resolution to set up a select committee on this matter. In this connection, will the Government inform this Council:*

- (a) *given that the senior officers of the Government and the SFC had, prior to the aforesaid HC meeting, held a closed meeting with some Members of this Council from certain political groups, and such Members indicated after the closed meeting that as the authorities had addressed their prime concerns, they decided to object to the setting up of the select committee, whether the authorities can explain why they were willing to explain the details to some Members of this Council at that closed meeting only, and whether they can state openly to members of the public and this Council the justifications presented at the closed meeting; if not, of the reasons for that;*
- (b) *given that, in response to the criticisms that there have been inconsistency and unfairness in the SFC's regulation of HKMEx and securities brokers and that the SFC is alleged to have given preferential treatment to the former, the Government has explained that the two differed remarkably in terms of functions, business operation and the level of regulation that they were subject to and the two therefore could not be compared, whether the authorities*

*know if other international financial centres have adopted more lenient standards in regulating institutions akin to HKMEx; if they know; of the details; if not, the reasons for not conducting a study on it;*

- (c) whether it has assessed the impact of the HKMEx incident on the credibility of the SFC and the reputation of Hong Kong as an international financial centre; if it has, of the details; if not, the reasons for that;*
- (d) given that the Government has repeatedly stated that if this Council invokes the P&P Ordinance to inquire into the HKMEx incident, the investigations currently being carried out by the law-enforcement agencies and the legal proceedings which may be initiated in the future will be affected, of the concrete examples to support such statement; and*
- (e) whether it has assessed if the investigation initiated by the SFC on the HKMEx incident will give the public the impression of "the industry investigating its own members", hence undermining the credibility of the investigation results; if the assessment result is in the affirmative, of the reasons for continuing with such investigation?*

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Chinese): President, my consolidated reply to the question is as follows:

The Administration and the SFC have all along maintained dialogues with various groups, including the industry, legislators and political groups, regarding the development of the financial market in Hong Kong and related matters.

Concerning the regulatory regimes over ATS providers and licensed brokers, the SFC has indicated that since the functions and operations of the two are quite different, it is not appropriate to make direct comparisons. ATS providers are market operators who provide electronic platforms. They are not intermediaries, and do not hold client assets. Therefore, the regulatory focus is on the trading platform provided by ATS providers for the market. The provision of ATS is not unique to Hong Kong. Major jurisdictions like the

United States and Europe also have similar regulatory regimes, for example, "Regulation ATS" in the United States and "Markets in Financial Instruments Directive" in Europe. The relevant trading platforms are generally regulated as market operators rather than as intermediaries or brokers.

The performance of its regulatory role is a core responsibility of the SFC, and is also the cornerstone of the SFC's credibility and Hong Kong's reputation as an international financial centre. The SFC has never tolerated any irregularities. The SFC has initiated investigations into suspected irregularities of the HKMEx and referred certain issues to the Commercial Crime Bureau of the Police. As usual, the SFC will continue to perform its functions without fear or favour.

At the moment, the relevant law-enforcement agencies are conducting investigations into the suspected irregularities of HKMEx. Legal proceedings have also commenced in relation to some matters, with charges already laid against certain persons. The ongoing investigations are criminal investigations. The SFC has indicated that if the Legislative Council were to exercise the powers under the Legislative Council (Powers and Privileges) Ordinance to inquire into the relevant issues, it would not only affect the ongoing investigations by the law-enforcement agencies, but might also affect possible future legal proceedings. For instance, certain evidence involved might be disclosed during the inquiry by the Legislative Council. Potential defendants could therefore obtain advance notice of evidence that might affect their interests. This might complicate future prosecutions. Moreover, if witnesses or parties involved were subject to public examination, it could prejudice investigations by law-enforcement agencies and any fair trial. The accused persons might also submit applications for a stay of legal proceedings.

We understand Members' concerns about the HKMEx incident. Both the Administration and the SFC attach great importance to public expectation for transparency and accountability on the part of regulatory authorities. In line with the established practice, the SFC has committed that if it takes any enforcement or disciplinary actions or commences any legal proceedings after completing its inquiry or investigation into the suspected irregularities of HKMEx, it will announce enforcement news with a view to facilitating public understanding of the enforcement work.

## Treatment of Patients with Rare Diseases

21. **MR DENNIS KWOK** (in Chinese): *President, some members of the public have relayed that since the number of patients suffering from rare diseases (such as Mucopolysaccharidosis, myelofibrosis, cryopyrin-associated periodic syndromes and Pompe disease, and so on) is small, the Government has not attached importance to their treatment and nursing needs. These members of the public have pointed out that regarding applications for subsidies to cover the expenses on treatment and medications required by patients with rare diseases to slow down the progression of their diseases or even to sustain their lives, the Hospital Authority (HA) has been slow in vetting and approving such applications and the amounts of subsidies granted are insufficient. Moreover, the applications have to be vetted and approved on a case-by-case basis. In this connection, will the Government inform this Council:*

- (a) *given that the European Union at present defines a rare disease as a disease which affects fewer than a two-thousandth of the population, whether the Government will consider making reference to such a practice and adopting a definition for the rare diseases in Hong Kong; if it will, of the implementation timetable and details; if not, the reasons for that;*
- (b) *whether it knows the existing number of drugs for treating rare diseases that have been listed as drugs provided at standard fees and charges in the HA Drug Formulary (the Formulary); of the number of such drugs which had been considered to be listed as drugs provided at standard fees and charges in the past, and among them, the number of those which eventually had not been listed as such and the reasons for that;*
- (c) *whether it will consider making reference to Taiwan's Rare Disease Control and Orphan Drug Act and putting in place a mechanism independent of the Formulary for vetting and approving patients' applications for subsidies to cover the expenses on drugs for treating rare diseases; if it will, of the details; if not, the reasons for that; and*
- (d) *whether it will consider, by making reference to the practices of overseas places (for example, the United States and Taiwan),*
  - (i) *establishing an office of rare diseases research to co-ordinate*

*researches on rare diseases, (ii) subsidizing the diagnosis and treatment of and medications for patients with rare diseases, and (iii) formulating specific policies and initiatives to comprehensively cater for the treatment and nursing needs of patients with rare diseases?*

**SECRETARY FOR FOOD AND HEALTH** (in Chinese): President, for all patients attending public hospitals and clinics, doctors of the HA will assess their conditions in accordance with established procedures. After diagnoses have been made, doctors will provide the appropriate healthcare treatment for patients based on their clinical conditions and the treatment guidelines.

To ensure equitable access to cost-effective drugs of proven efficacy and safety, the HA has devised the Drug Formulary with a view to standardizing the drug policy and drug utilization, introducing new drugs and expanding the coverage of the Formulary systematically. Experts of the HA evaluate new drugs and review the current list of drugs in the Formulary on a regular basis. In conducting the evaluation, the experts will have regard to such core values as evidence-based medical practice, rational use of public resources, targeted subsidy and opportunity cost. They will also take into account various factors, including the efficacy and safety of the drugs, international recommendations and practices, changes in technology, disease state, patient compliance, impact of the drugs on patients' quality of life, actual experience in the use of drugs, comparison with available alternatives, impact on healthcare costs and views of professionals and patients groups.

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

- (a) There is currently no universal definition of rare diseases in the international arena. The definition of rare diseases in different countries varies depending on their healthcare systems and situations. Given the difficulty to confirm the number of rare disease cases, the lack of reliable information or data on the causes of such diseases, and the relatively recent discovery of ways to treat some of the diseases, the HA has not defined rare diseases.
- (b) At present, there are about 1 300 drugs in the Formulary for treatment of various kinds of diseases. The HA has received



additional annual recurrent funding of \$10 million since 2008-2009 and extra funding of \$35 million since 2010-2011 (that is, a total of \$45 million each year) from the Government to provide enzyme replacement therapy (ERT) for patients suffering from six types of lysosomal storage diseases (LSD) (including Pompe disease, Fabry disease, Gaucher disease, and Mucopolysaccharidosis Type I, Type II and Type VI).

The six ERT drugs used to treat the aforementioned LSDs, namely Alglucosidase alpha for Pompe disease, Alglucosidase beta for Fabry disease, Imiglucerase for Gaucher disease, Laronidase for Mucopolysaccharidosis Type I, Idursulfase for Mucopolysaccharidosis Type II and Glasulfase for Mucopolysaccharidosis Type VI, are all categorized as special drugs in the Formulary. Patients who meet the specified clinical criteria will be provided treatment at standard fees and charges by the HA as a highly subsidized service.

Since 2008-2009, the HA has provided ERT for 20 patients suffering from LSDs, and there are currently 16 patients receiving such therapy.

(c) and (d)

Patients suffering from the six types of LSDs mentioned above have abnormal substances accumulating in their body tissues due to genetic changes, eventually causing permanent damage to various organs. Since the impact of LSDs on patients will become more profound with time, it is necessary to use drugs early in the course of illness when no irreversible harm has been caused to the body so as to maximize the efficacy of treatment. Drug treatment does not bring obvious benefit or is even totally ineffective to patients at a later stage of illness.

As the efficacy and safety of ERT vary according to the specific clinical conditions of patients, the HA has set up an independent expert panel to assess how suitable ERT is for individual patients. Members of the expert panel include doctors specialized in medicine, paediatrics and clinical pharmacology and therapeutics, and pharmacists. The expert panel will consider and strike a

balance between the efficacy and risks of ERT for the patients, and make reference to specific treatment guidelines so as to ensure that patients will receive safe and effective treatment. As for patients currently receiving ERT, the expert panel will monitor regularly their individual responses to the treatment and the overall clinical conditions so as to decide whether it is appropriate for them to continue receiving ERT.

In addition to ERT, the HA also uses other conventional treatment options, including rehabilitation programme, pain-relief treatment, surgery and bone marrow transplant, for curing LSDs.

The HA will continue monitoring the situation, and where necessary, make appropriate adjustment to the treatment options, so as to provide treatment and care for LSD patients in a holistic manner.

### **Implementation of Qualifications Framework**

22. **MR KWOK WAI-KEUNG** (in Chinese): *President, the Government launched the Qualifications Framework (QF) in 2008, under which a "Recognition of Prior Learning" (RPL) mechanism was set up. Under RPL mechanism, there is a five-year transitional period for each participating industry during which applicants may apply for recognition of qualifications at QF Levels 1 to 3 by producing documentary proofs of their years of relevant working experience, without the need to take any formal assessment tests. On 14 March this year, together with the trade union representatives of various Industry Training Advisory Committees (ITACs) under QF, I had a meeting with the Deputy Secretary for Education to reflect the views of the trade unions on QF and to strive for the extension of the transitional period by five years. Recently, the Education Bureau has decided to extend the transitional period for three industries, namely Printing & Publishing, Watch & Clock and Hairdressing, by two years. Quite a number of trade unions have relayed their concerns to me that there is not enough time for them to motivate employees to apply for RPL within a short span of two years. The trade unions have also pointed out that in recent years, some training providers have launched QF-related training courses when ITACs have yet to be established, Specifications of Competency Standards drawn up and RPL mechanisms implemented for the industries concerned. They are concerned that taking such courses will turn out to be the only channel*

*through which employees can acquire recognition of qualifications for certain specific industries or posts, thereby posing serious threats to the job security and livelihood protection of serving employees. In this connection, will the Government inform this Council:*

- (a) whether the Education Bureau has new measures to motivate employees of the Printing & Publishing, Watch & Clock and Hairdressing industries to actively apply for RPL, in particular how it will enhance its co-operation with both the employers and the employees;*
- (b) of the current number of QF-related training courses which have been launched when ITACs have yet to be established, Specifications of Competency Standards drawn up and RPL mechanisms implemented for the industries concerned; the industries and posts associated with such courses respectively; how the Education Bureau ensures that such courses can satisfy the needs of the industries; the channels through which employees can attain the same level of recognized qualifications apart from taking the relevant courses; and*
- (c) whether the Education Bureau will, pursuant to the arrangement of extending the transitional period by two years, conduct a large-scale interim review of QF, and comprehensively consult the public, in particular the employers and employees of the industries concerned, on the implementation of QF; if not, of the reasons for that?*

**SECRETARY FOR EDUCATION** (in Chinese): President, the Government launched the QF in 2008 to promote lifelong learning and enhance the overall quality of our workforce. Our QF is a seven-level hierarchy covering qualifications in the academic, vocational as well as continuing education sectors. Under QF, there is a RPL mechanism to enable practitioners of various backgrounds to obtain formal recognition of the knowledge, skills and experience that they have acquired. To ensure its acceptance, RPL mechanism is developed based on the Specification of Competency Standards (SCSs) formulated by individual industries. At present, the RPL mechanism has been implemented in eight industries.

There is a five-year transitional period for each of the industries implementing the RPL mechanism. During this period, practitioners may apply for recognition of qualifications at QF Levels 1 to 3 by producing documentary proof of their relevant working experience, without having to take any formal assessment tests. Upon expiry of the transitional period, practitioners seeking recognition of qualifications at QF Levels 1 to 4 are all subject to assessment. The purpose of assessment is to enhance the credibility and acceptance of qualifications recognized under the RPL mechanism.

The five-year transitional period for the first batch of industries implementing the RPL mechanism, namely Printing & Publishing, Watch & Clock, and Hairdressing, expired on 31 May 2013. Upon careful deliberations, the ITACs concerned decided to extend the transitional period for these industries for another two years to 31 May 2015. Widely represented, ITACs consist of various stakeholders of the relevant industry, including representatives from labour unions, trade associations and professional bodies, and so on.

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

- (a) The ITACs of the Printing & Publishing, Watch & Clock, and Hairdressing industries have had in-depth discussions on initiatives to better publicize and promote QF and RPL mechanism, so that more practitioners will have a better understanding of the benefits of QF and RPL mechanism. The Subcommittees of these ITACs have also carefully explored the arrangements of various publicity activities.

We have also liaised with education and training providers to encourage them to accept RPL qualifications, so as to enhance the recognition of RPL qualifications and boost the confidence and incentives for practitioners to submit applications under the RPL mechanism.

To further promote the RPL mechanism, we plan to organize an RPL sharing session later this year. Different industries and various stakeholders will be invited to attend. Practitioners will share their insight on the benefits of seeking recognition under the RPL mechanism. In turn, industries that have already started or are about to implement the RPL mechanism and stakeholders will be

encouraged to promote or put in place the RPL mechanism more actively.

Furthermore, we will continue to collaborate with labour unions, employers and professional bodies, and so on, of the three industries in supporting and organizing activities related to RPL mechanism (including visits, briefings and large-scale promotional events), so that various parties may join hands to promote the RPL mechanism and encourage practitioners to participate.

- (b) We have so far assisted 19 industries in setting up their ITACs under QF. Twelve of these ITACs have drawn up their SCSs, which facilitate the development of education and training courses and mapping out of progression pathways. As for the rest of the ITACs, drafting of SCSs is in progress.

We encourage the development of courses based on SCSs to ensure that the course content can meet the needs of the industries better. We also encourage all education and training providers to have their academic, vocational and continuing education courses and qualifications quality-assured under QF, so that such courses and qualifications could be uploaded to the web-based Qualifications Register for public information. As at end June this year, over 7 700 valid courses and qualifications have been listed on the Register, and about 210 of them are SCS-based courses. Other courses and qualifications are not necessarily directly related to a specific industry.

Apart from taking courses to obtain the qualifications recognized under QF, practitioners may also have their knowledge, skills and experience formally recognized under QF through the RPL mechanism. We will continue to assist industries that have already drawn up their SCSs in implementing the RPL mechanism.

- (c) We have organized an international conference in on 18 and 19 March 2013 to look into the roles of QF in promoting lifelong learning and talent grooming in various places of the world. Furthermore, we organized a Qualifications Framework Stakeholders Forum on 29 May 2013 to tap into the collective wisdom of

stakeholders from various sectors on reviewing existing measures in support of the implementation of QF (including the RPL mechanism) and explore the way forward for QF. Looking ahead, apart from regularly collecting the views of various stakeholders (such as labour unions, employers, professional bodies, education and training providers, and so on) through the ITACs of various industries, we plan to organize sharing sessions or focus group meetings to consult stakeholders on certain QF-related issues, including the RPL mechanism.

## **BILLS**

### **First Reading of Bills**

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

### **SECURITIES AND FUTURES (AMENDMENT) BILL 2013**

**CLERK** (in Cantonese): Securities and Futures (Amendment) Bill 2013.

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

### **Second Reading of Bills**

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

### **SECURITIES AND FUTURES (AMENDMENT) BILL 2013**

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): President, I move the Second Reading of the Securities and Futures (Amendment) Bill 2013 (the Bill).

The main object of the Bill is to provide for a regulatory framework for the over-the-counter (OTC) derivative market in Hong Kong for complying with

international requirements, and to incorporate other technical improvements to the regulation of the financial market.

The global financial crisis at the end of 2008 revealed structural deficiencies in the OTC derivative market. The absence of market regulation and the bilateral nature of OTC derivative transactions rendered it difficult for regulators to assess OTC derivative positions held by market players and the impact on the market or the wider economy. The global nature of OTC derivative transactions may easily create the potential for contagion risk.

In September 2009, the Group of Twenty (G20) Leaders committed to reforming the OTC derivative market, including the mandatory reporting of OTC derivative transactions to trade repositories, the clearing of standardized OTC derivative transactions through central counterparties, and the trading of standardized OTC derivative transactions on exchanges or electronic trading platforms. As our country is a member of G20, and Hong Kong is an international financial centre, we need to fulfil the relevant undertaking and ensure that our regime is in line with other international financial centres.

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

The Bill comprises the following three key aspects:

- first, to introduce reporting, clearing and trading obligations in line with the G20 requirements;
- second, to provide for the regulation of the necessary infrastructure through which the mandatory obligations must be fulfilled; and
- third, to provide for the regulation and oversight of key players in the OTC derivative market.

The proposed regime will be jointly overseen and regulated by the Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC). The HKMA will be responsible for regulating the OTC derivative activities of authorized institutions and approved money brokers, and authorized institutions include banks, restricted licence banks and deposit-taking companies. The SFC will be responsible for regulating the OTC derivative activities of

licensed corporations and other persons to be prescribed by subsidiary legislation. To ensure that the HKMA and SFC have the relevant powers to do so, the SFC's investigation and disciplinary powers will be extended to cover OTC derivative activities, and corresponding powers will be conferred upon the HKMA to regulate the compliance situation of authorized institutions and approved money brokers. In order to ensure a fair competition environment, the powers conferred upon the HKMA by the Bill are in line with the SFC's investigation and disciplinary powers under the Securities and Futures Ordinance (SFO). Plain language is used for the drafting of new provisions, and this has no impact on the existing provisions concerned.

As I pointed out just now, the Bill will introduce mandatory reporting, clearing and trading obligations, but the mandatory trading obligation will not be implemented right at the outset, pending further study of Hong Kong's market conditions. Such mandatory obligations will only apply in respect of those OTC derivative transactions that are specified in subsidiary legislation. The regulators will later consult the public on subsidiary legislation. The initial idea is that certain types of interest rate swaps and non-deliverable forwards will be specified for regulation, as these are the major types of OTC derivative transactions conducted in Hong Kong and are capable of standardization.

Two new regulated activities (RAs) in relation to OTC derivatives will be introduced under the Bill. A new Type 11 RA will cover the activities of dealers and advisers, and a new Type 12 RA will cover the activities of clearing agents. In addition, the existing Type 9 RA and Type 7 RA will also be expanded. Type 9 RA, which is asset management, will be expanded to cover OTC derivative portfolios. The existing Type 7 RA, which is the provision of automated trading services (ATS), will be expanded to cover OTC derivative transactions. Transitional arrangements will be introduced under the Bill for the new and expanded RAs, so that persons who are already serving as intermediaries in the OTC derivative market may continue to do so for a limited period of time.

The Bill will also regulate systemically important participants. Such participants are not licensed or registered with either the HKMA or SFC, but their positions or activities in the OTC derivative market are so large that they may nevertheless raise concerns of potential systemic risks. Any person whose OTC derivative positions exceed certain thresholds specified in subsidiary legislation should notify the SFC and be regulated.



The Bill will also provide for designated central counterparties and trading platforms.

The Bill provides that relevant regulatory decisions made by the HKMA and SFC under the proposed regime will be made appealable to the Securities and Futures Appeals Tribunal to provide appropriate checks and balances for ensuring the fairness and reasonableness of the relevant regulatory decisions.

In addition, the Bill will incorporate other amendments to the SFO and the Organized and Serious Crimes Ordinance to require notifications and reports under Part XV "Disclosure of Interests" of the SFO to be filed electronically, and criminal courts will be enabled to make disgorgement orders for the purpose of recouping illegal gains from committing a market misconduct offence, with a view to complying with the recommendations made by the Financial Action Task Force on Money Laundering.

In order to ensure the practicality of the proposed regulatory regime for the OTC derivative market, the HKMA and SFC conducted a joint consultation in 2011 and published a supplemental public consultation paper in 2012. Respondents generally supported the proposed regulatory regime, recognized the need for Hong Kong to develop and implement measures in line with G20 commitments of reforming the OTC derivative market, and supported the proposed division of regulatory responsibilities between the HKMA and SFC.

We briefed the Legislative Council Panel on Financial Affairs on our regulatory proposal at its meetings on 3 January 2011, 2 April 2012 and 4 March 2013. Members generally supported the introduction of a Bill to regulate the OTC derivative market.

Deputy President, the Bill will enable Hong Kong to put in place an appropriate and effective regime for regulating the OTC derivative market which meets G20 commitments and keeps in line with developments in other international financial centres. I hope that the Legislative Council will support the expeditious passage of the Bill.

Deputy President, I so submit.

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

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

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

**DEPUTY PRESIDENT** (in Cantonese): We now resume the Second Reading debate on the Arbitration (Amendment) Bill 2013.

### **ARBITRATION (AMENDMENT) BILL 2013**

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

**DEPUTY PRESIDENT** (in Cantonese): Dr Priscilla LEUNG, Chairman of the Bills Committee on the above Bill, will address the Council on the Committee's Report.

**DR PRISCILLA LEUNG** (in Cantonese): Deputy President, the Bills Committee supports the resumption of the Second Reading debate on the Arbitration (Amendment) Bill 2013 (the Bill) on 10 July 2013, that is, at the Council meeting today.

In response to the views of the Bills Committee on the drafting of the Bill, the Administration will move a number of Committee stage amendments (CSAs), the details of which are set out in paragraph 16 of the report.

The Administration will likewise move a CSA to provide for the phased commencement of the Bill. The first phase comprises the coming into operation of the clauses on the emergency arbitrator procedure to tie in with that of the arbitration rules of the Hong Kong International Arbitration Centre. As advised by the Administration, these provisions will commence on the day on which the Bill is published in the Gazette. The commencement date of the second phase is still pending discussion between the Administration and the Macao authorities on

the timetable for implementing the arrangements on reciprocal recognition and the enforcement of arbitral awards. Moreover, the Administration will move a CSA to add "Myanmar" to the Schedule to the Arbitration (Parties to New York Convention) Order (Cap. 609 sub. leg. A) as a new contracting party.

In the course of scrutiny, members urged the Administration to actively explore the formulation of arrangements on reciprocal recognition and the enforcement of arbitral awards between Hong Kong and Taiwan, ones that are similar to those between Hong Kong and Macao. The Administration advised that after the enactment of the Bill, the Administration would next explore actively the possibility of formulating arrangements on reciprocal recognition and the enforcement of arbitral awards between Hong Kong and Taiwan, ones that are similar to those between Hong Kong and Macao.

Some members expressed concern about whether the Administration would take any measures other than enacting the Bill to promote Hong Kong as a regional arbitration centre. The Administration advised that it would facilitate the establishment and growth of world-class arbitration organizations in Hong Kong, and promote Hong Kong's arbitration services in the Mainland and other countries.

The following part of my speech is about my personal views on the Bill. Deputy President, in my view, arbitration is a highly effective approach and option of dispute resolution other than litigation (meaning instituting lawsuits). Arbitration is marked by many merits, and here are some examples. An arbitral award is final and ultimate; it is binding; arbitration involves much lower costs, considering the fact that instigating lawsuits in Hong Kong may incur costs at three levels of court proceedings all the way up to the Court of Final Appeal; and, the fourth merit, and also a very important one to the business sector in particular, is that since the arbitration process is not open to the public, the reputation of the two parties to a dispute can be preserved. Therefore, arbitration is binding, in marked contrast to mediation, which is non-binding and must depend on the voluntary participation of the two parties involved.

I am an arbitrator of the China International Economic and Trade Arbitration Commission. My experience of participating in arbitration tells me that besides arbitrators from the legal sector, there are also arbitrators from the engineering and business sectors, and some arbitrators even have maritime or

other areas of expertise. Hence, while arbitration takes account of legal issues before reaching an arbitral award, it may also be a more suitable means of resolving disputes among certain industries.

Regarding the reciprocal recognition of arbitral awards between Hong Kong and the Mainland, the two places have actually started to formally recognize each other's arbitral awards since 31 March 1999. In March this year, I moved a motion debate, in the hope that in the course of implementing Cap. 344, the Government could also pay heed to many civil disputes, especially those involving property management ..... Actually, in such cases, the party with insufficient means may end up in bankruptcy as a result of litigation. I hope that while encouraging mediation, the Government can also seriously consider the incorporation of arbitration as a means of resolving disputes into the relevant agreements, especially those between small property owners and large developers or enterprises.

We have also raised a particular point in the report: we hope that apart from promoting the arrangements on the reciprocal recognition of arbitral awards between Hong Kong and Macao, the Secretary for Justice can also seriously consider the reciprocal recognition of arbitral awards between Hong Kong and Taiwan. In fact, in 1992, Taiwan already started to voluntarily recognize the Mainland's arbitral awards, mainly for civil and commercial matters. Six years later, the Supreme People's Court of the Mainland responded positively, saying that under the principle of reciprocity, it would also recognize Taiwan's arbitral awards, mainly for civil and commercial matters again, so that in the case of civil disputes involving the people of the two places, an effective dispute resolution mechanism could be available to them.

Nevertheless, the situation between Hong Kong and Taiwan has been lagging behind. I am delighted with the Government's positive response at long last that after promoting the mechanism for the reciprocal recognition of arbitral awards between Hong Kong and Macao, it is prepared to actively consider joining hands with Taiwan to explore the arrangement of a similar mechanism for the reciprocal recognition of arbitral awards. In this connection, the Bills Committee expresses its strong support, and it is prepared to make concerted efforts to promote the more satisfactory implementation of arbitration services in Hong Kong, with a view to turning Hong Kong into a highly competitive

arbitration centre in the markets of Southeast Asia, and even the Mainland and the whole world.

Deputy President, I so submit.

**MR DENNIS KWOK:** Deputy President, the Civic Party and the legal profession are in full support and in favour of the promotion and the development of Hong Kong's arbitration services and our status as an international dispute resolution centre. Given the strength and quality of the judicial system and our professional legal services, we believe that so long as the Government is willing to provide the appropriate policy and institutional support, Hong Kong's arbitration services can and will certainly develop into a regional, as well as an international centre for dispute resolution.

Fourteen years after the conclusion of similar arrangement between Hong Kong and the Mainland, the passage of this Bill means that Macao has finally been added to the dozen of countries in which Hong Kong has an arrangement for reciprocal recognition and enforcement of arbitral awards. To further enhance Hong Kong's role as a regional arbitration centre in the Greater China region, we sincerely hope that the Government will follow through and fulfil its promise to actively explore establishing and implementing a similar arrangement between Hong Kong and Taiwan.

Deputy President, I recently had the privilege to attend the opening ceremony of the International Dispute Resolution Centre in Seoul, South Korea. Looking at what they have done to support the development of the International Dispute Resolution Centre in South Korea, I really hope that the Administration here in Hong Kong can do the same, provide the same kind of support and resources to develop the similar international dispute resolution opportunity for Hong Kong.

I would like to take this opportunity to urge the Administration to replenish the funds for the Professional Services Development Assistance Scheme which is what the Hong Kong International Arbitration Centre (HKIAC) has been relying upon to promote Hong Kong's status as an international arbitration centre. However, the Scheme which was established back in 2002 with an allocation of \$100 million is slowly depleting. Looking at the most recent figures from the

2013 Budget, there is only about \$8 million left in the Scheme. In order to promote Hong Kong's status as an international dispute centre, we need to enable organizations like the HKIAC to go out to the world to sell Hong Kong's legal system and our legal professional abilities. But the fund which they have been provided to do this job has not been enough. Since the fund is slowly depleting, we need the Administration to step up the effort in promoting Hong Kong and in allowing organizations like the HKIAC to do the same, and to put more resources into the promotion of Hong Kong's legal services and arbitration centre facilities.

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

**SECRETARY FOR JUSTICE** (in Cantonese): Deputy President, the Arbitration (Amendment) Bill 2013 (the Bill) I introduced into the Legislative Council in April this year and the issues involved have been examined carefully by the Bills Committee chaired by Dr Priscilla LEUNG. I am most grateful to her and the members of the Bills Committee for their valuable views.

As I pointed out when introducing the Bill into the Legislative Council, the Bill seeks to amend the current Arbitration Ordinance in view of the new developments in the arbitration regime and the relevant matters. The Bill introduces a statutory mechanism for the enforcement of arbitral awards made in Macao by Hong Kong courts in order to implement the Arrangement Concerning Reciprocal Recognition and Enforcement of Arbitral Awards (the Arrangement) concluded with Macao in January 2013.

Besides that, amendments are proposed to make it clear that emergency relief granted by an emergency arbitrator before the constitution of an arbitral tribunal is enforceable. Furthermore, it will be provided that if the costs of the

arbitral proceedings are to be taxed by the Court, they shall be taxed on a "party to party" basis. Under the Bill, the new parties to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (which is also known as the New York Convention) will be added to the Schedule to the Arbitration (Parties to New York Convention) Order.

Under the Bill, consequential amendments will be made to the Rules of the High Court and technical amendments to some current sections of the Arbitration Ordinance to make those sections more easily comprehensible.

I will be moving some Committee stage amendments (CSAs) later. The CSAs have all been agreed by the Bills Committee. I will briefly outline the CSAs.

First, we propose to amend clause 1 of the Bill to provide for a two-stage commencement of the Bill. As regards the Arrangement concluded between Hong Kong and Macao, we are holding discussions with the Macao authorities on the implementation timetable. The pertinent provisions of the Bill will come into operation on a day to be appointed by notice published in the Gazette. As for other provisions, they will come into operation on the day of gazettal of the Bill upon enactment by the Legislative Council.

Besides, we propose to amend clause 4 of the Bill to make it clear that the new Part 3A will also apply to arbitration conducted in a place outside Hong Kong. We also propose very minor amendments to the Chinese text of clause 5 and clause 20. Since they were presented to the Bills Committee, I will not go over them one by one again here.

Deputy President, as I mentioned when the Bill was introduced into the Legislative Council, the Bill, when enacted, will help reinforce Hong Kong's position as a leading international arbitration centre in Asia Pacific. We believe that the arbitration regime of Hong Kong will be further improved by the proposed amendments.

With these remarks, I urge Members to support the Second Reading of the Bill and endorse the CSAs proposed by the authorities at the subsequent Committee stage. Thank you, Deputy President.

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

Council went into Committee.

### **Committee Stage**

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

### **ARBITRATION (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 Arbitration (Amendment) Bill 2013.

**CLERK** (in Cantonese): Clauses 2, 3, 6 to 19, 21 and 22.



**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 2, 3, 6 to 19, 21 and 22 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.

**CLERK** (in Cantonese): Clauses 1, 4, 5 and 20.

**SECRETARY FOR JUSTICE** (in Cantonese): Deputy Chairman, I move the amendments to the clauses read out just now. The amendments to those clauses are set out in the paper distributed to Members. I have already explained the purposes of the amendments earlier today. The Bills Committee has discussed and expressed support for the above amendments. I call upon Members to support these amendments. Thank you.

*Proposed amendments*

**Clause 1 (see Annex I)**

**Clause 4 (see Annex I)**

**Clause 5 (see Annex I)**

**Clause 20 (see Annex I)**

**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 the amendments moved by the Secretary for Justice be passed. 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 amendments passed.

**CLERK** (in Cantonese): Clauses 1, 4, 5 and 20 as amended.

**DEPUTY CHAIRMAN** (in Cantonese): I now put the question to you and that is: That clauses 1, 4, 5 and 20 as amended 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 will now resume.

Council then resumed.

### **Third Reading of Bills**

**DEPUTY PRESIDENT** (in Cantonese): Bill: Third Reading.

### **ARBITRATION (AMENDMENT) BILL 2013**

**SECRETARY FOR JUSTICE** (in Cantonese): Deputy President, the

Arbitration (Amendment) Bill 2013

has passed through Committee stage with amendments. 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 Arbitration (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): Arbitration (Amendment) Bill 2013.

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

**DEPUTY PRESIDENT** (in Cantonese): We now resume the Second Reading debate on the Hong Kong Arts Development Council (Amendment) Bill 2013.

### **HONG KONG ARTS DEVELOPMENT COUNCIL (AMENDMENT) BILL 2013**

#### **Resumption of debate on Second Reading which was moved on 8 May 2013**

**DEPUTY PRESIDENT** (in Cantonese): Mr IP Kwok-him, Chairman of the Bills Committee on the above Bill, will now address the Council on the Committee's Report.

**MR IP KWOK-HIM** (in Cantonese): Deputy President, in my capacity as the Chairman of the Bills Committee on Hong Kong Arts Development Council (Amendment) Bill 2013 (the Bills Committee), I now submit the report to this Council and brief Members on the main issues deliberated by the Bills Committee.

The Hong Kong Arts Development Council (Amendment) Bill 2013 (the Bill) seeks to amend section 3(4) of the Hong Kong Arts Development Ordinance (the Ordinance) to remove the existing restriction that the relevant organization or group of organization may only nominate a representative for the arts interest represented by them, and to amend sections 3(4) and 3(5) of the Ordinance to specify organizations or individuals, or both, for each of the arts interests listed in the Ordinance.

The Bills Committee has held two meetings with the Administration. Members noted the requirements for nominating the respective arts interest

representatives for appointment to the Hong Kong Arts Development Council (HKADC) under section 3 of the existing Ordinance, and the implementation of the nomination process and details through administrative arrangements. According to the Administration, certain existing administrative arrangements are not consistent with the relevant provisions of the Ordinance, so the authorities propose the Bill to amend the Ordinance.

In the course of scrutiny, members were generally concerned about the criteria for determining the eligibility of organizations and individuals to take part in the nomination of HKADC arts interest representatives. Some members requested the authorities to further consider relaxing the eligibility criteria governing individual arts workers' participation in the nomination exercise to enable more members of the arts community to take part in the relevant exercise. Some members were concerned whether any arts workers without an arts degree qualification or falling outside any of the recognized categories of individual arts workers would be unqualified to take part in the nomination exercise under the existing eligibility criteria for "individual arts workers". Regarding how to relax the relevant eligibility criteria, members put forward certain proposals. Such proposals are actually set out in the Bills Committee's report for the Administration's consideration.

As regards the eligibility criteria governing arts organizations' participation in the nomination exercise, some members expressed the view that the criteria should be able to accommodate small and budding arts groups and those in nonmainstream arts interests. Moreover, members were concerned about whether the proportion of the nominated membership of the HKADC should be raised, so as to enhance the HKADC's representativeness, and whether the 10 specified arts interests should be reviewed and new one(s) included to accommodate the new development of the culture and arts sector. The Administration explained that the authorities had already completed phase one of the 2013 nomination exercise in April this year, including the registration of members of the nominating bodies. The authorities considered that members' suggestions should be followed up in the next review prior to the 2016 nomination exercise. The Bills Committee would also refer members' suggestions and concerns to the Panel on Home Affairs for follow-up.

Moreover, the Bill proposes to amend sections 3(4) and 3(5) of the Ordinance to change from specifying organizations or groups of organizations to specifying organizations or individuals, or both, for each of the arts interests

listed in section 3(5) of the Ordinance. Ms Cyd HO opined that the legislation should provide for the definition of "individuals", so as to facilitate industry members' consideration of whether they could meet the relevant definition.

Deputy President, the above is the work report issued by the Bills Committee. I now speak on the Bill on behalf of the DAB.

Deputy President, the principle and aim of every legislative amendment are to enable the provisions of legislation to keep abreast of the times and reflect the actual situation. The authorities' amendments to the relevant provisions on the nomination of HKADC members this time around are precisely based on this very objective. The HKADC was established 18 years ago as a high-level body with the role of co-ordinating the arts development in Hong Kong. The culture and arts sector cherishes high expectations regarding the HKADC, because it is the first statutory body in Hong Kong which comprises members who are industry nominees — as many as 10 in its present case. The 10 nominees must then be appointed by the Chief Executive, of course.

The broad thrust of the amendments this time around is to provide that specified "individual arts workers" may take part in the nomination exercise for their respective arts interests. This proposal is based on a recommendation of the HKADC taken on board by the Administration. The DAB thinks that this is the proper direction to follow, because it can draw in more people from different arts interests in the culture and arts sector and qualify them for nominating representatives, thus realizing the spirit of democracy. For the first time, arts workers' achievements are given professional recognition in the voter eligibility criteria, so the relevant arrangements can truly benefit local culture and arts communities, and facilitate the overall development of culture and arts in Hong Kong. Despite the expansion of the voter eligibility criteria, some in the culture and arts sector still opine that there remain many barriers, including the exclusion of all Hong Kong artists holding major international awards, the rejection of people who hold diplomas awarded by the Hong Kong Academy for Performing Arts in its early years, the continued adoption of the 10 specified arts interests in the voter eligibility criteria, and the failure to accommodate small and budding arts groups and those in nonmainstream arts interests. However, in the process of scrutinizing the amendments proposed in the Bill, the Home Affairs Bureau already noted and listened to such views, and it also indicated clearly that it was prepared to consider all such proposals in the next review. The DAB accepts

this arrangement and urges the Government to seriously consider the relevant views.

Held triennially, the Nomination of Representatives of Arts Interests for the HKADC Exercise has been held seven times to date. The HKADC itself has also admitted that the turnout rates of the nomination exercises each involving almost 7 000 voters have been on the low side, and the nomination outcomes are hardly convincing. The voting statistics of the nomination exercise in 2010 show that of the 7 071 registered voters, totally 1 909 cast their votes in the eight contested arts interests, meaning a turnout rate of merely 27%. But this is already the highest record in the recent four nomination exercises held since 2001. In fact, the authorities have always been seeking to improve the administrative arrangements for nomination exercises in response to industry views, and corresponding amendments and announcements have thus been made. Since 1999, nomination exercises have been held under a cross-arts interest voting system with the aim of encouraging voters and candidates to pay more attention to the overall development of the arts, rather than focusing solely on their respective arts interests. It looks like this arrangement is supported by the industry.

As indicated by the outcomes of earlier consultation, the industry wishes to maintain this arrangement. Therefore, corresponding amendments are put forward in the Bill, with a view to aligning this administrative arrangement with the provisions of the Ordinance and thus regularizing the relevant electoral arrangement. This is a response to public opinions, supported by the DAB and members who have scrutinized the Bill. The DAB hopes that after the relevant provisions have been amended, the problems of low turnout rates and excessive blank votes can be further rectified, so that nomination exercises can be more successful and well-arranged, nomination results can be more representative, the elected representatives can reflect the views and aspirations of the industry, culture and arts in Hong Kong can thrive further, and fresh impetus can be injected into the development of the West Kowloon Cultural District in the future.

Regarding Ms Cyd HO's last-minute CSA on the definition of "individuals", the DAB will not render its support. Although Ms HO already pointed out during the scrutiny of the Bill that the existing arrangement was unsatisfactory, she did not put forward her CSA until the very last minute, so members could not hold any thorough discussions and the Bills Committee was unable to reach any consensus on the CSA either. Moreover, in our view, the

inclusion of the CSA concerned in the provisions of the legislation rather than the Schedule may hinder the Chief Executive's discretion when handling different situations, thus causing a lack of flexibility in enforcement. Therefore, the DAB does not support Ms Cyd HO's CSA.

Deputy President, I so submit.

**MR MA FUNG-KWOK** (in Cantonese): First of all, I would like to declare that I was the Chairman of the Hong Kong Arts Development Council (HKADC) in the previous two terms.

Deputy President, the present amendment to the Hong Kong Arts Development Council Ordinance (the Ordinance) seeks mainly to legalize the practices adopted in the nomination exercises in the past, including the permission for individual arts workers to participate in the nomination of members to the HKADC and cross-arts interest nomination. Therefore, I have no objection to the justification for the amendment and also consider that the amendment is a necessary remedial measure. I even hope that the amendment can be implemented as quickly as possible, so that the nomination of arts interest representatives for the HKADC currently underway can comply with the legislation and rules concerned, and will not be subject to any queries.

The nomination exercise for the HKADC this year is already the eighth of its kind since the establishment of the HKADC in 1995. Individual arts workers have been allowed to take part in the nomination of representatives for the HKADC since the second nomination exercise in 1997. The eligibility criteria for individual arts workers have also been expanded over and over again both in the current and previous nomination exercises. As for cross-arts interest nomination, it has been in place since 1999. The Administration has come to realize the inconsistency between the existing practices and the legislation only after so many nomination exercises and more than 10 years of practice. The shoddy manner in which the conduct of nomination exercises and the implementation of the Ordinance were handled in the past is indeed a bit disappointing.

Besides, in 1999, the Government introduced an amendment to the Ordinance on enlarging the membership of the HKADC to include a new arts interest called Chinese opera (Xiqu), thus increasing the number of arts interests



representatives from nine to 10. However, the amendment exercise in 1999 did not cover the practice of cross-arts interest nomination which began that year, nor did the amendment exercise cover the practice of allowing individual arts workers to participate in nomination which was introduced two years before. No problems are detected until this year. In fact, if the Administration had carefully scrutinized the Ordinance and checked it against the nomination arrangements and procedures at the time, it would have easily identified the inconsistency. In that case, it would not have to wait until today, 14 years later.

It must be pointed out that every nomination exercise is conducted with the assistance of nomination agent appointed by the Home Affairs Bureau, and the Home Affairs Bureau is responsible for overseeing the process. The HKADC does not play any role in it. Therefore, when the Government first put forward the present amendment, I was very surprised, realizing that the nomination exercises conducted over the years, including the two exercises during my tenure, were not in full compliance with the statutory requirements.

Thus, during the scrutiny of the Bill by the Bills Committee, I repeatedly expressed concern about the validity of the representatives returned in previous nomination exercises and the eligibility of registered voters. I hope that the Government can make clarification to allay the concerns of the sector. I must emphasize that by doing so, I do not intend to make things difficult for the Government. Rather, all is only because I do not wish to see the nomination exercises come under any challenges that affect their legality. I also hope that the Administration can carefully review the Ordinance to ensure that it contains no defects and slips. Besides, before the launch of the nomination exercise this year, the HKADC conducted a one-month public consultation exercise regarding its arrangements, and people from the culture and arts sector raised a lot of views in the process. I hope that the Administration can respond to all these views when a review is conducted.

Regarding Ms Cyd HO's amendment, it calls for a clear definition of "individuals" in the legislation, and I would like to point out that under the existing arrangements, before every nomination exercise, the HKADC will consult the culture and arts sector for the purpose of gauging their views on the nomination arrangements. Following consultation, a number of adjustments were made in the last two exercises, such as expanding the eligibility criteria for individual arts workers.

I have always supported any attempts of the HKADC and the Administration to expand the eligibility criteria for individual arts workers, in the hope that more people in the culture and arts sector can take part in the HKADC's nomination exercise. I believe that this will have positive effect on enhancing the representativeness of those nominated to the HKADC.

In fact, when the Panel on Home Affairs discussed the HKADC's nomination exercise earlier on, some Honourable colleagues and I already expressed the view that the eligibility of individual voters in the nomination exercise this year could be further expanded. For instance, is it possible to include holders of major overseas arts awards? Is it possible to include associate degrees or diplomas in the required academic qualifications? I believe these proposals may be considered carefully in the next nomination exercise.

In my opinion, the existing practice of determining the specific eligibility criteria of individual arts workers through administrative arrangement can enable the Administration to make corresponding adjustments in each nomination exercise in response to the views of the arts and culture sector, thus preserving a certain degree of flexibility.

Although the eligibility criteria set out in the amendment are basically the same as the eligibility criteria for individual voters in the HKADC's nomination exercises, it is not quite so appropriate to hastily set out all these specific criteria in the legislation, because in its meetings, the Bills Committee has not held any thorough discussion on these criteria, the need or otherwise of including them in the legislation as well as their advantages and disadvantages. I therefore have reservations about Ms HO's amendment.

I so submit. Thank you, Deputy President.

**MS CYD HO** (in Cantonese): Deputy President, the Hong Kong Arts Development Council (HKADC) is a statutory body established by the last Governor of the British Hong Kong administration to promote cultural policies. The annual amount of public money at its disposal is very small, just around \$100 million, which is far less than the \$1 billion allocated to the Home Affairs Bureau and the Leisure and Cultural Services Department (LCSD) for subsidizing major arts groups. Although the amount is small, it is nonetheless the main financial source of many small arts organizations in Hong Kong. Each of these small organizations is usually granted a five-digit or six-digit subsidy, which is

really minimal. And, they can rarely get a subsidy of \$1 million or above. But many newly established small and budding arts groups must rely on the funding to conduct culture and arts activities.

When the HKADC was first established in 1995, the electorate was really very small and divided into several arts interests. And, within each arts interest, different organizations would make their respective nominations. However, Deputy President, the culture sector soon realized that as in the case of functional constituencies in the political system of Hong Kong, once an arts interest is specified, it will put its own interest above the interest of the overall cultural policy and compete with other arts interests for funding from the small pool of \$100 million.

The whole culture sector soon realized the flaws, so nomination by individual arts workers was introduced in 1997. Individual arts workers are actually also voters, and the practice of "cross-arts interest nomination" was also introduced in 1999. As a result, the nominees of different arts interests such as Chinese opera, drama, dance, visual arts, film arts, literary criticism must work in the HKADC with a broad cultural policy perspective, in marked contrast to the past, when they could already fight for a share of the \$100 million just by securing several dozen votes in their respective arts interests. These are improvements. Regrettably, perhaps due to the Administration's preoccupation with the transfer of sovereignty or other reasons, even though all these changes have been in operation for 16 years, no legislative provisions have been enacted to provide a legal basis for the arrangements concerned. The Administration has failed to propose any amendment to the legislation until today.

Deputy President, we also find it a bit hard to understand one thing. The Bureau Director in charge of the issue at the time should certainly be held responsible. However, in all the subsequent nomination exercises, the department which organized these exercises were also supposed to check the regulations and rules to see whether there was any corresponding legislation in this regard. Six nomination exercises have already been conducted, but why is a legislative amendment proposed only today? We really cannot accept such carelessness or indolence. But better late than never. However, as mentioned by Mr MA Fung-kwok, we should note that the legislation provides clearly that today's amendment will not affect any decision which was made in the past in the absence of corresponding provisions. We really do not wish to see the recurrence of any such "remedial" measures in the future.

Deputy President, during the scrutiny of the Bill, our focus was on the eligibility criteria for individual arts workers. The Bills Committee did not hold many meetings. The first one was held on 24 May, followed by another in June, totalling two meetings only. Therefore, while the amendment seeks to legalize the practices that have been adopted for as long as over a decade, we did not hold too many discussions, nor did we put forward too many views on the pros and cons of the amendment, because we all realized the necessity of introducing the amendment to provide a legal basis.

However, we did discuss the eligibility criteria for individual arts workers. At the first meeting, Dr Kenneth CHAN and I asked for a definition of "individuals" because we could see that the legislation only made references to "individuals" without giving any definition, and the meaning of this term was mentioned only very briefly in the information submitted to the Legislative Council. We are very concerned about the eligibility criteria for individual arts workers. How many people lodged application? How many people were rejected? What were the respective numbers of successful applications and rejections for individual arts interests? We already raised all these concerns at the first meeting. At the second meeting, that is the last meeting, we were shown a table and a reply dated 7 June by the authorities which once again mentioned the eligibility criteria for individual arts workers. Deputy President, at that time, I already asked why all these were not included in the Interpretation section of the legislation. But let me come back to this when I move my amendment later on.

Let me first discuss the eligibility criteria for individual arts workers. In our opinion, there are still inadequacies, and the Home Affairs Bureau should review and follow up the matter in the future. What are the inadequacies? Broadly speaking, there are three. First, the eligibility criteria for voters only cover graduates of relevant bachelor's degree programmes, but graduates of sub-degree programmes are not covered. The Government now talks about the need for upgrading the quality of Hong Kong's workforce and hopes that 60% of the young people in the relevant cohort can receive post-secondary education. The majority of these young people will enrol in sub-degree or higher diploma programmes. As the Government itself wants to implement this policy, why should it exclude sub-degrees or higher diplomas from the qualifications recognized under the eligibility criteria? One more thing is that some tertiary institutions now offer associate degree programmes in arts administration, and the

graduates of these programmes should be fit for serving as voters or nominators in the HKADC's nomination exercises. Deputy President, this is the first point.

Secondly, there are many veteran artists in Hong Kong who made their debut long ago. They are neither in their twenties nor in their thirties; they are not fresh graduates of bachelor's degrees; they have not participated in any recent competitions because they have long since attained eminence in their respective arts interests and thus do not need to participate in any more competition; they are not in need of any subsidy from the LCSD, the Home Affairs Bureau or the HKADC because they are already famous and financially self-sufficient; and lastly, they have never served as advisers to any government departments or the HKADC. In such cases, the situation will be very bad because such veteran artists simply cannot serve as voters. There are such veteran culture and arts workers in reality. I do not think that the Secretary can convince us simply by telling us later that the 12 categories of voter eligibility criteria are already exhaustive. There are bound to be omissions. As Mr MA Fung-kwok said just now, awards received in overseas contests are not included in the eligibility criteria. But those received in local competitions are included. In fact, many overseas competitions command greater credibility than local competitions, and they are widely recognized for their higher standards. So, I hope the Home Affairs Bureau will do some follow-up in this regard.

In addition, in our hearing, some graduates of theatre and entertainment arts programmes questioned why a separate arts interest was not created for them, and why they must be put under other arts interests. Deputy President, this is rather similar to the case of our functional constituencies. In the course of delineating functional constituencies, there are bound to be people who complain about the inadequate range of functional constituencies and uneven distribution. And, there are invariably people who question why a separate functional constituency is not created for them, and why they must be included in other functional constituencies. Theatre and entertainment arts is indeed a very special type of job. Of the existing 10 arts interests, three are related to it, including drama, dance and Chinese opera. At least three of them are related to it. However, since theatre and entertainment arts people will serve all these three arts interests, and they will be involved in all these arts interests, which sector should they belong to?

Perhaps let me explain what theatre and entertainment arts is all about and its importance to modern-day stage performances. Theatre and entertainment

arts actually includes theatre lighting, props making, theatre design, set, costume and sound design. In brief, it is not about any actual stage performance, scriptwriting and directing. It is about the indispensable work of theatre production before actual performance, and it is known by the name as theatre and entertainment arts. At present, theatre and entertainment arts plays a very important role in creating a wide variety of stage effects. For example, if a ghost story of Henry JAMES is adapted for the theatre, the producer must depend on theatre and entertainment arts to create a ghostly atmosphere as well as other sound and light effects that give a sensation of eeriness to the theatre performance of the script.

Another relatively well-known stage drama is the Phantom of the Opera. The chandelier is symbolic of the Phantom of the Opera. When the musical comes to the point where the Phantom vows revenge and the chandelier crashes to the stage, a gigantic prop will really drop from the ceiling of the theatre house, sweeping swiftly across the front rows of audience — without hurting them but creating the sensation of horror and shock. This is a vital function of theatre and entertainment arts. Without such specialized theatre production techniques, it will be impossible to create the effect of the falling chandelier in the Phantom of the Opera. Of course, all the splendid costumes in the musical and the masks worn by the Phantom have become well-known props used in Broadway musicals. Such are the effects created by theatre and entertainment arts, an unsung hero of stage performance.

Therefore, we need to explore how we can give formal recognition to this very profession called theatre and entertainment arts, rather than forever treating it as a back-stage job done by prop-makers and subordinating it to Chinese opera, drama or dance. I hope that some policy studies, particularly studies from the perspective of modern theatre production, can be conducted with a view to giving an appropriate position to theatre and entertainment arts people.

Deputy President, regarding the amendment relating to the eligibility criteria for individual arts workers, the justification for the amendment and also my responses to the queries raised by Members from different political parties, I will discuss them when the Bill is examined clause by clause.

Thank you, Deputy President.

**DR KENNETH CHAN** (in Cantonese): Deputy President, what we discuss today is the Hong Kong Arts Development Council (Amendment) Bill 2013 (the Bill). The Bill mainly concerns the arrangements for nominating 10 representatives of the culture and arts sector to the Hong Kong Arts Development Council (HKADC). As we learnt in the course of examining the Bill proposed by the Government, it is only a remedial step. In fact, such arrangements for nominating the 10 members concerned and the participation of individual arts workers were already adopted in the last few terms, contrary to the provisions of the existing legislation which permit the participation of specified organizations or groups of organizations only. But the ordinance has never been amended, and the Government has adopted a nominating method not provided for in the ordinance. That being the case, it is only natural that members of the Bills Committee, including me, all have many reasonable doubts. We do not understand why the Government has to wait till now to request the Legislative Council to amend the ordinance.

Apart from casting doubts on the Government's remedial step, some members have also put forth questions on the scope and appropriateness of the eligibility criteria for individual arts workers. Concerning these questions, I would like to present some views of mine. First, in the course of scrutiny, some members asked the Government what it would do in case it failed to enact this long over-due amendment within this legislative session in good time before the membership changeover of the HKADC at the end of this year. Should we take the retrogressive step of allowing only organizations but not individuals to nominate the 10 members of the HKADC?

The response of the Government totally baffles me. Frankly speaking, the Government has long since been contravening the ordinance, but it now says that even if the Bill cannot be passed within this legislative session, it will continue to adopt the participation of individual arts workers all the same, and it will continue to do so regardless of the provisions of the existing ordinance. Is the Government counting too much on luck? Is it a bit perfunctory in attitude? I think the answers are definitely yes, especially because during the course of scrutiny, the Legal Service Division of the Legislative Council had clearly reminded the Government to understand and note that since the problem had already been pointed out and was being handled, the authorities would face various risks if the Government still attempted or vowed to defy the law and keep on nominating the 10 HKADC members through arrangements not provided for in the legislation. Specifically, the Administration may face lawsuits or judicial

reviews. Why does the Government want to take such risks? Why does it have such an idea at all? I am completely puzzled, not least because as we learnt during the scrutiny, Phase 1 of the four-phase membership nomination exercise of the HKADC has already started and come to an end, and the work on Phase 2 and Phase 3 is underway. I am strongly dissatisfied with the attitude of the Government in this regard.

Deputy President, as also asked by the several Members who spoke earlier on, how wide should be the scope of the eligibility criteria for individual arts workers? Cultural and artistic creation is all about participation, about originality, and about people inspiring one another, competing with one another and impacting one another, in brief all about the eventual manifestation of boundless creativity. Therefore, participation is extremely important. However, as we discovered in the course of discussion, there are still many areas where drastic changes or improvements are obviously required, despite the fact that the HKADC has actually conducted a consultation exercise and spent roughly a year on revising the existing nomination method. Let me give a simple example. We attach a great deal of importance to local arts or culture competitions, and yes, winners in such competitions can meet the eligibility criteria. But how about winners in overseas competitions? Some winners in overseas competitions, or winners in overseas competitions organized by unique culture and arts interests ..... Such competitions command very high international recognition, and the winners concerned are Hong Kong residents who have perhaps risen to fame overseas, but back in Hong Kong, the awards they hold cannot enable them to register as voters under the HKADC's system of nominating the 10 members. Of course, according to the Government, there are other channels through which these accomplished individuals in cultural and artistic creation can become voters. However, as the saying goes, "Without a proper name and status, no argument will be tenable." I think that the executive should discuss with the HKADC on how improvements can be made in this regard.

Moreover, as I noticed when examining the eligibility criteria for voters, while holders of bachelor degrees are considered qualified, graduates of associate degrees and diploma holders are not. Honestly, why should such a line be drawn for culture and arts interests? This is a very wrong practice, especially because we have all the time been talking about reforming the education system and encouraging more students to receive tertiary education. Under the Government's present policy, programmes at the post-secondary levels of



associate degrees and diplomas are already regarded as tertiary education. Therefore, why should such a line be drawn? Such a line itself is already discriminatory in nature. Is a line based simplistically on academic qualifications appropriate in the case of cultural and artistic creation?

Further, I must also emphasize that students should also be given the chance to participate in nomination exercises. Frankly speaking, as a university teacher, I know that due to their daily exposure, students' understanding of cultural creation and various arts interests may even be deeper when compared with many full-time and part-time culture and arts workers. They are closer to the forefront of various arts interests and are thus more informed about their latest development and trends. Hence, their opinions should be respected, and we should even affirm their eligibility for accepting nomination and nominating other culture and arts workers.

When examining the Bill, we discussed a specific case, the case of Mr Adrian CHOW. If Members have been following press reports, they must know that Mr Adrian CHOW is a renowned composer whose works also attract the attention of other arts interests and command very great recognition and credibility. However, he once told us ..... Actually, he has also applied for registration as a voter, but his application has been rejected on the ground that he did not set out the objectives of his company in its articles of association. This is very bureaucratic, isn't it? Does this imply that as long as we can set out a number of nominal objectives, then even if we are not actually involved in the furtherance of the objectives, we will still be eligible? And, what will happen if we forget to set out the objectives when setting up a company or organization, but are actually engaged in cultural and artistic creativity work every day subsequently? The Government's answer is that this will not be counted because no objectives are set out. Frankly, which should we focus on — nominal objectives or actual involvement? Or, both? These questions need clarification.

Deputy President, lastly, I want to come back to the point I mentioned earlier on. Since the time of scrutiny, the Government has been telling us that even if the Legislative Council cannot pass the Bill today, the Chief Executive may still exercise his power to specify individual arts workers under a certain provision of the existing ordinance. To be objective, one must admit that the Chief Executive truly possesses such power. But then this will create certain risks, because we will thus depart from the nomination system and revert to the

system of preordaining candidates. I think the Government should not hold such an attitude, and this attitude is extremely undesirable. In fact, the Government should seriously handle the eligibility criteria for voters, the nomination procedures and their legality, reasonableness and legitimacy, so as to consolidate and broaden the foundation of culture and arts development in Hong Kong, and in turn enable all stakeholders, including full-time and part-time culture and arts workers and students of the relevant disciplines, to participate fully in helping the culture and arts industries in Hong Kong to scale new heights.

I will speak on the amendment proposed by Ms Cyd HO later on. Thank you, Deputy President. I so submit.

**DR HELENA WONG** (in Cantonese): Deputy President, I am likewise a member of the Bills Committee on the Hong Kong Arts Development Council (Amendment) Bill 2013 (the Bill). As Ms Cyd HO said, the Bills Committee held very few meetings, and during the scrutiny process, we might have missed some points or the Legal Adviser might not have drawn our attention to an important omission.

To begin with, the Democratic Party strongly supports the amendment to the legislation on the Hong Kong Arts Development Council (HKADC), the main reason being that the relevant nomination arrangements have long since been put in place, allowing not only arts organizations but also individuals to participate in the nomination of representatives of arts interests. The Democratic Party certainly welcomes the broadening of the representativeness of nomination and extending the eligibility criteria for nomination to individuals, because the wider the representativeness, the better.

While we were examining the Bill, we overlooked the fact that the eligibility criteria for individual arts workers were not included in the legislation. Hence, today, the Democratic Party supports Ms Cyd HO's amendment on including the criteria in the Schedule to the Ordinance, so as to clearly define the meaning of "individual arts workers". Actually, in the paper provided by the Government, the eligibility criteria are already set out, and the only question is whether we accept the continued operation of the criteria in the form of the present administrative measure. The advantage of the present measure is flexibility, in the sense that it can enable the Chief Executive or the HKADC to make amendments at any time. However, an administrative measure and the

adoption of the legislative procedure to include the eligibility criteria in the Schedule will have entirely different implications because the inclusion in the Schedule to the legislation means that there will be a formal statutory procedure. Of course, if the Chief Executive considers that the contents of the Schedule need to be updated, he can do so by amending the Schedule through the legislative procedure. However, we think that the inclusion of the eligibility criteria for "individual arts workers" in the Schedule will give some advantages. Why do we want to extend the scope from organizations to individual arts workers? The reason is that we wish to increase voter participation to enhance the representativeness of elected representatives, and we also hope to enable more people who are concerned about the arts to take part in the process of nominating HKADC representatives. We hope that the HKADC can do a good job, and we also hope that more people can participate.

During the scrutiny of the Bill, I also consulted some arts workers teaching arts in university. I asked them why there was always no election candidates in some arts interests, adding that we even had to consider the merging of certain arts interests as a result. Their answer was that there was no genuine election, and they did not have a real say. They however believed that if there was "one person, one vote", election candidates would emerge in many arts interests. Therefore, I hope that the HKADC can make further progress in this direction. In the meantime, we think that Ms Cyd HO's proposal can clear one doubt — to begin with, we will not need to argue about the definitions of "eligible voters" and "individuals" any more. My point is that if the legislation is not clear enough, people may come under the impression that there can be changes at any time, and even the people involved simply cannot ascertain when they are eligible and when they are not. In the end, they will choose not to participate.

Lastly, even if a system is in place, we may still fail to encourage more people to participate in the nomination process. Therefore, we think that when formal discussions on electoral arrangements are held, the compilation of a voter register must be covered, with the aim of allowing all to know whether they can meet the eligibility criteria for individual arts workers. We hope that this legislative amendment concerning the HKADC can clarify the eligibility criteria for the nomination of arts interest representatives, so that in case it is necessary to make any amendments in the future, we will only need to amend the Schedule. We think that rather than allowing the Chief Executive to make amendments under an administrative procedure in the future, that is, rather than having a system under which the Chief Executive can make changes at any time without

any public consultation, we should choose a system based on the rule of law, whereby the criteria determining who is an eligible individual and who is not are all set out clearly in black and white. As regards the definitions of eligibility and ineligibility, we can always come back to the Legislative Council to make amendments to the Schedule when a need arises.

Therefore, Deputy President, the Democratic Party will support this amendment.

**MISS CHAN YUEN-HAN** (in Cantonese): Deputy President, perhaps as you listen on and on, you may feel like falling into the time tunnel and going back to the past. That is precisely how I feel, probably because I was out of this Council in its last term. At first, I did not quite understand what the Bill was about. It took me quite some time to realize that the amendment actually seeks to replace "organizations or groups of organizations" by "organizations or individuals" for the purpose of nomination. But isn't this already the existing practice? Fortunately, in the midst of my confusion, the Legal Adviser explained to me that the Bill was actually a "remedial" measure. Thanks to the Legal Adviser, I have thus come to realize that the Bill under scrutiny today is in fact a "remedial" measure. In other words, the current practice is not provided for in any legislation, which is why it has no legal basis. This realization has made us extra-alert. And, because of this, we have uncovered many problems. I hope the Secretary will listen to our views.

For example, we have questioned why the number of specified arts interests must be 10, rather than 11, 12 or 13. The authorities are unable to give any answer. We have told the authorities that culture and arts have by now developed to a very elevated state where one can no longer assert that certain endeavours are not cultural and artistic endeavours. Such endeavours may have to be defined as a separate or alternative arts interest due to the constraint imposed by artistic perspectives. But they may still be cultural and artistic endeavours.

Modern arts are developing fast. This is my actual feeling after meeting with culture workers. And, that day, besides the 10 major organizations, many different people also voiced their views at the hearing. I once saw a musical in London, and as described by Ms Cyd HO today, the performance was simply marvellous. I have been a drama enthusiast since childhood, but the dramas I am talking about are not the same as those performed in Britain and New York

City. There were likewise sound effects in the past, but nowadays, sound effects are much more high-tech and sophisticated, even involving electronic elements in some cases. Why can't we also regard the production of sound effects as an art form?

If a stage drama is deprived of such a component, how can it re-create the impressive sound effect of how the waves of Lake Hong lapped against the bank in a movie I saw as a child? As I enjoyed the scene of wild chase in the Phantom of the Opera, I really felt like having returned to my teenage years. Yet, such theatre and entertainment arts are simply not covered by the existing arts interests. Therefore, that day, we asked a question on the possibility of specifying more than 10 arts interests. The public officer who answered our question were quite open in attitude, but he also made it very clear that no change could be possible at this stage. Another example is the issue of academic qualifications. Why must associate degrees be excluded? At present, besides universities and the Academy for Performing Arts, many arts organizations are likewise providing training courses. If you go to San Po Kong, you will see that many young people are receiving training in community arts organizations. How should we treat their qualifications?

In my view, the Government must pay attention to such situations when enacting legislation. To be frank, many arts workers these days are very talented in IT arts, but they do not possess any high education qualifications. Why do the authorities refuse to consider this point? This was actually the second issue that we raised with the public officer that day, and again, he was open in attitude and did not hold an opposite stance. But he again said that nothing could be done. Dr Kenneth CHAN may recall that we eventually decided to refer the many issues which we raised that day to the relevant Panel, because we thought that the Bill was meant only as a remedial measure, and we could not possibly go outside its scope to deal with these issues. Also, I did not want to pose any obstacle to the passage of this present amendment either. That was also one difficulty we faced.

Let me also say a few words of explanation to Ms Cyd HO here. She said that it was not enough to have only two meetings and suggested holding additional meetings, so that we could set the criteria together. But I must point out that her amendment today has not been scrutinized. Besides, there may be different views on arts definitions among different people. People who love musicals and music, for example, may hold their own special views. As many different arts interests will be involved, the eligibility criteria should be set by a

Bills Committee in the course of its deliberation. For this reason, I have discussed with Ms Cyd HO today, advising her of my view that since her amendment has not been scrutinized, it will be hard for it to secure passage. And, because of the several difficulties I have mentioned, I suggest asking the Panel to follow up this issue.

If we really proposed to make any deletion that day, the public officer concerned would not say no, but he would not be able to do so because any alteration would give rise to significant changes. If you ask me, I would say that I can only stick closely to the time tunnel. Yet, I wish to tell the Secretary that even if this Bill is passed, there will still be some problems. Therefore, during the meeting, we proposed asking the Panel to follow up our discussion expeditiously and set the relevant criteria, in the hope that while the Government adhered to its current practice of conducting a review every three years, it could still tell us whether it would make any extra efforts in the meantime to handle the issues relating to the many views we had raised in case we had just missed the time of review and could not afford to wait as long as three more years. I hope the Secretary can give a reply today.

Deputy President, I have discussed with my colleagues and we agree to support the original Bill. This stance is the same as what I said that day. As for our dissatisfaction with complaints, they still exist, because while we sought to find out what had happened over all these years, we also uncovered many problems. How should we deal with the conflicts in between? That is the problem.

Lastly, I would like to state that the Hong Kong Federation of Trade Unions supports the Bill today. However, at the same time, we request the Government and the relevant Panel to conduct a review and respond to our concerns expeditiously. Just now, I have given a few examples of the problems identified but they are not exhaustive. I hope the authorities can respond to them one by one. As for other issues, if Members hold any different views, I hope they can bring up their views to the relevant Bills Committee. Thank you, Deputy President.

**MS CLAUDIA MO** (in Cantonese): I am a member of the Bills Committee on Hong Kong Arts Development Council (Amendment) Bill 2013. I really must say that the experience this time around is quite an eye-opener. No matter what questions we asked, the public officers just would not commit. They were very

nice — not at all nasty, of course — but no matter what questions we asked, how we followed up our questions and how we pressed them, they would just smile without giving any response. I simply could not elicit any useful information from them. In the end, before I even know what is going on, I already find myself having to discuss the Bill once again here. Then, when I hear the Government's response to Ms Cyd HO's amendment, I am even more outraged.

This is the Legislative Council, but the executive ..... Secretary TSANG Tak-sing, this is of course not your personal opinion, but with the legal advice you are given, you have described Ms HO's amendment as out of scope. Fortunately, we can still debate the amendment here. We have set a very desirable precedent today. I hope that from now on, people can distinguish between the respective powers of the executive and the legislature more clearly. When a Legislative Council Member requests to propose an amendment, government officials as part of the executive should not, should really not, try or attempt in any way to dismiss the amendment as impracticable, incorrect and not permissible, nor should they ever try to stop the Member. It is fortunate that this amendment can still be put before the Legislative Council today.

The number of arts interests was an issue that we discussed at great lengths at the meetings of the Bills Committee. I find the case of Literary Arts rather odd. I once worked for a number of electronic media and I also consider myself a language worker, but how should we define contribution to literary arts?

At one meeting of the Bills Committee, I asked whether I could be counted as a literary arts worker if I had published more than 10 books. Hearing this, the government official immediately reeled off the same litany of criteria, such as membership of certain organizations, awards won and participation in specified competitions. Members will certainly be startled if they read this paper carefully, especially its last part, that is, the appendix just shown by Ms Cyd HO, which sets out the eligibility criteria for individual arts workers to participate in the nomination of representatives of arts interests for the Hong Kong Arts Development Council (HKADC). It is so startling, because it is stated at the very beginning that the arts worker must meet at least one of the eligibility criteria, such as those on being a member, an adviser, or a winner of certain achievement awards, or having been successful in obtaining financial sponsorship from the HKADC or the Leisure and Cultural Services Department for holding an exhibition. Yet, to my surprise, at the end, it is stated that participation in any of the aforesaid exhibitions/competitions in the arts worker's individual capacity will

also be accepted. Right after the whole pile of criteria, there comes leniency. I am really surprised. Do the authorities mean to be strict or lenient?

This is also the case with the inclusion of arts organizations in the eligibility criteria for individual arts workers. I totally agree to the inclusion of the Cattle Depot Artist Village, because no one will rent a unit in the Village for the only reason of pretending to be an artist. All its tenants are real artists. However, we must also look at the criterion that in the case of those arts organizations which have successfully registered in Phase 1, their members are eligible to register as voters as long as they can fulfil one requirement. In brief, a member who has joined the arts organization concerned for not less than one year will be eligible. This requirement looks very lenient because anyone who is interested in arts may join these arts organizations.

Let us go back to the point on literary arts. I asked if I could be regarded as having contributed to literary arts, but no one could answer me. What is meant by "contribution"? And, what is meant by literary arts? Suppose I have published a book, or a young beautician has published a book on beauty treatment ..... What she has published is also a book, so can this book be regarded as literary work? Some may say yes and some say no. From the standpoint of popular literature, a book on beauty care can be regarded as literary work. What should be the definition? I am really puzzled.

Lastly, it is hard to draw a line between the HKADC ..... arts and arts criticism. Many people wrongly think that all things with the word "arts" in their names can be safely put together. That is actually wrong.

When people have arguments, one may often chide the other, "It is wrong to do it this way." The one being chided will answer back, "If you are so capable, why don't you do it yourself?" Such a theory or argument is completely illogical. When I write a film commentary, I may criticize the film for its poor production, nonsensical plot, unimpressive visual impact and poor acting skills. Or, when I write a book commentary, I may say that the book is poorly written, saying that I would write it this way or that way if I were the author. Then, some may say, "You are so fond of criticizing others, but why don't you do the film yourself?" Or, they may say, "If you do not think this is a good book, you should write it yourself." Such arguments are entirely erroneous and illogical. Arts criticism is a form of arts in its own right. A film critic may not necessarily know anything about film production. Similarly, a book critic may not know



how to write a book. However, criticism is already a form of art in its own right, a form of literary arts using language as the medium; of course, there are also television and films commentaries.

Even now, I still do not understand one thing. The HKADC wants to enable individual arts workers to participate in voting, but how come the eligibility criteria for both candidates and voters are so unclear? Thank you.

**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, the Hong Kong Arts Development Council (Amendment) Bill 2013 (the Bill) seeks to amend the Hong Kong Arts Development Council Ordinance (Cap. 472) by (a) allowing the Chief Executive to specify, by notice in the Gazette, both organizations and individual arts workers for the purpose of nominating representatives for appointment to the Hong Kong Arts Development Council (HKADC); and (b) removing the restriction on cross-arts interest nomination.

I wish to thank the Bills Committee chaired by Mr IP Kwok-him for the hard work they have done to facilitate the smooth completion of the scrutiny of the Bill and the resumption of the Second Reading debate today. Also, I am grateful to the six Members who spoke on this Bill earlier.

The HKADC was set up by law to plan for and promote the development of arts. Under the law, all HKADC's members are appointed by the Chief Executive. Of these members, 10 are nominated by arts organizations to represent specified arts interests. The nomination exercise of the HKADC is different from political elections in nature, objective, form and procedure.

Since its establishment in 1995, the HKADC has held seven nomination exercises. The first nomination exercise was organized by arts organizations on

their own. Since the second nomination exercise in 1997, the Government has taken over the conduct of the nomination exercise in response to the view of the arts sector. A number of adjustments have since been made to the nomination arrangements based on the suggestions of the arts sector, including the participation of individual arts workers in nomination; relaxing the eligibility criteria for individual arts workers; and introducing a "cross-arts interest voting system". All these adjustments were made after listening to the sector.

In the case of the nomination exercise in 2013, for example, the HKADC has established an ad hoc group to conduct a review, consult the experts of the 10 art-form groups and launch a public consultation exercise to gauge the views of the public and the sector. After considering the views collected, the HKADC has submitted a proposal to the Government.

(THE PRESIDENT resumed the Chair)

In January this year, we briefed the Legislative Council Panel on Home Affairs (the Panel) on the HKADC's review findings concerning the nomination exercise, along with the arrangements for the nomination exercise this year. The Government has accepted the recommendations of the HKADC and launched the 2013 nomination exercise under the arrangements as reported to the Panel. Such arrangements include the creation of new categories of eligibility criteria for individual arts workers wishing to participate in the nomination exercise, with a view to opening up more channels for individual arts workers to take part in the nomination exercise.

The two amendments proposed in the Bill now introduced for the resumption of Second Reading are in fact technical in nature: they seek to clarify, in the form of legislative provisions, the practice which has been adopted by the sector over all these years. The long title and explanatory memorandum of the Bill have clearly defined the scope of these amendments.

I note that during the deliberations of the Bills Committee, some members expressed views on certain issues falling outside the scope of this Bill. But such views should not affect the passage of this Amendment Bill, and we will listen sincerely to the views of all sides as usual and relay the views collected to the HKADC for its reference. And, we will also make incessant efforts to perfect the nomination arrangements.

As for the views given by Members on the work of the HKADC just now and their concerns about arts, we will carry out a review and take follow-up actions as soon as possible.

Just now, Mr MA Fung-kwok and other Members mentioned the validity of the previous nomination exercises conducted for appointing members to the HKADC. We have sought legal advice, and have been advised that the validity of the acts done by the HKADC in the exercise of its powers under the Hong Kong Arts Development Council Ordinance will not be affected. Besides, the relevant past appointments of members to the HKADC were made by the Chief Executive under the Hong Kong Arts Development Council Ordinance and there is a reasonable argument that these appointments are in line with the statutory objectives and are therefore valid.

President, with these remarks, I move the Second Reading of the Bill and call upon Members to support its passage.

Thank you, President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the Hong Kong Arts Development Council (Amendment) Bill 2013 be read the Second time. Will those in favour please raise their hands?

(Member 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 of the Members present. I declare the motion passed.

**CLERK** (in Cantonese): Hong Kong Arts Development Council (Amendment) Bill 2013.

Council went into Committee.

**Committee Stage**

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

**HONG KONG ARTS DEVELOPMENT COUNCIL (AMENDMENT) BILL 2013**

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That the following clause stand part of the Hong Kong Arts Development Council (Amendment) Bill 2013.

**CLERK** (in Cantonese): Clause 1.

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

(No Member indicated a wish to speak)

**CHAIRMAN** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**CHAIRMAN** (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

**CLERK** (in Cantonese): Clauses 2 and 3.

New clause 4      Schedule amended (provisions with respect to the Council and its Members).

**CHAIRMAN** (in Cantonese): Ms Cyd HO has given notice to move amendments to clauses 2 and 3 and the addition of new clause 4.

Members may now proceed to a joint debate on the original provisions of clauses 2 and 3 and the amendments thereto, and the proposed new clause 4. After the debate, the Committee will first vote upon the motions for the Second Reading and the addition of new clause 4. If the motion for the Second Reading or addition of new clause 4 is negatived, Ms Cyd HO may not move amendments to clauses 2 and 3.

Ms Cyd HO, you may now move the motion.

**MS CYD HO** (in Cantonese): Chairman, I move that new clause 4 be read the Second time.

First of all, I wish to thank the Chairman for his ruling of permitting me to propose this amendment, because the authorities has pointed out in writing that my amendment is out of the scope of the Bill. I will later respond to that reply point by point.

Let me first explain my amendment to Members. This new clause is not complicated, as it only seeks to add section 9 after section 8 of the Schedule to clarify the definition of "individual" voters. The scope of this definition was not drafted by me behind closed doors. Rather, it is copied from the detailed eligibility criteria for individual arts workers set out in an administrative paper submitted to us by the Administration at the second (also the last) meeting of the Bills Committee held on 13 June. Some of the dates mentioned in this administrative paper are set specifically for the present nomination exercise. For instance, 15 March 2013 is set specifically as the date before which certain eligibility criteria must be met. My amendment removes this date and requires the relevant criteria to be met before the commencement of the nomination exercise of the Hong Kong Arts Development Council (HKADC). This is the only date my amendment seeks to change. As for other dates, there is no need for any changes as they are about the meeting of the criteria concerned dating back to much earlier times, such as after 1994 or 1 January 2000. Therefore, I have not changed the dates set out in sections 9(a), (b) and (c), and have only amended the date specified for the present nomination exercise (that is, March 2013). This set of criteria is honestly an exact carbon copy of what are set out in

the government paper — maybe, the Government sees a problem here because it thinks that due to a departure from the original intent in the course of drafting, these criteria cannot actually manifest its policy objectives. Whatever the case may be, my amendment is based exactly on the Government's own criteria. I will explain this point afterwards.

Miss CHAN Yuen-han has remarked that she cannot possibly support my amendment because it has not undergone any discussion. I think by the same line of reasoning, Miss CHAN Yuen-han should also object the entire Bill because my proposed eligibility criteria for voters are copied directly from the list of criteria submitted by the Government. If she holds that she cannot support my amendment in the absence of any discussion, then the Hong Kong Federation of Trade Unions (FTU) should likewise vote against the Bill later on, but they have just voted for the resumption of Second Reading.

In contrast, I see no inconsistency in Mr IP Kwok-him's line of reasoning. His stance is different from mine, but I must admit that there is no inconsistency in his line of reasoning. According to Mr IP Kwok-him, he disagrees to my amendment because a number of arts organizations are specified in the new section 9(j) of the Schedule: "being an individual artist tenant of the Jockey Club Creative Arts Centre, the Cattle Depot Artist Village or the Hong Kong Arts Centre". In his view, it may be necessary to change the lists of organizations included in these criteria from time to time. Hence, if the names of the organizations concerned are added to the Schedule as part of the law, the addition or deletion of organizations will be rendered inflexible and the process of doing so will also be prolonged. This is how I interpret the personal views expressed by Mr IP Kwok-him just now.

However, I think that precisely because of this, it is all the more necessary for us to introduce an amendment to include everything in the law. Otherwise, simply by following the administrative procedure of gazettal, the Chief Executive will be able to add new organizations or delete existing ones at will to achieve the purposes of removing certain existing voters and adding in certain people as new voters. Therefore, my hope is that the whole thing can be done properly according to the rules: any changes must be preceded by the consent of this Council and by extensive public consultation through the scrutiny process in this Council.

In fact, names are added to or deleted from our ordinances all the time. For example, new pleasure grounds may be added to the Schedule to the Pleasure Grounds Regulation at any time, and pleasure grounds about to be decommissioned may be deleted. Every time before any addition or deletion is made, the proposal concerned will first be put before the relevant Panel. In case there is no controversy, the proposal can then be passed very quickly under the negative vetting procedure. And, in case any controversy arises, there is all the more reason for referring the proposal to the whole Council for scrutiny. Therefore, Chairman, whatever the case may be, the process of passing uncontentious additions or deletions will not be lengthened. As for contentious additions or deletions, we can then have sufficient time for scrutiny.

Another example is the Pharmacy and Poisons Ordinance. From time to time, drug names like Ketamine and Amphetamine are added to this Ordinance. The procedure to be followed is just the same. The Policy Bureau concerned will first submit an addition or deletion proposal to the Council. If there is nothing special, Members will not rise to debate the proposal because they may not even know how to pronounce the names of those drugs. Since we all agree on the principles of addition or deletion and the proposed addition or deletion of drugs, the scrutiny process will be quick and smooth.

Chairman, why do I want to do something so troublesome? Why do I still want to adopt the Government's full set of eligibility criteria and include them in the Schedule although they are far from satisfactory? Honestly, I would love to amend these eligibility criteria, very much like the several Members who advocated the inclusion of associate degrees, international awards and theatre production during the resumption of Second Reading debate. Yet, since I want to reduce arguments, I have chosen to adopt the Policy Bureau's full set of criteria. By doing so, I hope that at least some sort of eligibility criteria can first be institutionalized and formally specified in the law. As for the many different policy views on these criteria, they may be considered in the second stage when the Home Affairs Bureau conducts a review after developing this legal framework.

As I pointed out during the scrutiny of the Bill and also a moment ago, this Amendment Bill is actually a remedial measure, so it should not be that controversial. At the second meeting of the Bill Committee, I suggested that "individuals" should be defined in the Schedule to the Ordinance. Paragraph 26 of the report of the Bills Committee clearly states that I proposed setting out these

eligibility criteria in the Schedule to the Ordinance. I requested the Government to address my concern but I did not see the Government propose any relevant amendment when Mr IP Kwok-him presented an oral report to the House Committee. Therefore, I had to take a "remedial step" myself in the House Committee. I immediately rose to say that I wished to propose an amendment to the Bill. If Members support the Bill, they should also support my amendment because its content is exactly the same as the information provided by the Government. The only thing is that in case of any alterations in the future, they must first be submitted to the Legislative Council for scrutiny, and the Chief Executive can no longer alter any of these eligibility criteria at his discretion.

Chairman, the rule of law encompasses the clarity, understandability and accessibility of our legislation. The point is to ensure that people can know all the rights, protection and prohibitions under the law. People can thus know what their rights are, and when to exercise them. Or, they can also know what acts are prohibited and should not be done. But relying on an administrative paper to achieve this goal will be far less due and proper than incorporating the criteria concerned into a schedule to the principal legislation.

On clarity and understandability, Dr Kenneth CHAN has referred to the case of singer-composer Adrian CHOW. Adrian CHOW applied to become a voter in the name of his company without a clear knowledge of the situation. His application was rejected. It is not expressly stated in the eligibility criteria for voters that a company must specify its business as culture-related at the time of registration, and as a singer-composer engaged in music record production, Adrian CHOW is definitely involved in culture-related business. But since he did not specify this at the time of company registration, his company was considered ineligible. Actually, the point here is that the legislation should have been written clearly to enable people to know how they should apply.

Anyway, Adrian CHOW is actually eligible to become a voter. The only problem is with the legislation itself. The Composers and Authors Society of Hong Kong Limited (CASH), the organization which collects royalties, belongs in the last category of organizations stated in the Government's administrative paper. Any organization which falls within this category — it is stated in the last point of the Government's administrative document or item (1) of my amendment — is "an arts organization registered as member of an organization which is specified in the Gazette under section 3(5) of this Ordinance". Its employees or members are eligible to be voters. As Adrian CHOW is a member



of the CASH and is paid royalties, I have told him that he can register as a voter in this capacity.

If the relevant rights are not clearly stated in the legislation to inform the general public, people will not know how to exercise their rights and will miss the opportunities to become voters. He has already missed Phase 1, and I am not sure if he can take part in Phase 2. This time around, he may well be deprived of his nomination and voting rights due to the lack of clarity of the administrative paper concerned. Therefore, I hope Members can support the inclusion of this set of eligibility criteria for voters in the Schedule to the legislation.

Besides, an administrative paper may contain some sort of slips. Why do I say so? When we asked the Government why an individual must be a winner of a local or overseas award for him to be eligible to become a voter, the Government replied that awards could prove that they were outstanding artists. Then, we immediately quoted item (vii) of the administrative paper provided by the authorities, which is the proposed section 9(g) in my amendment, as follows: "be or have been in collaboration with LCSD in holding an arts exhibition or competition, or have participated in such an exhibition or competition in his or her name since 1 January 2000". In the last part, it is clearly stated that anyone who has participated in a competition is eligible to be a voter.

However, when the public officers responded to our question — there is an audio record of the meeting — they did not agree with us. They said that only award winners in competitions could become voters. Chairman, we of course told the public officers that the administrative document did not say so, and its content was different from what they were saying. Well, if the Government decides not to revise the administrative paper, I will definitely welcome its decision. And, I will even encourage people to join the photo contests, drawing competitions and whatever competitions held by the Leisure and Cultural Services Department (LCSD), regardless of whether they are good at photography or drawing. I will ask them to take mobile phone photos, or draw some lines and paint some colours on papers, and then submit them to the LCSD as their entries. In this way, they will be eligible to become voters according to the last part of item (vii) in the administrative paper: "have participated in such an exhibition or competition in his or her name".

During the scrutiny of the Bill, the public officers said that this was not their objective and they only wanted to include award winners. But this

deviation from the Government's policy objectives has occurred precisely because the Legislative Council has never had any chance to scrutinize the administrative paper and remove the loophole. Anyway, though, we still welcome this loophole because it can expand the scope of voters. And, what will happen next if Members vote down the incorporation of these eligibility criteria into the Schedule to the Ordinance? The Director of Bureau concerned may revise this administrative paper after the meeting. Will the Government conduct any consultation? Suppose some people in society oppose the revision, will the Government exercise its discretion to exclude them by notice in the Gazette?

Chairman, therefore, rules must be set clearly. Powers must be defined to specify the extent of everybody's participation in the use of public money and exercise of public power. We must therefore set out everything clearly in the form of legislative provisions. In fact, my amendment differs from the Government's amendment in only one way: it imposes checks on the Government. The Policy Bureau of course thinks that the imposition of checks will give it more trouble and cost it more time. Chairman, I will speak for the second time later. If no other Members wish to speak, I will immediately raise my hand to indicate my wish to speak because I want to refute the allegation in the Government's letter dated 3 July that my amendment is out of scope.

I will stop here for the time being. Thank you, Chairman.

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That new clause 4 be read the Second time.

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

**MR IP KWOK-HIM** (in Cantonese): Chairman, I shall be brief because I already expressed the views of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) during the resumption of Second Reading debate.

The DAB does not support the amendment proposed by Ms Cyd HO because, as we have stated before, there is a problem of flexibility. Regarding

the new clause 4 proposed in her amendment, Ms Cyd HO has also admitted that it will take time for the Schedule to be amended through negative vetting. For example, the proposed section 9(j) of the Schedule to be added by new subclause (2) covers individual artist tenants of the Jockey Club Creative Arts Centre, the Cattle Depot Artist Village or the Hong Kong Arts Centre. Yet, there are many activities in the entire cultural sector. The list of "individuals" may have to be expanded from time to time in response to changes in the areas of activities. Apart from "Cattle Depot", for example, there may also be a "Pig Depot" or other new organizations in the future. If such changes arise, the approach proposed by Ms Cyd HO may not be flexible enough to allow important personalities to take part in the nomination exercise. Therefore, we do not think this approach should necessarily be adopted.

Besides, from my personal experience in bills scrutiny, I know that there are many documents like codes of practice and work manuals, particularly in the case of public works. It may not be such a good idea to handle amendments to such documents through negative vetting. Also, we need to respond to different changes quickly. The proposed approach will only reduce our flexibility.

Moreover, as stated before, the present proposal of Ms HO is meant to include the entire list of "Eligibility Criteria for Individual Arts Workers to Participate in the Nomination of Representatives of Arts Interests for the Hong Kong Arts Development Council" in the legislation. However, during the deliberations of the Bills Committee, members expressed strong views on a number of these criteria and requested the Panel on Home Affairs to take follow-up actions. Mr MA Fung-kwok as the Chairman of the Panel on Home Affairs is also clear that many members have put forward this request and wanted to hold further discussion on these criteria, such as the one in the proposed section 9(g) of the Schedule which has just been mentioned. As far as I can observe, the Government is open-minded on this matter and willing to listen to the views of different sides. In this case, is it still absolutely necessary to set out these criteria in the form of a schedule? At this stage, we have reservation about this proposal.

Therefore, the DAB will not support this amendment. Thank you, Chairman.

**CHAIRMAN** (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): Chairman, I sincerely call upon Members to oppose the amendment proposed by Ms Cyd HO.

Conceptually, Ms HO's amendment deviates from the original intent of the Hong Kong Arts Development Council Ordinance (the Ordinance). Practically, it will cause confusion and disturb the smooth conduct of the nomination exercise of the Hong Kong Arts Development Council (HKADC).

Ms HO proposes to include a set of eligibility criteria in the Ordinance for the purpose of defining the term "individuals" referred to in section 3 therein. Given the pluralistic development and incessant innovation of culture and arts in Hong Kong, the adoption of Ms HO's approach to prescribe a set of statutory eligibility criteria will inevitably result in omission and fail to include all eligible individuals, in addition to precluding new arts interests and limiting the room for changes and development. The original intent of the Ordinance is for the Chief Executive to exercise discretion in specifying eligible organizations and individuals, so that the scope of voters may be expanded as appropriate. The amendment of Ms HO will in effect limit the discretion conferred on the Chief Executive, and defeat the original intent of the Ordinance.

Since the first nomination exercise of the HKADC, detailed guidelines on every part of the exercise, including the eligibility criteria for organizations, have been formulated through administrative arrangements. Over the years, the Government has continuously improved the arrangements for the nomination exercise in response to the views of the sector, one example being the provision of more channels for the participation of individual arts workers. We have all the time worked with the sector to improve the arrangements for the nomination exercise through in-depth consultation and communication. Proven effective by the times, this approach can allow for the flexible adjustments of all criteria and procedures in response to the changing arts environment, the opinions of the sector and the experience of implementation.

We note that some people have voiced divergent views on the eligibility criteria for organizations and individuals, and members of the Bills Committee

have also expressed their opinions on this issue. We have undertaken to review the relevant arrangements after the completion of the nomination exercise in 2013.

On the other hand, Ms Cyd HO's amendment proposes to add new sections 9(k) and (l) to the Schedule, so that a member or an eligible artist employee of an arts organization specified by the Chief Executive under section 3(5) of the Ordinance may be directly specified by the Chief Executive in the Gazette for taking part in the nomination of the HKADC members.

At present, the nomination exercise is carried out in four phases. In Phase 1, eligible organizations and individual arts workers may directly apply for participation in the nomination exercise. The Chief Executive will then specify their names in the Gazette.

In Phase 2, members and eligible artist employees of an arts organization specified by the Chief Executive may register as voters through the organization. Individual arts workers who have been specified by the Chief Executive in the Gazette in Phase 1 will automatically become voters and will not have to undergo voter registration. After that, all voters may participate in Phases 3 and 4 of the nomination exercise. So far, many people have registered as voters in Phase 2 through the organizations specified by the Chief Executive. Their number exceeded 6 000 in the last nomination exercise. In every nomination exercise, the relevant organizations are required to make a fresh voter registration for their eligible members and employees in Phase 2.

The amendment of Ms Cyd HO will make the procedure for the Chief Executive to specify organizations and individuals in the Gazette very complicated.

In our view, the current practice can, on the one hand, allow flexibility to cope with the changes in the arts sector and clearly inform applicants of the eligibility criteria on the other. Ms Cyd HO's amendment will only complicate the relevant procedure, without doing any good to the arrangements for the nomination exercise. In that case, I sincerely call upon Members to oppose Ms HO's amendment and support the original Bill introduced by the Government. Thank you, Chairman.

**MS CYD HO** (in Cantonese): Chairman, my intention was to give a consolidated response after the Secretary's speech, so as to save the trouble of giving two replies.

Chairman, the topic under discussion is not about the content of the policy on eligibility criteria. Rather, it is only about the procedure of formulating regulations. If I propose any amendment to the policy contents, disputes will certainly arise. In that case, it will surely take more time before the Hong Kong Arts Development Council (Amendment) Bill 2013 (the Bill) can be passed, and the Second Reading of the Bill may well have to be deferred until October after the summer recess. I know that no one wants this to happen. No one wants to see the Hong Kong Arts Development Council (HKADC) continue to conduct the nomination exercise without any legal basis. In view of all this, I have not attempted to amend the eligibility criteria for voters. If Members find any inadequacies in the present eligibility criteria, they can urge Secretary TSANG Tak-sing to conduct a review and come back to the Legislative Council. However, I still hope that Members can support my amendment.

I have pointed out just now that when a government is not under the monitoring of a legislature, its operation will be the smoothest. Any form of monitoring will necessarily complicate the operation of Policy Bureaux and government departments because government officials must then attend meetings of the legislature, answer Members' questions and go through various papers carefully. If the papers concerned contain any problems, they will have to face the further challenge and questioning by members of the legislature.

As I asked when discussing the case of arts competitions just now, who should be permitted to become voters — competition winners or entrants? Suppose the Government gives this Council a chance of scrutiny, the scrutiny will certainly bring forth one benefit, in the sense that everybody will thus be able to ascertain the eligibility criteria for voters. The amendment I have proposed is actually policy-neutral because I stop short of touching upon the questions of who should be eligible and who should be not. My only hope is that through the process of discussion, Members can sort out everything clearly and meticulously examine the wording concerned, with a view to determining whether the Government's policy objectives can be achieved. This is the "benefit" that I refer to.

Chairman, the Administration wrote to the Legislative Council on 3 July 2013 concerning my amendment, mainly to point out that my amendment was out

of the scope of the Bill. It is very strange that the Government only copied the long title of the Bill word by word on the first page, pointing out that the aim of the Bill is "to remove the restriction of cross-interest nomination of persons for appointment as members of the Hong Kong Arts Development Council", and then in the next paragraph, it pointed out that the Bill was meant "to modify the provision on specification of nominators from specifying 'organizations or groups of organizations' to specifying 'organizations or individuals'".

The long title refers to "individuals", and the Government is the one who introduces "individuals" as a factor. My amendment only aims to clearly define "individuals" used in the Bill as opposed to how it is used in everyday language. Chairman, "individuals" in everyday language can refer to anyone, but when it comes to the eligibility criteria for voters of a statutory body, "individuals" should have a clear definition which should not cover all the 7 million people in Hong Kong.

Unfortunately, however, "individuals" as it appears in the HKADC's expanded eligibility criteria does not have a clear definition. Hence, from the standpoint that law drafting must attain the goal of clarity, we should set out a precise definition in the Schedule or the Interpretation section.

I have consulted the Legal Adviser. According to him, to give a long definition in the Interpretation section would be a rather complicated task, and a better approach is to move the definition to the Schedule, so that the Government can make amendment expeditiously by means of negative vetting. I have taken on board his advice. However, the Administration's response is rather strange. The Administration is the one who introduces "individuals" as a factor, and all I am doing is just to propose an amendment to give "individuals" a clear scope. How come after the Administration has itself introduced "individuals" as factor, it now says that my amendment is "out of scope"? It really baffles me.

Moreover, the Administration mentions in the second page of the reply letter the Chief Executive's power to specify "organizations or groups of organizations" and "individuals". In its reply letter, the Administration points out that the amendment to section 3(5) of the principal Ordinance provides that the Chief Executive may by notice in the Gazette specify "organizations" and/or "individuals" which are in his opinion representative of the arts interests.

Chairman, my amendment has nothing whatsoever to do with section 3(5) of the principal Ordinance, and my only suggestion is to add a section 9 to the

Schedule. This means that the Chief Executive can continue to specify "individuals" by notice in the Gazette according to section 3(5) of the principal Ordinance. However, when he exercises this power in the future, he will no longer be dealing with the names of 7 000 "individuals" only; he will also be dealing with the objective eligibility criteria leading to these 7 000 names. As I have explained, I want to establish a set of objective eligibility criteria to further people's right, their right to become voters of the HKADC. If the relevant criteria are included in the Schedule, no more arbitrary alteration will be possible, because any addition or deletion must be preceded by consultation with society.

Mr IP Kwok-him has remarked that the Administration will consult the cultural sector. Since the Administration will consult the cultural sector on any addition or deletion, why doesn't it also consult the Legislative Council? Why does the Administration refuse to allow the public to have wider participation in the procedure concerned through the platform provided by this Council? Even if some people are not eligible to become voters of the HKADC, as long as they love culture and arts and care about the cultural policy in Hong Kong, they should still be given the chance to know who are eligible to become voters of the HKADC. Is the Government saying that only those from the cultural sector will care about the decision-making process and development of the HKADC?

Chairman, my amendment only aims to establish rules for Hong Kong through a clear procedure. I do not wish to see people shift the goal at will for the sake of expediency in the future, or even the emergence of a worse scenario where people's rights are taken away because they do not know of their rights. I also hope that in future, the inclusion of the eligibility criteria in the Schedule will eliminate the chance of any discrepancy between the legislative provisions and policy objectives concerned. Such possibility can be eliminated because the Legislative Council can then assist in scrutiny.

All these are the benefits brought by the inclusion of the eligibility criteria in the Schedule.

Thank you, Chairman.

**CHAIRMAN** (in Cantonese): I have already explained that if Ms Cyd HO's motion for the Second Reading of new clause 4 is negatived, she may not move amendments to clauses 2 and 3.



**CHAIRMAN** (in Cantonese): I now put the question to you and that is: That new clause 4 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Ms Cyd HO rose to claim a division.

**CHAIRMAN** (in Cantonese): Ms Cyd HO has claimed a division. The division bell will ring for five minutes.

**CHAIRMAN** (in Cantonese): Will Members please proceed to vote.

**CHAIRMAN** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall stop now and the result will be displayed.

Functional Constituencies:

Mr Albert HO, Dr Joseph LEE, Mr Charles Peter MOK, Mr Kenneth LEUNG, Mr Dennis KWOK and Mr IP Kin-yuen voted for the motion.

Mr Tommy CHEUNG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Dr LAM Tai-fai, Mr CHAN Kin-por, 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 Martin LIAO, Mr POON Siu-ping, Mr TANG Ka-piu, Mr CHUNG Kwok-pan and Mr Tony TSE voted against the motion.

Geographical Constituencies:

Mr LEE Cheuk-yan, Ms Emily LAU, 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 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, Mr LEUNG Che-cheung, Miss Alice MAK and Dr CHIANG Lai-wan voted against the motion.

THE CHAIRMAN, Mr Jasper TSANG, did not cast any vote.

THE CHAIRMAN announced that among the Members returned by functional constituencies, 27 were present, six were in favour of the motion and 21 against it; while among the Members returned by geographical constituencies through direct elections, 25 were present, 13 were in favour of the motion and 11 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 motion was negatived.

**CHAIRMAN** (in Cantonese): As Ms Cyd HO's motion for the Second Reading of new clause 4 is negatived, she may not move amendments to clauses 2 and 3.

**MR ANDREW LEUNG** (in Cantonese): Chairman, I move that in the event of further divisions being claimed in respect of the clauses of the Hong Kong Arts Development Council (Amendment) Bill 2013 or any amendment thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Andrew LEUNG be passed.

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

(No Member indicated a wish to speak)

**CHAIRMAN** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**CHAIRMAN** (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 clauses of the Hong Kong Arts Development Council (Amendment) Bill 2013 or any amendment thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**CHAIRMAN** (in Cantonese): I now put the question to you and that is: That clauses 2 and 3 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**CHAIRMAN** (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

**CHAIRMAN** (in Cantonese): Council now resumes.

Council then resumed.

### **Third Reading of Bills**

**PRESIDENT** (in Cantonese): Bill: Third Reading.

### **HONG KONG ARTS DEVELOPMENT COUNCIL (AMENDMENT) BILL 2013**

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

Hong Kong Arts Development Council (Amendment) Bill 2013

has passed through the Committee stage without amendment. I move that this Bill be read the Third time and do pass.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Hong Kong Arts Development Council (Amendment) Bill 2013 be read the Third time and do pass.

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 of the Members present. I declare the motion passed.

**CLERK** (in Cantonese): Hong Kong Arts Development Council (Amendment) Bill 2013.

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

**PRESIDENT** (in Cantonese): We now resume the Second Reading debate on the Inland Revenue (Amendment) Bill 2013.

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

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

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

**MR KENNETH LEUNG:** President, in my capacity as Chairman of the Bills Committee on Inland Revenue (Amendment) Bill 2013, I wish to report on the work of the Bills Committee. I shall focus on the major issues considered by the Bills Committee.

The main objects of the Bill are, first, to put in place a legal framework for Hong Kong to enter into Tax Information Exchange Agreements (TIEAs) with other jurisdictions, and secondly, to enhance the existing exchange of information arrangements under Comprehensive Avoidance of Double Taxation Agreements

in respect of tax types and limitation on information disclosure. The purpose for introducing the changes is to meet the latest international standard for exchange of tax information.

The Bills Committee generally supports the proposals in the Bill in view of the importance for Hong Kong to maintain its reputation as an international business and financial centre committed to upholding tax transparency and combating tax evasion, and to be able to pursue Comprehensive Avoidance of Double Taxation Agreements successfully with trading partners. In the course of deliberations, members have however expressed concerns about the extent of the relaxation of the limitation on information disclosure, the possible additional burden on taxpayers in respect of retention and reporting of tax information, the adequacy of the safeguards for protecting taxpayers' privacy and confidentiality of tax information exchanged, the oversight and scrutiny of the Administration's compliance with the disclosure procedures, as well as the use of tax information for non-tax related purposes.

President, one major proposal of the Bill is to allow the Commissioner of Inland Revenue to disclose tax information generated prior to the effective date of the relevant Comprehensive Avoidance of Double Taxation Agreement or if applicable, the TIEA, if he is satisfied that the information relates to the carrying out of the provisions of the relevant agreement, or the administration or enforcement of the tax law of the requesting government's territory, in respect of any period that starts after the date on which the relevant agreement comes into operation. Although the Administration has advised that the existing record-keeping requirements under the Inland Revenue Ordinance, which stipulate a seven-year period for the retention of business and rent records, will remain unchanged, some members of the Bills Committee are concerned that the proposal will allow a requesting tax authority to ask for information generated more than seven years before the relevant agreement comes into operation. President, it has been suggested that the Administration should set a time limit on the period for which provision of retrospective information will be considered, or expressly confine such disclosure only to information that is "necessary and direct" for a specified purpose.

The Administration in respond to this demand has explained that, under both Comprehensive Avoidance of Double Taxation Agreements and TIEAs, requests for exchange of information have to meet the standard of "foreseeable relevance", which is a safeguard against "fishing expeditions". In addition,

under the Inland Revenue (Disclosure of Information) Rules, the Commissioner of Inland Revenue will not entertain a request for information exchange unless he is satisfied, upon the examination of the particulars provided by the requesting partner, that the standard of "foreseeable relevance", among other criteria, is met. The Administration has advised that, as far as the standard of the Organization for Economic Co-operation and Development (OECD) is concerned, the formulation "foreseeably relevant" has been adopted to mean "necessary" and "relevant". Furthermore, even when the Inland Revenue Department acts on a valid exchange of information request and exercises its information-gathering power to approach a person for the relevant information, the person has no obligation to provide to the Department, for exchange of information purposes, information which is not in his possession or control, and is not required to be kept, or beyond the statutory retention period under the Inland Revenue Ordinance. Hence, the Administration considers that there is no need to set a time limit on the period for the provision of retrospective information under the two agreements.

Members of the Bills Committee are also concerned about the safeguards to be put in place under the Bill and the future TIEAs to ensure that taxpayers' privacy and confidentiality of information exchanged are duly protected and the Inland Revenue Department will not release information for inappropriate reasons. The Administration has advised that, after the legal framework for TIEAs is in place, in order to afford legal protection to taxpayers in terms of privacy and confidentiality of information exchanged, it will follow the current approach on Comprehensive Avoidance of Double Taxation Agreements to strive to provide relevant safeguards in the texts of the relevant TIEAs. The safeguards will include, among others: to exchange information only upon request; only to disclose information which is "foreseeably relevant"; to treat information received as confidential; not to disclose the information requested to a third jurisdiction, and so on. The Administration has assured the Bills Committee that each Comprehensive Avoidance of Double Taxation Agreement and TIEA signed will be implemented as subsidiary legislation domestically, subject to negative vetting by the Legislative Council. The existing Inland Revenue (Disclosure of Information) Rules, providing for domestic statutory safeguards in addition to those provided in individual agreements, will be extended and become applicable to exchange of information under both agreements.

Some members also raised concerns, in particular, on the disclosure of information subject to legal professional privilege. The Administration has

advised that there is no obligation on a contracting party of either of the two agreements to supply information covered by legal professional privilege. The restriction on disclosure of legally privileged materials is legally binding on the Inland Revenue Department. Furthermore, it is stated in the Commentary on the Exchange of Information Article of the OECD Model Tax Convention that a requested jurisdiction may decline to disclose information relating to confidential communications between attorneys, solicitors or other admitted legal representatives in their role as such and their clients to the extent that the communications are protected from disclosure under domestic law.

On the handling of taxpayers' appeals on information disclosure, the Bills Committee notes that the Inland Revenue (Disclosure of Information) Rules has put in place a notification and review system in processing exchange of information requests and related appeals, such as the procedures for a taxpayer to make objection to the disclosure of all or part of the information that the Commissioner of Inland Revenue is prepared to disclose to the requesting partner. There was a suggestion that the Administration should put in place an independent oversight body to ensure that the Inland Revenue Department will deal with individual requests in a fair and consistent manner, and that the actions taken and decisions made by the Department would strictly adhere to internal procedures and guidelines.

On this issue, the Administration has explained to the Bills Committee that, whether or not Hong Kong can pass OECD's evaluation on its compliance with the latest international standard for exchange of information in September this year will largely hinge on the availability of a legal framework for TIEAs. It is therefore critical to proceed with the proposals of the Bill to put in place such a legal framework in a timely manner. Since the suggestion to set up an independent oversight body to monitor the Inland Revenue Department's compliance with the disclosure procedures will lead to some structural changes to the existing system, the Administration considers it premature to take it forward in parallel with the proposals in the Bill without gauging the views of the concerned parties and the public. It will however seek improvements on the monitoring of procedural compliance in the long run.

The Bills Committee notes that, to abide by a new requirement of OECD, the Administration is prepared to allow future contracting parties of Comprehensive Avoidance of Double Taxation Agreements to use the information exchanged for non-tax related purposes. President, this does not



involve any amendments to the Inland Revenue Ordinance in the current legislative exercise. The non-tax related purposes for tax information exchange are to be governed by the terms of the relevant agreements. The Administration has explained that under the latest version of the OECD Exchange of Information Article, non-tax related purposes must be purposes for which the tax information exchanged may be so used under the laws of both parties to the relevant agreement and the use of the information exchanged for such purposes must have the prior authorization of the competent authority of the supplying party. Moreover, OECD only allows the sharing of tax information by the tax authorities of the receiving party with other law-enforcement agencies and judicial authorities in that jurisdiction on certain high priority matters, for example, to combat money laundering, corruption and terrorism financing.

The Privacy Commissioner for Personal Data has expressed concern that the use of tax information exchanged under Comprehensive Avoidance of Double Taxation Agreements for non-tax related purposes may not be entirely consistent with the existing exemption provision in respect of prevention and detection of crime under the Personal Data (Privacy) Ordinance. The Administration has explained that, on every future occasion of intended use of tax information for specified non-tax related purposes, the Inland Revenue Department will not consent, I emphasize "will not consent", to the request of a contracting party if the relevant government departments in Hong Kong raise objection, or if such use of information is not covered by the current exemption as provided under section 58 of the Personal Data (Privacy) Ordinance in relation to crime under the laws of a place outside Hong Kong with which Hong Kong has in place legal or law-enforcement co-operation. The Administration has advised that, under the laws of Hong Kong, tax information may only be used for limited non-tax related purposes, such as recovery of proceeds from drug trafficking, organized and serious crimes and terrorist acts. The Administration has assured members that, in signing new Comprehensive Avoidance of Double Taxation Agreements in future, it will not accept the latest version of the Exchange of Information Article lightly, unless both jurisdictions have similar legislation on use of tax information for non-tax related purposes, together with law-enforcement co-operation arrangements in place between them.

President, the Bills Committee supports the Second Reading of the Bill. Neither the Administration nor the Bills Committee will move any Committee stage amendments.

The following part of the speech carries my personal comments on the Bill.

As a personal observation, the Bill enables Hong Kong to comply with the bare minimal of the latest exchange of information standard. It does not put Hong Kong at the forefront of international tax co-operation initiatives. As one of the 120 members of the Global Forum on Transparency and Exchange of Information for Tax Purposes of the OECD, Hong Kong is the only jurisdiction without a legal framework for entering into TIEAs. Hong Kong is going through a two-phase peer review by the Global Forum which evaluates jurisdictions' compliance with the international Exchange of Information standard.

Phase 1 of the peer review, President, was completed in October 2011. In December 2012, the Global Forum launched the Phase 2 peer review on Hong Kong, which evaluates Hong Kong's implementation of the Exchange of Information standard in practice and examines whether Hong Kong has taken forward the recommendations proposed by the Global Forum during the Phase 1 peer review process. If Hong Kong fails the Phase 2 peer review, Hong Kong may run the risk of being labelled as an unco-operative jurisdiction which will be damaging to our position as an international financial centre. In addition, other jurisdiction may also impose unilateral sanctions on Hong Kong.

It is therefore crucial for Hong Kong to have in place the legal framework for TIEAs now before the Global Forum finishes the Phase 2 peer review in September 2013.

President, I have reviewed the safeguards which have been proposed to be put in place in the Bill or any future agreements to preserve confidentiality and to prevent the passing of information subject to legal professional privilege to third party countries. The safeguards, in my view, are at par with international standard and practice.

On 18 June 2013, the leaders of G8 met in Lough Erne in Northern Ireland. One of the achievements of the meeting was a commitment by the leading economies to shape up international corporate tax rules. The 10-point Lough Erne Declaration calls for tax authorities to share information automatically. It also urges countries to change the rules that let multinational companies shift profits across borders to avoid taxes and require them to report "what tax they pay where".

Hong Kong may not be subscribing to these principles yet, but it will not be in Hong Kong's long-term interest to be labelled an unco-operative jurisdiction or a jurisdiction which attracts business due to its secrecy rules and opaque business and tax regime. Such types of offshore havens will soon have no place on earth.

In conclusion, President, since the policy direction of the Bill is clear and equitable and it is fairly and reasonably drafted, I would urge my Honourable colleagues in this Chamber from across the parties to support this Bill. Thank you, President.

**MS STARRY LEE** (in Cantonese): President, since the financial tsunami in 2008, many Western countries have been facing serious fiscal deficits. They have been trying every possible means to raise their financial revenue, and one of the directions is definitely the continuous increase in the dimensions of tax information exchange.

I believe Members can still remember that soon after members of G20 agreed on combating tax havens at the London summit in April 2009, the Organization for Economic Co-operation and Development (OECD) announced three lists, namely, a black list, a grey list and a white list. At one time, France proposed to include Hong Kong and Macao in the grey list, which covers places considered as not having adequately combated tax avoidance. The news about this triggered huge reverberation because as a financial, trading and shipping centre of the world, Hong Kong would suffer very serious consequences if it was included in the grey list.

Subsequently, the Central Government offered its assistance and made great efforts to stop the inclusion of Hong Kong in the grey list. Eventually, while some other countries were "dyed grey", Hong Kong remained off the grey list, thus buying precious time for amending its relevant legislation and addressing the concern of the international community.

In 2010, the Government amended the Inland Revenue Ordinance to implement in Hong Kong the provisions on information exchange in the 2004 version of the OECD Model Tax Convention on Income and on Capital. The actual purpose of this is to enable the Inland Revenue Department to collect and disclose certain taxpayers' information in response to requests made by partners

of comprehensive avoidance of double taxation agreements (CDTAs) even when the information is not required for domestic tax purposes. This approach is in line with the international standard, and the efforts made by the Hong Kong Government have won international recognition.

In October 2011, the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes endorsed the review report on Hong Kong, thus affirming Hong Kong's dedication to enhancing tax transparency.

The adoption of international standards for exchange of information (EoI) in Hong Kong following the amendment of the legislation has helped us greatly to expand Hong Kong's CDTA network. As far as I know, Hong Kong has entered into a total of 29 CDTAs to date. Before the legislative amendment in 2010, Hong Kong entered into five CDTAs only.

Recently, the leaders of G8 held a summit in Northern Ireland. The meeting reached a consensus on jointly combating cross-border tax evasion or tax avoidance and urging the respective countries to amend their legislation for the purpose. As a result, certain tax avoidance acts which are currently legal may be treated as illegal later. Although no specific details are attached to the various decisions made at the summit, it is expected that an official agreement may be signed in the G20 summit held in St. Petersburg in September. It is thus anticipated that initiatives against tax havens will be launched one after another.

The Government's present proposal to amend the Inland Revenue Ordinance is the second round of its efforts to avoid the inclusion of Hong Kong in the list of tax havens. It is because the latest international EoI standard provides that a jurisdiction should make available both the CDTA and tax information exchange agreement (TIEA) as EoI instruments with other jurisdictions. The Global Forum will conduct the Phase 2 review in September this year with specific emphasis on this standard. Thus, it is crucially important to complete the formulation of the legal framework for TIEAs now.

It can be expected that the international community will only turn increasingly demanding in respect of tax information exchange and will tighten the review criteria continuously. It is believed that Hong Kong will have to face successive rounds of review in the future. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) supports the introduction of

minimum amendment to meet the requirements of the EoI regime, so that Hong Kong can pass the different phases of review and avoid accusations that it is a tax haven.

President, in many past discussions, Members basically took the same stance that in respect of the exchange of tax information, we need not seek to emulate the United Kingdom and the United States. What Hong Kong as a tiny and open economy needs to do is just to fulfil the minimum requirement in the last stage at the request of the international community, so as to avoid its inclusion in the list of tax havens. Members certainly understand the rationale behind this. The reason is that with its low tax rates and limited tax types, Hong Kong is less likely to ask for information from other places under the EoI regime, but its enterprises will be incessantly required to provide information on the other hand.

Hence, the DAB supports the Government's present amendment proposal, agreeing that it is right to meet the minimum requirement only and preclude requests for tax information on retrospective tax assessments and tax examinations abroad. Besides, the Government has undertaken that it will only disclose the relevant information requested in accordance with the provisions of international agreements and the laws of Hong Kong.

In the face of the international community's rising expectations regarding the enhancement of tax transparency as well as the prevention and fight against tax avoidance, Hong Kong society, especially the business sector and small and medium enterprises, must be more alert and psychologically prepared, because many countries often regard Hong Kong as a tax haven. There are actually two major reasons for this view. First, as a separate territorial jurisdiction, Hong Kong levies taxes only on personal incomes and corporate profits generated within the territory. On the other hand, the Mainland has been implementing a series of tax-free policies for foreign investors. Consequently, if a Hong Kong company generates its revenue mainly outside the territory, it may easily enjoy double tax relief. Second, with fewer tax types, lower taxes and a lower corporate income tax rate compared with other countries, not to mention the absence of interest tax, capital gains tax and estate duty, Hong Kong can easily attract large inflows of foreign capital. Therefore, Hong Kong must amend its legislation to comply with basic international taxation standards lest it may be

regarded as an eyesore of the international community or an unco-operative jurisdiction.

Since Hong Kong must discharge its obligation as a member of the international community and comply with international taxation standards, the DAB urges the Inland Revenue Department to serve as a gatekeeper for Hong Kong taxpayers. It must handle EoI requests raised by other jurisdictions with a stringent attitude and keep the disclosure of information to the minimum. Moreover, it must also ensure that the information so exchanged will be disclosed only to the relevant authorities, so as to protect taxpayers' interests and address the anxieties of enterprises.

Lastly, the DAB supports the proposed legislative amendment today, but since we also think that the Government's conclusion of CDTAs with other jurisdictions is a measure which can further promote commercial activities in Hong Kong, we urge the authorities to focus on expanding Hong Kong's CDTA network with its major trading and investment partners in the time to come. President, I so submit.

**MR SIN CHUNG-KAI:** President, I would like to return to my request for an independent oversight committee for the Inland Revenue Department (IRD). The Administration's counter proposal does not properly address my concerns. The Global Forum on Transparency and Exchange of Information for Tax Purposes has recommended we reinforce the legal framework to facilitate effective Exchange of Information (EoI). One of the vital enhancements to the framework would be establishing an independent oversight committee.

The Administration's proposal to extend the ambit of the IRD's Users' Committee is unsatisfactory. The User's Committee would have limited access or exposure to information since the IRD would provide all the reports, the breakdown by types of information requested, and so on, to the committee. A flaw in this system is that the IRD would control all the information distributed to the Users' Committee.

Another discrepancy is that the Users' Committee would not deal with confidential information and would have no role in conducting reviews on individual cases. I fully support protecting taxpayers' privacy and

confidentiality of information disclosed in EoI but it is essential for someone to monitor the information the IRD shares.

According to the Administration, setting up an independent review panel under the law to monitor the handling of the EoI requests is premature. I disagree. In order to avoid complex scenarios in the future, it is vital that we take early precautions. In order to continuously maintain Hong Kong's reputation as an international financial centre, we must strengthen the framework by constantly filtering and monitoring the systems in place. Creating an independent oversight committee would ensure that the IRD would deal with individual EoI requests in a fair and consistent manner, and that all actions taken and decisions made strictly adhere to internal procedures and guidelines.

Utilizing an independent oversight committee has several advantages. It is generally much more cost-effective compared with forming and implementing something later. Also since experts are involved, uninformed bias is kept to a minimum. The independent oversight committee can also operate as a mediating body or an internal check between the IRD and the public. In this role, the committee can help the public understand technically complex issues by publishing reports that communicate the facts in ways the public can understand.

The existence of an independent oversight committee can have an impact on the quality and fairness of fact-finding even before the committee gains access to the relevant information. When research is done in the knowledge that an outside entity will be reviewing the research methods and findings, there is an increased sense of accountability. Government or corporate research entities must ensure the standard of their work is acceptable, especially because in the long run it will be more costly and time-consuming if they are forced to go back and correct mistakes when an independent oversight committee detects errors or deceptions.

As a past member of the Operations Review Committee (ORC) of the ICAC, I understand how an independent oversight committee should function. The ORC of the ICAC reviews every complaint made and cases investigated by the ICAC, irrespective of the size or severity of the crime. Members of the ORC are entrusted with sensitive information in order to make appropriate judgments on cases reviewed. No investigation can be terminated without consent of the ORC. This successful relationship between the ORC and the ICAC has

enhanced the productivity of the ICAC. Why wouldn't the IRD want to form a committee similar to the ORC?

President, I sincerely hope that the Administration sees the necessity of forming such committee. Furthermore, the Securities and Futures Commission (SFC) also has a similar set up. The SFC has a Process Review Panel. I hereby urge the Government to look into the matter.

Thank you.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, I now call upon the Secretary for Financial Services and the Treasury to reply. The debate will come to a close after the Secretary has replied.

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): President, first of all, I would like to thank Mr Kenneth LEUNG and Mr CHAN Kin-por, who are respectively the Chairman and Deputy Chairman of the Bills Committee on Inland Revenue (Amendment) Bill 2013 (the Bill), members of the Bills Committee and staff of the Legislative Council Secretariat for their efforts to bring forth the smooth completion of the scrutiny work. I also wish to thank Members for supporting the resumption of Second Reading debate on the Bill today, and I am grateful to Ms Starry LEE and Mr SIN Chung-kai for offering their valuable advice just now.

In April this year, the Administration submitted the Bill to the Legislative Council for scrutiny. The Bills Committee held a total of six meetings. The industries concerned and relevant stakeholders were invited to express their views on the Bill.

The purpose of the Bill is to amend the Inland Revenue Ordinance (IRO) to enable Hong Kong to enter into standalone tax information exchange agreements



(TIEAs) and to enhance the existing exchange of information (EoI) arrangements under comprehensive avoidance of double taxation agreements (CDTAs), with a view to meeting the international standard.

All along, the SAR Government has been committed to establishing a network of CDTAs with our major trading and investment partners, so as to provide certainty on taxation of cross-border trade and business activities and relief for double taxation, thereby facilitating flow of trade, investment and talent between Hong Kong and the rest of the world. As at the end of June 2013, Hong Kong concluded CDTAs with 29 jurisdictions. These signatories include 11 of our top 20 trading partners.

As a responsible member of the international community, Hong Kong is always committed to enhancing tax transparency and preventing tax evasion. All the CDTAs signed by Hong Kong have incorporated an EoI article. On the international front, there have been increasing aspirations to enhance tax transparency with a view to preventing and combating fiscal evasion. According to the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) of the Organization for Economic Co-operation and Development (OECD), the latest international standard for EoI is that a jurisdiction shall make available both CDTAs and TIEAs as instruments for EoI.

The existing legislation in Hong Kong does not permit Hong Kong to enter into TIEAs. As a member of the Global Forum, Hong Kong is now undergoing a peer review to evaluate Hong Kong's compliance with the international EoI standard. Phase 1 of the peer review on Hong Kong was completed in October 2011. As advised by the Global Forum, whether Hong Kong can pass the Phase 2 review will largely hinge on the availability of a legal framework for TIEAs. Failing the Phase 2 review, Hong Kong may run the risk of being labelled as an unco-operative jurisdiction, which is highly undesirable for Hong Kong's international reputation and may in turn undermine its position and competitiveness as an international business and financial centre. Other jurisdictions may also impose unilateral sanctions on Hong Kong. As the Global Forum will assess the Phase 2 review report on Hong Kong in September this year, it is necessary for us to amend the legislation as soon as possible to provide a legal framework for TIEAs in Hong Kong, so as to attain smooth endorsement in the Phase 2 review.

In the meantime, to strive for breakthrough in our future CDTA negotiations, we must amend our legislation, so that when necessary, the EoI arrangements under CDTAs can cover various tax types, and the Commissioner of Inland Revenue (CIR) can disclose information if he is satisfied that the information requested relates to the carrying out of tax assessment after the arrangements have come into operation.

At the meetings of the Bills Committee, we held detailed discussions with Members on how to protect the taxpayers' privacy and confidentiality of information, as well as the impact of the proposed amendment on taxpayers. Here I would like to sum up the safeguards under the EoI arrangements.

First of all, after the passage of the Bill, the Government will continue to adopt the highly prudent double safeguards presently found in the EoI arrangements under the two types of agreements to protect the taxpayers' privacy and confidentiality of the information exchanged. On one hand, we will strive to include the relevant safeguards in the texts of future TIEAs as before. The relevant safeguards include: only to disclose information which is "foreseeably relevant"; to treat information received as confidential; not to disclose the information requested to a third jurisdiction, and so on. The relevant agreements will be implemented as subsidiary legislation domestically subject to negative vetting by the Legislative Council. On the other hand, the Inland Revenue (Disclosure of Information) Rules (Disclosure Rules) will be applicable to TIEAs to be signed in the future and serve as the domestic statutory safeguards. These rules stipulate the particulars to be contained in an EoI request made by our treaty partner to demonstrate that its request satisfies the standard of "foreseeable relevance".

Regarding the limitation on information disclosure proposed in the Bill, as we clearly indicated in the meetings of the Bills Committee, we have no intention to deviate from the existing policy of imposing a limitation on the information to be exchanged. That is to say, the information disclosed to CDTA/TIEA partners must relate to any period that starts after the provisions of the relevant agreements have come into operation. We suggest fine-tuning the existing limitation on disclosure. The purpose is to allow for exchange of information generated prior to the effective date of the relevant CDTA or TIEA, provided that the standard of "foreseeable relevance" is satisfied upon the Inland Revenue Department (IRD)'s

examination of the particulars provided by the CDTA/TIEA partner in its EoI request, and the information requested relates to the carrying out of the provisions of the relevant agreement, or the enforcement of the tax laws of the CDTA/TIEA partner, in respect of any period that starts after the agreement has come into operation.

By relaxing the scope of tax types covered by EoI, we may enjoy greater flexibility in persuading the key jurisdictions to commence CDTA negotiations with Hong Kong. After the passage of the Bill, we will in practice adopt a positive listing approach to set out the tax types to be covered in each agreement. The relevant agreements will be effected by means of subsidiary legislation domestically, subject to negative vetting by the Legislative Council.

Some Members and deputations have expressed concern as to whether the Bill will affect the taxpayers' liability or legal professional privilege. Let me reiterate that the Bill does not change the existing record-keeping requirements under the IRO. Hence, a person has no obligation to provide to the IRD, for EoI purposes, information which is not required to be kept or is beyond the statutory retention period under the IRO, even when the IRD acts on a valid EoI request and exercises its information-gathering power to approach him for the relevant information.

As for legal professional privilege, one of the safeguards provided under the CDTAs and TIEAs is that there is no obligation on a contracting party to supply information which will disclose any trade, business, industrial, commercial or professional secret or trade process, including such information covered by legal professional privilege. The restriction on disclosure of legally privileged materials is legally binding on the IRD.

In the actual operations, the existing Disclosure Rules already prescribes a notification and review system which allows the person who is the subject of the request for information to request the CIR and the Financial Secretary to amend the information to be disclosed. Anyone who is aggrieved by any administrative decision may apply to the Court for judicial review. We consider that the existing mechanism has balanced various factors, such as personal privacy, effective implementation of EoI and compliance with international treaty obligations.

To address the concern of Bills Committee members about the IRD's compliance with the safeguards, we are ready to extend the current ambit of the IRD's Users' Committee to enable the Users' Committee to review the IRD's provision of services for EoI and its handling of appeals at regular intervals. Specifically, the IRD will regularly report its work on EoI to the Users' Committee, such as the number of EoI requests received, the breakdown by types of information requested, the status of processing, the number of appeals received as well as complaints lodged by the persons concerned.

However, the IRD will not disclose to the Users' Committee any details of individual EoI requests in order to abide by the confidentiality provisions of the CDTAs or TIEAs which are implemented as domestic legislation.

As a matter of fact, we have currently put in place a notification and review system for EoI requests, which allows the subject of the request to ask the CIR to amend the information to be disclosed on the grounds that the information is factually incorrect or does not relate to him. If the person remains unsatisfied, he/she may lodge a request to the Financial Secretary for review. Still feeling aggrieved, he/she may apply to the Court for judicial review. The relevant arrangements have been proven effective and can provide protection to the taxpayers.

We consider that the proposal to extend the ambit of the IRD's Users' Committee can help to enhance the monitoring on the IRD's handling of EoI. It can also balance various factors, such as effective implementation of EoI and compliance with international treaty obligations.

Some stakeholders are concerned that the number of EoI requests received by Hong Kong will increase in the future and impact our public financial resources. With reference to some other jurisdictions' practices, our present plan is to consider charging the requesting party for the extraordinary costs incurred in obtaining and providing the requested information, while the costs incurred in the ordinary course of administering Hong Kong tax laws will be borne by the IRD itself.

In promoting the conclusion of CDTAs or TIEAs in the future, we will seek the relevant stakeholders' participation as before, which includes consulting from time to time the business and professional sectors, making known the upcoming negotiations to the public through the IRD's website, meeting with

individual organizations where necessary, and providing regular updates to the Joint Liaison Committee on Taxation.

In the time to come, we will continue to strive for the expansion of Hong Kong's CDTA network. Meanwhile, we will commence negotiations on TIEAs in response to the aspirations of some jurisdictions. We will also keep the CDTAs/TIEAs which have come into force under constant review, so as to raise with the competent authorities of the CDTA/TIEA partners any particular issues arising from the implementation of the agreements.

As the international community increases its expectation on enhancing tax transparency and multilateral collaboration, the Administration will, having regard to the experience acquired in EoI under the CDTA and TIEA framework, review the EoI arrangements in Hong Kong. We will pay close attention to the development of G20 and OECD in the promotion of automatic or spontaneous exchange of tax information. Given the constant change in the international standard, we will continue to communicate with the stakeholders in Hong Kong to look into the relevant policies and legal issues, with a view to establishing a sustainable EoI approach for Hong Kong.

President, in conclusion, the Bills Committee supports the proposals in the Bill. I sincerely call upon Members to support the passage of the Bill so that the relevant proposals can be put into practice as soon as possible.

President, I so submit. Thank you.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the Inland Revenue (Amendment) Bill 2013 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

**CLERK** (in Cantonese): Inland Revenue (Amendment) Bill 2013.

Council went into Committee.

### **Committee Stage**

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

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

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Inland Revenue (Amendment) Bill 2013.

**CLERK** (in Cantonese): Clauses 1 to 9.

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

(No Member indicated a wish to speak)

**CHAIRMAN** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**CHAIRMAN** (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

**CHAIRMAN** (in Cantonese): Council now resumes.

Council then resumed.

### **Third Reading of Bills**

**PRESIDENT** (in Cantonese): Bill: Third Reading.

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

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

Inland Revenue (Amendment) Bill 2013

has passed through the Committee stage without amendment. I move that this Bill be read the Third time and do pass.

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

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 of the Members present. I declare the motion passed.

**CLERK** (in Cantonese): Inland Revenue (Amendment) Bill 2013

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

**PRESIDENT** (in Cantonese): We now resume the Second Reading debate on the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012.

### **INLAND REVENUE AND STAMP DUTY LEGISLATION (ALTERNATIVE BOND SCHEMES) (AMENDMENT) BILL 2012**

#### **Resumption of debate on Second Reading which was moved on 9 January 2013**

**PRESIDENT** (in Cantonese): Mr CHAN Kam-lam, Chairman of the Bills Committee on the above Bill, will address the Council on the Committee's Report.

**MR CHAN KAM-LAM** (in Cantonese): President, in my capacity as Chairman of the Bills Committee on the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012 (the Bills Committee), I now submit the Bills Committee's Report to the Legislative Council and report on the major focus of the work of the Bills Committee.

The Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012 (the Bill) seeks to amend the Inland Revenue Ordinance and the Stamp Duty Ordinance to provide a comparable tax treatment



for eligible Islamic bonds (sukuk) (that is, alternative bond schemes (ABSs)) *vis-à-vis* conventional bonds. The Bills Committee has held seven meetings to discuss with the Administration and consult the deputations, and has received 13 written submissions. The Bills Committee supports the Bill and notes that market practitioners and deputations have expressed the desire for the Bill to be passed as soon as possible, so as to enable Hong Kong to become a platform for the issuance of sukuk, enhance the competitiveness Hong Kong's financial services, and consolidate the status of Hong Kong as an international financial centre and asset management centre.

The Bills Committee notes that a religion-neutral approach has been adopted in drafting the Bill. Members are concerned that as key terms, such as "sukuk", and the names of common types of sukuk are not used in the Bill, Islamic bond issuers may not be aware of the new tax treatment for sukuk. The Administration advised that the religion-neutral approach is modelled on the approach taken by the United Kingdom. The Bill makes no specific references to Shariah terminologies, so as to ensure that the Bill will not unnecessarily import Shariah principles to the interpretation of the tax laws under the legal system of Hong Kong.

The Bills Committee is aware that the religion-neutral approach is generally accepted by the market, and there are no difficulties in understanding the application of the Bill. The Bills Committee notes the Bill provides that an ABS comprises a bond arrangement and an investment arrangement, and some qualifying conditions have been imposed on the two arrangements. Members note that some deputations have expressed concern about the specific operation of the reasonable commercial return condition imposed under the bond arrangement and the relevant impact. The Administration explains that sukuk covers a variety of instruments. In terms of returns to investors, some sukuk are debt-like, and some linked to equity profits. The formulation of the reasonable commercial return condition can ensure that debt-like sukuk can enjoy tax treatment comparable to that applicable to conventional debt arrangements. The Administration also clarifies that the fact that a sukuk does not comply with this condition only means that the sukuk cannot be regarded as a debt arrangement for tax purposes. The condition does not seek to disallow bond-holders to benefit from better investment returns or to restrict the return of a sukuk product in the market.

The Bills Committee also notes that if any of the qualifying conditions for a bond arrangement or an investment arrangement are not complied with, the arrangements previously qualified as an Islamic bond arrangement will become disqualified. Members are aware that some deputations have raised concern about the serious consequences of the disqualification of the relevant arrangement, and suggested that the Inland Revenue Department should take into account unavoidable commercial circumstances before determining the disqualification for a scheme. Some members further consider that a bond-issuer should be allowed under certain circumstances, such as administrative oversight, to make rectification for the disqualification event within a time limit, so as to prevent the withdrawal of the special tax treatment and stamp duty relief.

The Administration points out that it would be difficult to determine what constitutes an unavoidable commercial circumstance. The Administration is also concerned about the possibility that some ABS may take advantage of this situation to avoid taxes. The Government points out that while the sukuk originator or bond-issuer is required to report to the Commissioner of Inland Revenue or the Collector of Stamp Revenue in writing within 30 days after the occurrence of any disqualifying event, the Bill provides a 30-day grace period for delay in disposing of the specified asset to dispel market concern.

The Bills Committee notes that the four types of investment arrangements already cover the different underlying structures of the five most common types of sukuk in the global market. As such, the tax laws should be flexible to accommodate other types of ABS as new sukuk types become popular. The Bill has included section 22 of Schedule 17A to the Inland Revenue Ordinance to empower the Financial Secretary to expand the coverage of specified investment arrangements by means of subsidiary legislation to respond to evolving market developments in the future. In respect of the maximum length condition of the specified ABSs, having regard to market views, the Administration has relaxed in the Bill the maximum length originally set at 10 years to no longer than 15 years. To meet future demand, the Bill has included section 16(2) of Schedule 17A to the Inland Revenue Ordinance to enable the Financial Secretary to amend the term length limit in the future by way of subsidiary legislation. The aforementioned subsidiary legislation is subject to negative vetting by the Legislative Council. The Bills Committee supports the relevant provisions.

Since the tax framework formulated for sukuk involves various technical issues, the Bills Committee welcomes the issuance of a Departmental Interpretation and Practice Note (DIPN) by the Commissioner of Inland Revenue and the Collector of Stamp Revenue to expound the implementation of the legislation, so as to facilitate the compliance by market practitioners. The DIPN will cover matters in connection with: withdrawal of special tax treatment or stamp duty relief due to a breach of qualifying condition, the reasonable commercial return condition, additional assessments and tax refunds, as well as the proposed security arrangement for stamp duty determination and charge.

Given that sukuk are innovative financing instruments and have more complex structures than conventional bonds, the Bills Committee is concerned about the protection for sukuk investors and how to deal with legal disputes relating to sukuk. The Bills Committee also urges the Government to nurture market practitioners and professionals with knowledge of the Islamic financial market and Shariah to support the development of Islamic finance in Hong Kong.

On the investor protection front, the Administration explains that similar to other financial products, sukuk will be subject to the prevailing regulatory regime in respect of product offering, marketing, disclosure and intermediaries requirements in accordance with the relevant provisions of the Securities and Futures Ordinance and the Companies Ordinance. As regards the handling of sukuk-related disputes, the Government advises that as far as sukuk issuances are concerned, a sukuk issuer will ensure that the sukuk are structured in Shariah-compliant ways. The offering documents of the sukuk will specify the proper forum and the proper law to adjudicate the dispute. Moreover, the Administration also stresses that it has been working on various fronts to step up nurturing professionals and market practitioners with expertise in Islamic finance, and maintaining continuous dialogue with relevant international organizations, so as to better understand the latest global developments.

The deliberations of the Bills Committee are already set out in the written report. The Bills Committee will not move any Committee stage amendment to the Bill, and will support the Government's amendments, so as to better clarify the intent of some provisions and improve their drafting. The Bills Committee supports the resumption of the Second Reading debate on the Bill.

President, the following are views on the Bill put forward by me on behalf of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB). The industry has discussed and looked forward to the development of Islamic finance for a long time and generally supports it. The amendment of legislation this time around aims at providing a comparable tax treatment for sukuk *vis-à-vis* conventional bonds, and will effectively enhance Hong Kong's competitiveness in the development of Islamic finance.

The Bills Committee has had thorough discussions on the Bill, and the requirements concerning investment arrangements and bond arrangements, security, as well as protection for investors have all been properly handled. I think that the Bill will have positive impact on the local financial market. Islamic finance has great potential for development. The industry estimates that the relevant business involves assets worth over \$700 billion. Many major international banks have already allocated large quantities of resources for the development of Islamic financial products and relevant services. Financial centres such as London and Singapore have also accorded high priority to the development of Islamic finance. The amendment of legislation this time around can enable the relevant system of Hong Kong to converge with the world and adapt to the requirements of Islamic finance. It is of positive significance to enriching the local financial business, developing diversified financial products and energizing the bond market.

Moreover, Islamic finance will help promote economic and financial stability. Unlike traditional financial products, Islamic finance follows a basic principle, that is, the consideration of any transactions must be physical goods or linked to tangible services. The bonds are usually linked to real assets, and their holders own the titles to the relevant assets rather than the titles to the bonds, so Islamic bonds are a more stable and relatively safe financing method. It is exactly because of this feature of Islamic finance that Islamic bonds were almost unaffected during the financial crises and even has stable growth after the financial tsunami. Sukuk issuance has continued to rise for four consecutive years and has had a three-fold increase since 2008 in the midst of the financial tsunami. Sukuk has become the new favourite of the financial sector.

Islamic finance particularly focuses on the real economy, and China is exactly the place with a most robust real economy. The real economy of China offers, for example, contracted products relating to infrastructure, agriculture, education and healthcare services, and all these products can be recommended to

Islamic financial institutions. It is hoped that Hong Kong can grasp this opportunity, and leverage on its geographical advantage as well as the continuous opening up of the assets and capital markets on the Mainland, so as to match the capital of the Middle East region with the investment products of the Mainland, and become the bridge between the two places for investment and financing opportunities.

I have always considered that as an international financial centre, Hong Kong needs not only a comprehensive and satisfactory system, but also professional financial practitioners and mature investors. Sukuk is a relatively new product, and there is not too much market experience. It is hoped that the Government can issue relevant guidelines as soon as possible to help market practitioners gain a better understanding of the specific requirements of the implementation of the legislation. The Government should also enhance the training for market practitioners and education of investors, so as to ensure an adequate supply of professionals well-versed with Islamic finance and market practitioners with the relevant expertise in service provision on the one hand, and enhance investors' understanding about the relevant products build up market interest in Islamic finance on the other.

President, the DAB supports the Bill. Thank you.

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

**MR KENNETH LEUNG** (in Cantonese): I am a member of the Bills Committee on Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012 (the Bills Committee), and on behalf of the Professional Commons (ProCommons), I rise to speak in support of the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012 (the Bill).

The idea of creating a fair tax environment to allow the issuance of Islamic bonds or other financial tools in Hong Kong was first put forward in the 2007 Policy Address by the former Chief Executive, Mr Donald TSANG. As a matter of fact, I have all the time urged the SAR Government to put forward a piece of legislation to this end as soon as possible. Regrettably, it has taken the Government more than six years to do so. But it is better late than never.

Islamic finance is amongst the fastest growing segments in the international financial system, with a significant presence in both Muslim and non-Muslim communities. Globally speaking, Islamic finance assets have expanded from US\$150 billion in the mid-1990s to US\$1.3 trillion in 2011. The number of institutions engaged in Islamic financial activities has also increased to over 600, scattered in 75 different regions in the world. According to the latest statistics, market capitalization of Dow Jones Islamic Market World Index reached US\$14.5 trillion in 2012.

President, the Bill is highly technical and difficult, and this financial tool is also quite a novel one. Hence, as Mr CHAN Kam-lam has just said, I hope that if the Bill is passed, the inland revenue authorities will issue a Departmental Interpretation and Practice Note expeditiously, not only one set but one set for each aspect and level. The inland revenue authorities should also expeditiously submit the Departmental Interpretation and Practice Note to the Joint Liaison Committee on Taxation for scrutiny.

Besides, I wish to talk about the advance ruling mechanism of the Inland Revenue Department under the Inland Revenue Ordinance. Since these are entirely new financial products, I hope that the Inland Revenue Department will implement its charter in the case of all taxpayers and vet and approve all cases ruled in advance within a specified time limit. Moreover, I would also like to branch off to another issue. Such an advance ruling mechanism is only found in the Inland Revenue Ordinance, so I hope that the authorities can take my advice and establish such a mechanism under the Stamp Duty Ordinance, so that companies or individuals wishing to make a transaction can apply for advance ruling to see if there are any stamp duty debts that they might have to bear.

It has been mentioned that the Bill covers four investment products. I hope the Bureau can promise to undertake a review every year to ascertain whether these products are still the most popular ones on the market, and consider if there are any other new and popular products that can be incorporated into the Schedule.

If the Bill is passed, the status of Hong Kong in the Islamic market ..... At least, our tax laws can be brought on a par with those in traditional Islamic finance jurisdictions like Malaysia, the United Kingdom, Singapore and Japan, and we can let issuers of Islamic financial tools know that we can provide them with a fair and superb platform of trading in Hong Kong. However, I think the

SAR Government is often behind the times when it comes to publicity. If the Bill is passed, I hope the Bureau can consider how to conduct proper publicity on our tax platform among our trading partners or Mainland investors.

Further, as already pointed out by many Members, these are new financial products with a complex structure, so I hope that the Bureau can focus on educating and training the staff of the Inland Revenue Department and also assist banks and other financial institutions engaged in the Islamic finance business in providing education and training to their staff.

President, I so submit.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, I now call upon the Secretary for Financial Services and the Treasury to reply. The debate will come to a close after the Secretary has replied.

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): President, first of all, I would like to thank the Chairman of the Bills Committee, Mr CHAN Kam-lam, members of the Bills Committee, staff of the Legislative Council Secretariat and the Legal Adviser for their efforts in the past six months to facilitate the scrutiny of the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012 (the Bill). I would also like to thank Members for supporting the resumption of Second Reading debate on the Bill today. With their support, the tax framework for Islamic bonds (sukuk) proposed in the Bill can be expeditiously implemented to help Hong Kong become a platform for the issuance and trading of sukuk.

I would also like to take this opportunity to thank all the individuals and organizations that made various efforts to support the Bill, including the deputations that attended the meetings of the Bills Committee, as well as the market practitioners, relevant organizations and professional groups who put forward their views during the public consultation exercise. I thank them for

their valuable views on the Bill, and have incorporated their specific recommendations as appropriate into it, so as to ensure that the relevant tax laws can cater for the needs of the various sides.

President, the scale of the global Islamic financial market has grown over 10 times over the past three decades. By the end of 2012, its aggregate value reached US\$1.6 trillion, with a marked increase in the issuance of sukuk. The global issuance of sukuk in 2012 reached US\$131 billion, an increase of 54% over 2011, and it is expected that it will reach another record-high in 2013. In the face of the rapid rise of Islamic finance in the global financial realm, Hong Kong should take full advantage of the opportunity and promote the diversified development of the products and services in our financial market, so as to consolidate Hong Kong's position as an asset management centre. Besides, as an international financial centre and China's global financial centre, Hong Kong is in a very favourable position to match the needs of fund raisers and investment demand of investors from the Middle East, China and other parts of the world who are interested in Islamic financial products.

Because of this, it is essential to establish a satisfactory platform for the trading of Islamic financial products and a tax law framework that caters for the needs of the market. Other financial markets such as the United Kingdom, Malaysia, Japan and Singapore have been amending their tax laws in this direction. Sukuk have more complex product structures than their conventional bond counterparts. Under our existing tax laws, sukuk issuances may attract additional profits or property tax exposures, or stamp duty charges as a result of multiple asset transfers. In view of this, we propose to amend the tax laws to remove any obstacles that are perceived by market practitioners as impeding the development of a sukuk market in Hong Kong.

President, I have to stress that the Bill does not confer special tax favours on the Islamic finance sector. The Bill aims to ensure that financial instruments of similar economic substance are afforded similar tax treatments. There are specific provisions in the Bill which cover the different underlying structures of the most common types of sukuk in the global market. We have also adopted a religion-neutral approach in drafting, and the term "alternative bond scheme" (ABS) is used under the relevant tax laws. The Bill will propose a clause to empower the Financial Secretary to expand the coverage of the types of structures under ABS to respond to evolving market developments by way of subsidiary legislation in the future.



To ensure that a prospective ABS is economically equivalent to a typical conventional bond structure, the Bill prescribes a set of qualifying conditions for the proposed tax treatments of an ABS so that eligible products have comparable tax treatments. These conditions can minimize tax avoidance and require the benefited sukuk to be listed, issued, marketed, lodged or cleared in Hong Kong, thereby promoting our financial market development. At the same time, the Bill also amends the relevant provisions in the current Inland Revenue Ordinance and Stamp Duty Ordinance to provide tax relief for the relevant bond and investment arrangements under the specified ABS.

President, the Bills Committee recognizes and supports the legal framework and specific provisions concerned. The Government has taken on board the views of the Bills Committee, and will put forward Committee stage amendments accordingly. These Committee stage amendments mainly aims to make amendments that are technical in nature or relating to drafting, so as to enhance the clarity of provisions and thus make their intent and operation more readily comprehensible to the market practitioners.

President, to help Islamic finance to thrive in Hong Kong, the legislative amendment this time around needs the support of vigorous international promotion activities and talent training programmes. The Hong Kong Monetary Authority (HKMA) and the Treasury Markets Association organize forums and seminars on Islamic finance from time to time to enhance local market practitioners' understanding about Islamic finance. For example, the seminar recently held by the Islamic Financial Services Board in Hong Kong and co-ordinated by the HKMA attracted many market practitioners from Hong Kong and within and outside this region. In the future, we will continue to join hands with market practitioners and the various regulatory bodies, including the HKMA and the Securities and Futures Commission, to promote the development of the Islamic finance market and induce bond issuers and investors of sukuk from various places in the world to make use of the financial platform in Hong Kong for the purposes of fund and asset management, financing and issuance of debt, and other related financial activities.

President, Islamic finance has great potential of development in the global financial system. Promoting the sukuk market in Hong Kong will enhance our competitiveness in the financial services industry and consolidate our status as an international financial centre and asset management centre. Therefore, I

sincerely call upon the Legislative Council to support the Bill and the Committee stage amendment I am going to move later on.

I so submit. Thank you, President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**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 Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012.

Council went into Committee.

### **Committee Stage**

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

### **INLAND REVENUE AND STAMP DUTY LEGISLATION (ALTERNATIVE BOND SCHEMES) (AMENDMENT) BILL 2012**

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012.

**CLERK** (in Cantonese): Clauses 1, 2, 3, 5, 7 to 16, 22 to 29 and 31 to 35.

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

(No Member indicated a wish to speak)

**CHAIRMAN** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**CHAIRMAN** (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

**CLERK** (in Cantonese): Clauses 4, 6, 17 to 21 and 30.

**SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY** (in Cantonese): Chairman, I move that clauses 4, 6, 17 to 21 and 30 as read out just now be amended. The amendments concerned have been set out in the paper circularized to Members.

The Bills Committee has put forward many precious views when scrutinizing the relevant provisions and I have put forward various amendments to the Bill in response. The amendments are mainly technical in nature or are related to the drafting, and they are aimed at enhancing the clarity of the provisions, with a view to making the details more comprehensible to market practitioners.

Here I would like to explain to Members the intent of several major amendments.

First, in clause 4, in the proposed Schedule 17A to the Inland Revenue Ordinance, I propose to add the definition of "special purpose vehicle" to section 1 of the Schedule, and use this term in sections 2 and 3 of that Schedule to make it clear our intent for the "bond-issuer" in an alternative bond scheme to be a "special purpose vehicle". This is in line with the market practice. I have also taken on board the suggestion to simplify section 10 of Schedule 17A and add in section 11A by means of an amendment, so as to provide for the method of computing the investment returns of the three most common types of Islamic bonds, namely, lease arrangement, profits sharing arrangement and agency arrangement.

Moreover, I propose an amendment to clause 21, that is, in section 47G of the newly added Part VA of the Stamp Duty Ordinance, to empower the Collector of Stamp Revenue, when dealing with the relief on the special stamp duty, to require the bond issuer or originator in a specified alternative bond scheme to give security to minimize tax evasion. This requirement is similar to the one in section 47F that the bond issuer or originator must give security when the relief on stamp duty is dealt with.

In response to the views of the Bills Committee and professional bodies, I put forward an amendment to sections 6, 7, 9, 21, 23, 24 and 26 of the newly added Schedule 17A to the Inland Revenue Ordinance as proposed in clause 4 of Bill, and I also put forward amendments to the newly added section 47H of the Stamp Duty Ordinance in clause 21, thereby making it clearer our intent of implementing the relevant provisions.

I also propose to amend clause 6, the intent of which is to refine the definition of "debt instrument" in section 14A of the Inland Revenue Ordinance. When the Inland Revenue (Amendment) Ordinance 2011 was formulated, a reference of a date of commencement was mistakenly used in paragraph (g) of that section. Following discussions by the Bills Committee, the Government decides to move an amendment to clarify that despite the reference, an assessment made on the correct date of commencement is valid, so as to provide a tax incentive for the relevant debt instruments.

Other technical amendments or amendments on the drafting have also been accepted by the Bills Committee.

Chairman, the amendments proposed by the Government have been examined by the Bills Committee and agreed on by it. I urge the Committee to endorse the amendments moved.

Chairman, I so submit. Thank you.

*Proposed amendments*

**Clause 4 (see Annex II)**

**Clause 6 (see Annex II)**

**Clause 17 (see Annex II)**

**Clause 18 (see Annex II)**

**Clause 19 (see Annex II)**

**Clause 20 (see Annex II)**

**Clause 21 (see Annex II)**

**Clause 30 (see Annex II)**

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

(No Member indicated a wish to speak)

**CHAIRMAN** (in Cantonese): I now put the question to you and that is: That the amendments moved by the Secretary for Financial Services and the Treasury be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**CHAIRMAN** (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the amendment passed.

**CLERK** (in Cantonese): Clauses 4, 6, 17 to 21 and 30 as amended.

**CHAIRMAN** (in Cantonese): I now put the question to you and that is: That clauses 4, 6, 17 to 21 and 30 as amended stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**CHAIRMAN** (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

**CHAIRMAN** (in Cantonese): Council now resumes.

Council then resumed.

### **Third Reading of Bills**

**PRESIDENT** (in Cantonese): Bill: Third Reading.

**INLAND REVENUE AND STAMP DUTY LEGISLATION  
(ALTERNATIVE BOND SCHEMES) (AMENDMENT) BILL 2012**

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

Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012

has passed through the Committee stage with amendment. I move that this Bill be read the Third time and do pass.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012 be read the Third time and do pass.

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 of the Members present. I declare the motion passed.

**CLERK** (in Cantonese): Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012.

**Resumption of Second Reading Debate on Bills**

**PRESIDENT** (in Cantonese): We now resume the Second Reading debate on the Supplementary Appropriation (2012-2013) Bill.

**SUPPLEMENTARY APPROPRIATION (2012-2013) BILL****Resumption of debate on Second Reading which was moved on 19 June 2013**

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the Supplementary Appropriation (2012-2013) Bill be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

**CLERK** (in Cantonese): Supplementary Appropriation (2012-2013) Bill.

Council went into Committee.

**Committee Stage**

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



**SUPPLEMENTARY APPROPRIATION (2012-2013) BILL**

**CHAIRMAN** (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Supplementary Appropriation (2012-2013) Bill.

**CLERK** (in Cantonese): Clauses 1 and 2.

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

(No Member indicated a wish to speak)

**CHAIRMAN** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**CHAIRMAN** (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

**CLERK** (in Cantonese): Schedule.

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

(No Member indicated a wish to speak)

**CHAIRMAN** (in Cantonese): I now put the question to you and that is: That the Schedule stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**CHAIRMAN** (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

**CHAIRMAN** (in Cantonese): Council now resumes.

Council then resumed.

### **Third Reading of Bills**

**PRESIDENT** (in Cantonese): Bill: Third Reading.

### **SUPPLEMENTARY APPROPRIATION (2012-2013) BILL**

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

Supplementary Appropriation (2012-2013) Bill

has passed through the Committee stage without amendment. I move that this Bill be read the Third time and do pass.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Supplementary Appropriation (2012-2013) Bill be read the Third time and do pass.

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 of the Members present. I declare the motion passed.

**CLERK** (in Cantonese): Supplementary Appropriation (2012-2013) Bill.

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

**PRESIDENT** (in Cantonese): We now resume the Second Reading debate on the Air Pollution Control (Amendment) Bill 2013.

### **AIR POLLUTION CONTROL (AMENDMENT) BILL 2013**

#### **Resumption of debate on Second Reading which was moved on 20 March 2013**

**PRESIDENT** (in Cantonese): Mr Charles Peter MOK, Chairman of the Bills Committee on the above Bill, will address the Council on the Committee's Report.

**MR CHARLES PETER MOK** (in Cantonese): President, in my capacity as the Chairman of the Bills Committee on Air Pollution Control (Amendment) Bill 2013 (the Bills Committee), I report on the deliberations of the Bills Committee. The Bills Committee has held four meetings with the Administration and received views from the public and representatives of various trade organizations.

The current air quality objectives (AQOs) have been in place for 26 years since 1987. Following the release of new Air Quality Guidelines (AQGs) by the World Health Organization (WHO) in 2006, the Administration commissioned a consultancy study in 2007 on updating the AQOs and consulted the public on the recommendations in 2009.

In January 2012, the Administration announced the decision to update the AQOs with effect from early 2014 subject to the passage of relevant legislation in 2013. In this connection, the Administration introduced the Air Pollution Control (Amendment) Bill 2013 (the Bill) into the Legislative Council in March this year. The Bill proposes to amend the Air Pollution Control Ordinance (APCO) (Cap. 311) to provide a set of new AQOs, which is subject to review at least once every five years, so as to repeal the power of the Secretary for the Environment to promulgate AQOs in the Technical Memorandum (TM).

The Bills Committee noted that when implementing the new AQOs, the Administration will include a transitional arrangement for designated projects with Environmental Permits (EP) granted under the Environmental Impact Assessment Ordinance (EIAO) before the commencement of the new AQOs. For these projects, an application for variation of EP lodged within 36 months of the commencement of the new AQOs will be considered on the basis of the old AQOs. This transitional arrangement serves to preserve the integrity of the environmental impact assessment (EIA) system and provide regulatory certainty for project proponents who have already completed the EIA process.

The Bills Committee agreed that the new AQOs could help improve Hong Kong's air quality, but some members were concerned that the tightening of the AQOs would affect the general public and certain related businesses. The Administration stated that in updating the AQOs, it had endeavoured to strike a balance between protecting public health and ensuring that the operation of different trades and industries were not affected.

The Administration explained to the Bills Committee that apart from the APCO itself and the EIAO which uses the AQOs as statutory criteria for evaluating air quality impact and hazard to life, there is no other existing legislation to which the new AQOs will be directly applicable, after the new AQOs come into operation.

The Bills Committee was also concerned about the Administration's complementary measures to help achieve the more stringent AQOs. In this regard, the Administration has pledged to the Bills Committee that it will take forward a range of air quality improvement measures targeting at various key emission sources including power plants, vehicles and marine vessels. These measures include, *inter alia*, changing the fuel mix of the power sector in favour of cleaner fuel, early replacement of aged vehicles, wider adoption of hybrid and electric vehicles, enhanced transport management measures, setting up low emission zones, expanding the rail network, promotion of energy efficiency, and so on. The Bills Committee also noted that with these measures and further emission reduction on the Mainland side of the Pearl River Delta region, Hong Kong's ambient air quality should be able to broadly comply with the proposed new AQOs by 2020.

The Bills Committee has examined the procedure under which the Administration would conduct its review of the AQOs at least once every five years. The Administration advised that clause 5 of the Bill proposes to add a new section 7A to the APCO to provide that AQOs are prescribed in the Schedule 5 to the Ordinance, and the Secretary is also required to submit a report of the relevant review to the Advisory Council on the Environment (ACE). To take forward the related matters, the Administration will establish an Advisory Panel on Review of AQOs (the Advisory Panel) comprising health experts, air scientists, industry and transport trade representatives, the Department of Health and other relevant government departments and bureaux to oversee the technical aspects of the AQO review.

The Bills Committee also noted that throughout the AQOs review process, the Director of Health, as the Government's health advisor as well as a member of the ACE, will provide professional advice on human health impacts of air pollution to the Environmental Protection Department (EPD) and the Advisory Panel. On the other hand, the EPD will, based on the advice of the Advisory Panel, issue a review report for public consultation, as to whether and how the

AQOs need to be revised as well as the corresponding air quality management strategy.

The Administration will follow the existing practice to consult the ACE and the Panel on Environmental Affairs of the Legislative Council on the proposal during the review process. During the public consultation, the Administration will take into account comments received from various stakeholders including academics, experts and professionals in different disciplines, the business sector as well as the public before submitting its report to the ACE. The Bills Committee noted that future amendments of the AQOs must be through a bill passed by the Legislative Council hence facilitating a thorough deliberation in the Legislative Council on the proposed revisions of AQOs and their implications.

The new section 7A(2) of the Bill provides that the Secretary may from time to time review the AQOs for an air control zone to ensure that they are the objectives that should be achieved and maintained in order to: firstly, promote the conservation of air in the zone in the public interest; and secondly, promote the best use of air in the zone in the public interest.

Regarding the reference to the term "public interest" stated above, some members had requested the Administration to express their stance as to whether the words "public interest" should be replaced by "public health", or whether the term "public health" should be added to the relevant section.

The Administration opined that it is evident from section 2 of the APCO that "public health" is an important factor, among other considerations, that the Government needs to take into account when performing and exercising the functions, duties and powers under the APCO. Protection of public health is already and will remain as a key public interest consideration in establishing the AQOs. When considering whether and to what extent the AQOs should be revised, other factors, such as technological feasibility, social and economic considerations also form part of public interest considerations. The Administration considered that it is appropriate to adopt the wording of "public interest".

The Bills Committee supports the resumption of the Second Reading debate on the Bill, and will put forward no Committee stage amendments.

President, in the following part of my speech I will express my personal views on the Bill.

The Bill seeks to implement what the Government announced in early 2012 ..... The previous-term Government delayed the matter for a very long time, and when no further delay could be possible, it finally announced that in the 2012-2013 Legislative Session (that is, the current legislative session), the existing AQOs, which have fallen behind the WHO guidelines for years, would be amended in 2014.

The Professional Commons already expressed grave concern about this matter at that time, and pointed out in 2012 that it was unnecessary for the Government to update the AQOs by legislation, because administrative measures could actually be taken by the Secretary for the Environment to update the AQOs within a short time. Under the APCO, the Secretary may publish AQOs for an air control zone by issuing a TM which may specify different objectives for different parts of the zone. But our suggestion was not accepted by the Government at that time. Fortunately, after the new-term Government came into office, the Environment Bureau no longer put up any delay.

In fact, the various crises we now face relating to environmental protection or even waste disposal have come about as a result of the Government's delay over the past 10-odd years. The price of the Government's inaction or tardiness in dealing with the problem will continue to be paid by the next generation. Moreover, the Environment Bureau still has many problems and shortcomings when it comes to promoting and handling its policies. If not, the impasse in relation to the landfills in the past few weeks would not have emerged.

President, members raised many questions with the Administration during the four meetings held by the Bills Committee to scrutinize the Bill. I noticed that the questions raised and information requested by members were not directly related to the Bill. But as members were gravely concerned about the relevant matters, and there was not sufficient time or opportunities for them to hold discussions with government officials on other occasions, they insisted on spending time on asking questions at the meetings of the Bills Committee in connection with the number and emission data of diesel vehicles and commercial vehicles, support measures for district air quality tests, and so on.

The above situation reflects the helplessness of Members. While they want to communicate with government officials on various important issues, they

lack any opportunity to do so. As the agenda of the relevant Panel is already fully packed, whenever Members have any opportunity to meet with government officials, even the meetings of the Bills Committee, they just will not let go or they will even advocate their own ideas. However, I think such cases are understandable and necessary. I hope the Secretary can face this situation squarely, instead of merely canvassing votes from Members when there are insufficient votes for the relevant proposals to be passed in the Legislative Council.

President, one of the more controversial subjects discussed by the Bills Committee was whether the wording of "public interest" in the relevant provisions should be replaced by "public health", or whether the term "public health" should be added to the relevant provisions. The Administration naturally maintained that no revision was necessary because "public interest" is already considered appropriate. I have already explained the relevant reasons in detail just now in my report, and I will not make any repetition. However, I would like to express members' aspiration here, that is, they hope that the Administration can undertake to adopt protection of public health as the most important public interest consideration in its future reviews of the AQOs.

President, I so submit.

**MR WU CHI-WAI** (in Cantonese): President, the legislative amendment exercise this time around aims mainly to introduce a set of new Air Quality Objectives (AQOs) under the Air Pollution Control Ordinance, and to provide that the relevant AQOs must be reviewed at least once every five years. The Government is at long last willing to amend the outdated AQOs which have been in place since 1987. Although this is a belated move, it is better late than never. Hence, we will still support the present legislative amendment. But during discussion in the Bills Committee, we were gravely concerned about two points in this Bill. The first point is the mechanism of review at intervals of five years, and the second is the reference to "public interest" as a consideration in establishing the AQOs.

As we pointed out in the Bills Committee, since both interim and ultimate targets are set out in the Air Quality Guidelines (AQGs) of the World Health Organization (WHO), the Government should state clearly our timetable for achieving the ultimate targets of the WHO, so as to demonstrate its commitment



to resolving the problem of air pollution in Hong Kong. For the reason stated above, we opine that under the mechanism for review at intervals of five years, the Government should aim to gradually tighten the targets on the relevant air pollutants, so as to progressively achieve the standards of the WHO, rather than contenting itself with attaining the targets established under the present Bill.

We of course trust that the present Government is determined to improve air quality, particularly when we notice the efforts made by the Environment Bureau. Nonetheless, the reality is that the Government is in control of the mechanism for reviewing the AQOs, which means that even after a review, the Government can still choose to maintain the *status quo*, and the Legislative Council does not have any mechanism and means to require the Government to amend the AQOs. Hence, I very much hope that when he speaks later on, the Secretary can undertake that all the Government's reviews will aim to progressively tighten the AQOs.

In his proposed amendment, Mr Dennis KWOK suggests that in every review conducted at intervals of five years, the Administration should consult the Department of Health. The Democratic Party supports Mr KWOK's amendment because it represents our aspiration, that is, public health should be the most important consideration in setting AQOs. In the course of scrutinizing the Bill, we questioned why the Government used the term "public interest" in the provisions, rather than "public health". Despite its reference to public health as an important consideration when reviewing the AQOs, the Government also pointed out at the meetings that when considering whether and to what extent the AQOs should be revised, other factors, such as technical feasibility and socio-economic factors also formed part of public interest considerations.

Apart from health experts and air quality experts, the Advisory Panel on the Review of Air Quality Objectives and Development of a Long Term Air Quality Strategy also comprises other stakeholders including industry and transport trade representatives. If public interest is adopted as a consideration in the formulation of AQOs, then no matter how heavily the Government stresses the importance of public health, it is bound to be constrained primarily by the oft-repeated emphasis on cost-effectiveness when it makes a final decision on whether more stringent standards should be adopted at the end of the day. Regarding this point, let me point out once again that yes, purely from economic and cost perspectives, air quality improvement is admittedly something not very cost-effective. But let me give a very simple example. Why do we need to

replace diesel vehicles? Because air quality has direct impact on people's health. Hence, we must replace diesel vehicles even though we must pay a great price. As pointed out by Prof Anthony Johnson HEDLEY of the Department of Community Medicine of the School of Public Health of the University of Hong Kong in the Legislative Council earlier this year, it was estimated that last year, over 3 000 people died prematurely due to air pollution. Economic losses amounted to close to \$40 billion, and every Hong Kong resident sought at least one medical consultation as a result of air pollution. He also pointed out that according to the WHO's standards, Hong Kong's air pollution had already reached an extremely dangerous level.

The Democratic Party is worried that the adoption of "public interest" rather than "public health" as a factor of consideration in formulating the AQOs actually stems from the Government's fear of impacting economic activities and its consequent refusal to accept a set of AQOs that can better protect public health. As I pointed out just now, air quality improvement may affect different industries and increase their operating costs, or AQOs may affect the environmental impact assessment of various projects in the future. But I think the Government is duty-bound to give a clear account of the matter because it involves the well-being of every person in the entire community and our health.

Society has long since agreed unanimously that air pollution in Hong Kong is very serious. After the passage of the updated AQOs, the Government should propose solutions to the problem in a targeted manner. For example, regarding the Government's earlier proposal to limit the service life of diesel vehicles and phase out polluting commercial vehicles, and so on, the Government should expeditiously present the relevant legislative and funding proposals to the Legislative Council for consideration. Other measures such as the establishment of low emission zones should also be implemented as soon as possible.

I also hope that in respect of air pollution, the Secretary for the Environment can make reference to the undertaking made by the Government last Thursday to lead the establishment of a waste recovery steering committee for the purpose of promoting the waste recovery industry. By the same token, the handling of air quality issues invariably involves different Policy Bureaux. In the past, we often observed that other Policy Bureaux might not necessarily be willing or prepared to implement the indicators formulated by the Environment Bureau. Hence, I think the Government should consider the idea of following

the approach adopted for handling waste recovery and likewise establish a cross-bureaux steering committee, so as to ensure that the ideas of the Environment Bureau can receive the co-operation and support of other Policy Bureaux, including policy and resource support. The one big topic related to air pollution is the transport policy. Is it possible for us to make use of the Fourth Comprehensive Transport Study as a means of re-designing and re-examining Hong Kong's transport planning, so that problems such as over-abundance of private cars, low emission zones, and ineffective deployment of road-based transport can be handled as part of the overall efforts to tackle air pollution? The various Policy Bureaux must support one another before such problems can be resolved, and before the Secretary can realize his hope of tightening the AQOs to meet the highest standards of the WHO.

Having delivered my remarks, I hope that when the Secretary gives his reply later, he can respond clearly to our queries or the undertaking we expect the Government to make. But of course, we do support the Air Pollution Control (Amendment) Bill 2013. We hope that new and clear AQOs can be expeditiously formulated to alleviate the problem of air quality, and that with these new AQOs, we can ensure that the tasks of different government departments relevant to air pollution can be successively implemented.

With these remarks, I support the Bill.

**MR CHAN HAK-KAN** (in Cantonese): President, on behalf of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), I rise to speak on the Air Pollution Control (Amendment) Bill 2013 (the Bill).

President, having been in use for more than two decades, the current Air Quality Objectives (AQOs) in Hong Kong are already outdated and decoupled from many of the AQOs adopted in the international community. This topic has been discussed by the Panel on Environmental Affairs of the Legislative Council time and again. And, it so happens that in its Report No. 59, the Audit Commission has also criticized the Government for making insufficient efforts to improve the AQOs. Hence, in this legislative amendment exercise, the Government has studied the standards of the World Health Organization (WHO) and the consultant's advice, and formulated a set of new AQOs which are broadly comparable to the standards adopted in the European Union and the United

States. In addition, the new AQOs also cover seven major air pollutants, including PM<sub>2.5</sub>, which has been our great concern all along. The DAB expresses support in this regard.

We hope this legislative amendment can give the general public a set of AQOs which can provide them with useful reference. We also hope that with these new AQOs, the Government can alleviate the problem of air pollution in Hong Kong. The Administration has explicitly stated that these AQOs will be subject to review once every five years, and it will also report to the relevant Panel of this Council on the progress at appropriate times every year. I think the Government can give some thoughts to further shortening the five-year review cycle. Is a five-year cycle too long? Is it possible to introduce a certain degree of flexibility, so that reviews can be conducted at intervals of less than five years? Circumstances and economic conditions permitting, and with the acceptance of the business sector, can the Government consider whether we must always wait five years for a review? Can a review be conducted once every three years, so that our air quality can be improved further?

President, I initially thought that the Government's attempt to tighten the standards should be an indication of its determination to improve air quality. But upon close examination of the clauses, I notice that the Government has drastically increased the number of exceedances allowed in the new AQOs. This makes it such a "cowardly hero".

I would like to quote some of the specific figures that I raised many times at the meetings of the Bills Committee. The number of exceedances allowed for sulphur dioxide is increased from one at present to three. The number allowed for respirable suspended particulates (PM<sub>10</sub>) is increased from one to nine every 24 hours. That allowed for ozone is raised from three to nine, an increase of 300%. The case of nitrogen dioxide is even more outrageous, as the number of exceedances goes up from three to 18, an increase of 600%. Even for the newly-added fine suspended particulates (PM<sub>2.5</sub>), the number of exceedances allowed is likewise as large as nine.

President, the Government seeks to tighten the AQOs on the one hand, but it allows more and more exceedances on the other. Isn't that contradictory? When the Under Secretary replied to this question at a meeting of the Bills Committee, she said that this was a relatively honest approach. But President, there is a difference between being "honest" and "pragmatic". If the old AQOs

cannot be achieved, how can we achieve the new ones? I am very skeptical about this. But, I of course hope that the Secretary can attain the new AQOs during his term of office, without too many exceedances.

President, another point of contention in the course of scrutiny is Part 3 of the Bill, which provides for a 36-month transitional period in relation to the Environmental Impact Assessment Ordinance. Projects with environmental impact assessment (EIA) reports approved before the commencement of the Ordinance may proceed according to the old Ordinance, while all new projects must comply with the new AQOs after 1 January 2014. There is apparently no question about these two points. However, we note that within the 36 months after 1 January 2014, in case an application for a variation is filed, the project concerned may continue to adopt the old AQOs. We consider that this is a possible grey area. The Government explained that it would be very rather difficult to require an entire project to undergo another EIA simply due to some minor variations, so the provision of a transitional period was a pragmatic approach that could allow society adequate time to adjust to the new AQOs. But the air pollution problem in Hong Kong is such that we can ill-afford any further delay. It seems that the three-year transitional period provided by the Government is too long. We are also concerned that large numbers of projects may rush to "catch the last train" before the implementation of the new AQOs, in a bid to circumvent their more stringent standards.

Moreover, although the authorities and society have already prepared themselves psychologically for updating the AQOs since the announcement last year, we think that during the 36-month transitional period, the Government should still provide concrete assistance to different social sectors, particularly the power, transport and construction sectors that are directly affected by the new AQOs, with a view to helping them to comply with the new AQOs as soon as possible. For example, the meaning of "variation" must be defined clearly, so as to prevent the public and enterprises from inadvertently breaking the law.

We very much hope that the Government can really make determined efforts to alleviate air pollution in Hong Kong, and implement various emission reduction measures to protect public health, including those measures we frequently mention: promoting the use of electric vehicles, reorganizing bus routes (The North District has just passed one such proposal), speeding up our cycling network improvement, expediting the provision of on-shore power supply facilities at the cruise terminal — Secretary, it will be perfect if we can simply

provide cruises with on-shore power to obviate their need for fuel, rather than asking them to use low-pollution diesel upon arrival. The Government should also expedite the phasing out of highly polluting vehicles, and implement other specific measures to reduce pollution at source.

Moreover, regarding the formulation of AQOs for the 10 air control zones established by the Government, we hope the Government can take actual steps of implementation, especially in the case of the three control zones with landfills. As for places like Mong Kok, Causeway Bay and Central which are under the prolonged impacts of air pollution, we hope the Government can also designate them as air control zones, so as to further improve air quality.

As Hong Kong's air pollution problem is directly related to the air quality in the Mainland, we hope the Government can strengthen its co-operation with the Pearl River Delta (PRD) region in the Mainland, so as to formulate a policy which can enable the authorities of both sides to jointly resolve this problem and implement the targets under the 2020 PRD Region Air Pollutant Emission Reduction Plan.

Lastly, since air pollution not only affects Hong Kong people's health, but also creates serious impact on Hong Kong's economy, finance, environment and sustainable development, it is necessary for this Council to continue to follow up the implementation, review and improvement of the new AQOs in the future.

I believe that this Bill on updating the AQOs will be supported and passed by this Council. And, this Council will continue to meticulously examine and monitor their impact. The DAB supports the new AQOs, and hopes that the Bill can commence as soon as possible, so that we can improve Hong Kong's air quality and attain the interim and ultimate targets of the WHO, thus enabling Hong Kong to remain a gleaming pearl of the orient.

Thank you, President.

**MR FRANKIE YICK** (in Cantonese): President, the current Air Quality Objectives (AQOs) of Hong Kong were established 25 years ago under the Air Pollution Control Ordinance (the Ordinance), and have not been updated ever since. Obviously, the AQOs are by now outdated and obsolete, lagging far

behind the new Air Quality Guidelines (AQGs) released by the World Health Organization (WHO) in 2006. Hence, the Administration has proposed the Air Pollution Control (Amendment) Bill 2013 (the Bill) in the hope of updating and perfecting the current AQOs.

The Liberal Party maintains that it is necessary to introduce this legislative amendment lest our AQOs may turn too lenient because of their being outdated and thus lead the public to think that Hong Kong does not face any air quality problems. We believe that the new AQOs can reflect more accurately the changes that have occurred to Hong Kong's air quality, and also the potential health impact of air quality changes.

I am happy that the new AQOs which the Government proposes to implement early next year have been formulated based on the Liberal Party's advice. Rather than adopting the hasty approach of wholly copying the strictest standards in the WHO's AQGs and applying them to Hong Kong directly and in one single step, the Government has chosen the progressive approach of basing on the interim and ultimate targets in the WHO's AQGs. The new AQOs are broadly in line with the standards adopted by the European Union and the United States, all formulated with the aim of progressively attaining the strictest standards set out in the WHO's AQGs. They can cater for the actual situation in Hong Kong and also achieve the aim of upgrading Hong Kong's air quality. The Liberal Party hopes that the new AQOs can bring continuous improvement to Hong Kong's air quality, thus creating a quality living environment, one which can ensure public health and at the same time attract visitors, talents and inward investments that can in turn upgrade Hong Kong's integrated competitiveness.

The Hedley Environmental Index is designed by Prof Anthony Johnson HEDLEY, Honorary Professor of the School of Public Health of Li Ka Shing Faculty of Medicine of the University of Hong Kong, for the purpose of monitoring the economic cost of Hong Kong's air pollution in terms of public health impacts and their monetary value. As estimated by the Index, in the year 2012 alone, air pollution caused the death of 3 069 people, the hospitalization of over 150 000 persons, and the seeking of medical consultation by 7-odd million people. The resultant economic loss was close to \$40 billion. In view of the hazards caused by air pollution, the current-term Government has treated air quality improvement as one of the most important tasks. The Liberal Party in principle welcomes the series of measures introduced by the Government with the specific aim of improving air quality. Yet, the Liberal Party hopes that before

the Government implements any measure, it can first consider whether the measure is practicable and feasible.

Let me illustrate my point by referring, as an example, to the study report in relation to the Air Quality Objectives Review published in July 2009. The implementation of the basket of measures for achieving the consultant's proposed new AQOs alone will incur enormous social costs. For example, as tentatively estimated, increasing the ratio of natural gas in local electricity generation to 50% together with additional emission abatement measures will increase tariff by phases by at least 20% from the current level. And, advancing the replacement of heavily polluting franchised buses could drive the fare increase pressure to about 15% in a single year — in total, the cost would be as high as \$600 million. We therefore think that before implementing any measures, the Administration must give reasonable consideration to the affordability of stakeholders and the general public, as well as the cost to be paid by society.

Although we agree that society needs to pay a price for clean air and the benefits of air quality improvement may outweigh the cost we pay, we still hope that in the course of rolling out air quality improvement measures, the Administration can adopt a progressive approach and take account of the actual situation. If the Administration ignores the actual situation and forcibly implement any measures in a great rush, it will only achieve the opposite results in the end — such measures may fail to yield any results, and in addition, chaos may even arise from the inability to balance the interests of affected stakeholders. Such an approach is absolutely undesirable.

In the course of scrutiny, the Bills Committee on Air Pollution Control (Amendment) Bill 2013 (the Bills Committee) held one meeting to receive views from various organizations. At the meeting that day, deputations from many transport trade organizations were also present, and they all expressed concern about the implementation of the new AQOs, because they said that whenever air pollution was discussed, the transport sector would invariably bear the brunt. In recent years, the operating costs of the transport sector have been rising incessantly. The costs of fuel, insurance, spare parts, repair and maintenance have all been soaring. And, the Government's policy of improving roadside air quality has also added to the already heavy burden of the sector.

A case in point is the earlier "Incentive Scheme to Replace Pre-Euro and Euro I Diesel Commercial Vehicles by New Commercial Vehicles". In this



particular case, the Administration's subsidies can only cover a small portion of the expenses, and the sector must foot the major part of the bill. The incentive is too small, and the Government does not offer any appropriate assistance in response to the operating conditions of the sector, so the already difficult operating conditions of the sector have been aggravated. The original intent of these two subsidy schemes is certainly very good, but their failure to cater for the actual situation of the sector has led to very low participation rates and many grievances from the sector.

At present, the Administration is making preparation for the \$10 billion subsidy scheme to phase out pre-Euro IV diesel commercial vehicles. To avoid the same mistake found in the two previous replacement schemes, the Administration should proceed with a new mindset and redesign the operation of the subsidy scheme in the light of the sector's situation, increasing the level of subsidies, delinking the writing-off and replacement of vehicles and providing an early-replacement bonus to vehicle owners. It is hoped that through all these additional incentives, heavily polluting diesel vehicles can be phased out as early as possible.

Although the Administration assured the transport trade organizations at the meeting of the Bills Committee that the implementation of the new AQOs would have no immediate effect on the transport sector, I still hope that if the Government wants to consider any emissions reduction measures affecting any transportation modes, it can first consider the actual operation of the sector, hold discussions with it beforehand, and proceed with their implementation step by step as far as practicable.

Regarding the Administration's proposal to add a new provision to the Ordinance to provide that the Secretary for the Environment shall review the AQOs at least once every five years, the Liberal Party wants to render its support, because this arrangement will ensure that the AQOs can keep abreast of the times. Nonetheless, regarding Mr Dennis KWOK's amendment, which says that "while a review is being carried out ..... the Secretary shall consult the Advisory Council on the Environment and the Department of Health, and once the review is completed, submit to the Advisory Council on the Environment and the Department of Health a report of the review", the Liberal Party does not consider it necessary to include such a provision.

For the sake of protecting public health, Mr KWOK seeks to add in a provision requiring the Secretary to consult the Department of Health (DH). But

let us not forget that the very point of formulating the AQOs is primarily to assess the health impact of air quality and to protect public health. The Director of Health is the Government's health adviser, so even though the DH is not represented on the current Advisory Council on the Environment (ACE) as Mr KWOK has claimed, DH representatives will still be present in the the Advisory Panel on Review of AQOs set up by the Government. The DH will definitely participate in the process of reviewing the AQOs. For this reason, what is the point of taking the superfluous step of introducing a provision requiring the Secretary to consult the DH? If it is indeed necessary to do so, then should other relevant government departments also be included? In theory, the Legislative Council should also be included. But in practice, there is no such need because any legislative amendments necessitated by a review of the AQOs must be scrutinized by the Legislative Council as the gate-keeper. I think this arrangement can already provide adequate safeguard against the omission of any factors of consideration.

The Government follows established procedures for reviewing the AQOs. It will consult the relevant Policy Bureaux and departments, the ACE, the Legislative Council, various stakeholders (including academics, experts and professionals in different sectors), the business sector and the public. Following this, it will submit a review report to the ACE. As the components and scope of the established procedures already far exceed what Mr KWOK proposes in his amendment, the Liberal Party does not find it necessary to add another framework to the provisions. Besides, Mr KWOK's amendment has not been scrutinized by the Bills Committee in detail. As we opine that his amendment of adding a new provision is proposed rather hastily, the Liberal Party cannot support it.

President, I so submit.

**DR KENNETH CHAN** (in Cantonese): President, the Air Pollution Control (Amendment) Bill 2013 (the Bill) is a long-awaited legislative amendment because we all hope that the authorities can take forward significant improvements and make a courageous and resolute decision to protect the health of 7 million people. Therefore, in our debate on this amendment proposal in the Council today, we should perhaps look back at the theories and principles underlying our discussions on air quality in past years and recap the wording of the relevant motions with no legislative effect.

For example, in the motion "Air pollution and public health" moved on 7 January 2009, there is this very clear statement: "adopt the latest objectives of WHO as the benchmark for formulating measures to improve air pollution, evaluate the effectiveness of each of these measures in improving public health". In the same motion, it is also said: "in conducting the review of Air Quality Objectives, entrust the Food and Health Bureau with the responsibility of assessing whether the intended benefits to public health as a result of the implementation of new Air Quality Objectives have been achieved". This motion was moved on 7 January 2009 and was passed by this Council even under the separate voting system.

Next comes the motion "Improving air quality" moved on 5 May 2010, which says that "this Council requests the Administration to make protection of public health its primary policy objective in tackling the problem of air pollution". Again, this motion was agreed and endorsed by Members returned by functional constituencies and geographical constituencies through direct elections. In the motion "Air pollution and public health" subsequently moved on 8 December 2010, there is also a clear statement urging the authorities "to recognize that air pollution is a public health issue, and require accountable officials from the Food and Health Bureau to participate in the formulation of policies on improving air quality". This theme and points of this motion were likewise agreed and endorsed by the two groups of Members, and they obviously commanded the support of Members from different political parties and groupings.

That is why many Members have explained the importance of enacting the Bill today to update the AQOs. Since its inception, the Civic Party has been very concerned about the impact of air quality on people's health as well as Hong Kong's competitiveness and international reputation. In the case of public health, for example, respirable suspended particulates (PM10) or fine suspended particulates (PM2.5) do have a particularly significant impact on people's health.

Many people have talked about allergic rhinitis and asthma. In this regard, we may look at the findings of a scientific study on the correlation between wellness and air quality in Guangdong released by Prof ZHONG Nanshan and his Guangzhou team in January 2012. One finding which I think not many people have noticed is that although the number of smokers in Guangzhou has decreased, the number of lung cancer patients has increased. After conducting some quantitative analyses, Prof ZHONG Nanshan's team discovered that there is a correlation between fine suspended particulates (PM2.5)

and the increasing incidence of lung cancer. In other words, when we discuss air quality or any kind of AQOs today, we must accord top priority to people's health.

Mr Charles Peter MOK has already recounted our deliberations in his capacity as the Chairman of the Bills Committee. The report of the Bills Committee mentions that during the scrutiny of the Bill, members did discuss whether "public health" should be equated with "public interest", or whether "public health" should even be given top importance. This idea is not without any basis, nor is it a notion conceived by Mr Dennis KWOK, me or other Members all of a sudden. Mr Frankie YICK's earlier remarks, therefore, probably stem from the fact that he may have missed or forgotten the ongoing discussions in this Council on the correlation between public health and reviewing our laws on air quality.

Mr Charles Peter MOK hopes that public health can eventually be treated as the most important consideration in the Bill or any other relevant bills that may be passed in the future. But he probably fails to see that according to the Bills Committee report which he has recounted, the Government only says that it will continue to treat "public health" as one of the key public interest considerations, rather than the most important or only consideration.

In fact, during the scrutiny of the Bill, I also expressed to government officials my hope of making public health an objective of the Bill in addition to public interest. The Government however replied that since there were a whole basket of considerations, it was necessary to also consider and balance other social and economic factors. I can understand the Government's reply as far as it relates to the objectives of the Bill. But when it comes to the review mechanism, that is, things like conducting reviews regularly or at intervals of five years, I would say that Mr Dennis KWOK's proposal is actually quite moderate and sensible, and in line with the objectives of the provisions. If the Government claims that it has always been conducting such reviews and will continue to do so, then I really fail to see any special reason for its strong aversion to clearly stipulating the role of the Department of Health in the provisions and enhancing the transparency of the entire review process.

The reason is that we are now discussing the introduction into Hong Kong of a set of standards and targets of the World Health Organization (WHO) through this legislative amendment exercise. Our aim is to make all these standards and targets applicable to or compatible with other measures and

requirements related to the Bill (such as the procedures of Environmental Impact Assessment), so that benign interaction can be possible. Since what we are talking about are the targets and proposals set by the WHO and our focus is public health, why should the Government think that doing so is something very difficult, difficult to the extent that it must make so many strenuous efforts to persuade Mr Dennis KWOK and I not to pursue this issue anymore? I fail completely to understand why.

Well, if the Government says that it must take account of other factors when it comes to the objectives of the legislation, I will respect, understand and accept its position. This explains why I did not insist in the end. But during the discussion on the review process and mechanism, we raised the issue again, and we did so mainly because of our intention to work with the Government as partners. Since the Government has always described public health as such an important concern, why doesn't it set out everything clearly, so as to enhance transparency as well as community-wide participation, and elevate the concern about public health and the overall community environment to a higher and more clearly defined level?

Furthermore, as some members said during the scrutiny of the Bill, the AQOs currently proposed are not in line with the Civic Party's long-standing advocacy of adopting the highest targets required by the WHO. I can even say that in the case of some targets, particularly those relating to PM10 and PM2.5, the progress is extremely slow. The Government's reply is that since Hong Kong and its neighbouring areas, especially the Pearl River Delta region, will inevitably influence one another in terms of air quality, further consideration is required and it is impossible to achieve the goal in one step. I understand and accept this reply, but I also hope that the authorities can step up their efforts in this regard. The reason is that Prof ZHONG Nanshan and his Guangzhou team have already pointed out the existence of a certain correlation between fine suspended particulates and lung cancer. Hong Kong may need to deploy additional resources for conducting more studies and disseminating more information in this regard, so as to enhance public knowledge and better protect public health.

Throughout the discussions on this topic, I have been highlighting the need to build roadside air quality monitoring stations and how this can be done. This can enhance people's awareness of air quality, and on the basis of such awareness, we can further encourage community-wide participation and in turn protect public health and personal health. In the course of discussion, government officials

replied that additional resources would be deployed to build more roadside and general air quality monitoring stations. But at the same time, they did not consider it necessary to build too many of these facilities because they thought that once a certain number of roadside or general air quality monitoring stations were built, enough samples could be collected, and from the standpoint of sampling, this could already enable us to tell whether our air quality could meet the AQOs.

Such a viewpoint may be tenable from a wider perspective of Hong Kong's overall needs, and I understand that resource-wise, it may not be advisable to set up monitoring stations in every street. But the fact is that the deterioration of air quality and people's health over the past few years, coupled with the infrastructure developments undertaken in the urban areas, have made Hong Kong people more and more concerned about the impact of air quality on the health of people in the districts, housing estates or streets.

Recently, I have met with a group of Central Kowloon residents in the Legislative Council Complaints Division. Owing to the development of the Central Kowloon Route and the construction of an Express Rail Link station in nearby West Kowloon, which are all undertaken in the very heart of the urban areas right next to people's homes, local residents are understandably worried. I do not think that their worry is in any way irrational. Rather, I am convinced that their worry is a very sensible one, a key consideration involving people's right to know and their concern about their own health and the wellness of their families and neighbours. They very much hope that the Government can listen to and care about their concerns, and have interaction with the local communities with a scientific and sensible attitude. One of their specific requests is the building of more roadside air quality monitoring stations in the communities. I understand only too well that the Government may not do so or may just respond slowly or passively.

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

Actually, Central Kowloon residents aside, the residents of many other districts are likewise affected by large-scale infrastructure projects and may also voice similar aspirations. Will the Government consider and accept their requests? Since the Government has started to update the AQOs after our repeated requests, and it has also accepted our proposal of conducting periodic reviews, can it also attempt to make everything even more concrete and accurate

in the provision of such air quality statistics that can encourage community-wide participation and enhance people's awareness and right to know, so that communities affected by infrastructure projects, especially large-scale infrastructure projects, can grasp more information that is comprehensible and accurate? This will be of help to the Government, and not only this, the engineering sector will also be able to disseminate information and play the gate-keeping role properly from the standpoint of public safety and public health.

I want to stress that the building of roadside or general air quality monitoring stations is very important to many people. People in green trades, green industries and even the international environmental protection campaign have always wanted to impart the message of "Think Globally, Act Locally". The essence of this message is that on the one hand, we should think about the whole world, about issues like the Earth, sustainable development, the wellness of mankind and even climatic changes, but on the other, we should also think about our local areas, about Hong Kong as a city, about every local community and every street, hoping that air quality improvement can be linked to people's health, and that with the whole basket of measures and directions updated under the Government's resource allocation policy and the new AQOs, the overall air quality of Hong Kong can see substantial and strategic improvements. We also hope that through people's participation, we can improve public health, make our city more competitive and appealing, and turn it into a more livable city.

Thank you, Deputy President. With these remarks, I support Mr Dennis KWOK's Committee stage amendment.

**MR KWOK WAI-KEUNG** (in Cantonese): Deputy President, last month, the Air Pollution Index of Singapore soared to a very alarming level, thus dealing a heavy blow to local residents' living, and even economic and tourism activities. From this, we can see the heavy impact of air quality everywhere.

In fact, as pointed out by many previous survey reports on competitiveness, Hong Kong's air quality has seriously undermined our competitiveness and brought forth severe adverse impacts. Some Members mentioned earlier that as estimated by the Hedley Environmental Index, which monitors local air pollution, the pollution-related burden of disease and lost productivity in 2012 amounted to \$39.6 billion in Hong Kong, and \$3.3 billion of this amount was tangible loss and \$36.3 billion was intangible loss. Intangible loss generally refers to productivity loss and the pain suffered by people as a result of diseases.

The general public and even the Government are often unaware of such impacts and loss caused by air pollution because they are intangible and cannot be instantly assessed. All along, we have not had a set of clear air quality targets for the purpose of measurement. Whenever people feel unwell or any shortness of breath, they will only go to see the doctor without realizing that the crux of the problem is air quality.

Deputy President, the existing Air Quality Objectives (AQOs) in Hong Kong were set nearly 26 years ago in 1987, lagging far behind the new Air Quality Guidelines released by the World Health Organization (WHO) in 2006. But the authorities have not updated the AQOs, thus forcing us to use the old targets for measurement. Over time, we have come to underrate the problem of air pollution in Hong Kong. Very often, when people hear from newscasts that the air pollution level is "low to medium" or "medium to high", they can only form a very vague picture based on the words used, totally unable to make sense of the gravity of the actual situation. Nonetheless, if the interim targets of the WHO are adopted as the yardstick, we will be able to form a clear picture of Hong Kong's current situation. For example, if we use the interim targets of the WHO as the yardstick, we will realize that in the year 2012, there were only 69 days with no exceedances; and in the first six months of 2013, there were only 21 days when air quality was up to standard. From this, we can see how serious the problem is. Also, the present amendment does not clearly state whether the Government will deploy additional resources to improve air quality if the days of exceedances remain high after the amendment. We have yet to seen anything in this regard. Perhaps, the data collected are meant for reference only.

Anyway, the Hong Kong Federation of Trade Unions (FTU) is in support of the authorities' move in long last to update the AQOs on the basis of the guidelines issued by the WHO. The FTU also thinks that this is a big step taken by the Government to squarely address air pollution. Of course, as Mr CHAN Hak-kan has just remarked, the new AQOs are still not the most satisfactory, in the sense that they indicate the leniency on the part of the Government. For example, the ultimate and strictest targets of the WHO are not adopted in the case of certain pollutants, and in regard to the suggestion of conducting at least one review every five years, some organizations have criticized that a five-year cycle is much too long. But still, we do think that overall, the new AQOs are more advanced than the old AQOs, and we also expect that successive amendments to these new AQOs in the future will bring them closer to the actual situation. The



FTU therefore supports the amendments proposed in the Bill, but will closely monitor the effectiveness and review of the new AQOs in the time to come.

Deputy President, this Bill has only updated the yardsticks for measuring air pollution. To comprehensively rectify the problem, we must depend on the Government's comprehensive efforts to combat pollution at source. Actually, power plant emissions are the greatest source of air pollution in Hong Kong, followed by transport and traffic emissions.

The FTU holds that to improve air quality, the Government must make all-out and multi-pronged efforts, rather than tackling only one single source of pollution or alleviating the emissions problem of one single type of vehicles. In the case of power plants, for example, will the authorities use the interim reviews of the Scheme of Control Agreements with the two power companies in the future as a means of requiring them to reduce the emission of pollutants from their power plants? In fact, the authorities have been adopting a rather lenient attitude towards the emissions of the two power companies. Long periods of time have been spent on the hardware arrangements involved, including those on increasing the proportion of power generation by renewable energies, reducing pollutants in emissions, and cutting the reserve margins and electricity consumption.

In contrast, the Government's approach of handling land transport looks very hasty. Actually, the authorities must deal with all land transportation means, meaning that they must also urge bus companies and owners of minibuses, taxis and private cars to reduce emissions. At present, there are 660 000 registered vehicles in Hong Kong, and diesel vehicles, which are classified as high-emission vehicles, number only 80 000 or some 10%. Sometimes, we do ask ourselves, "Is the total emission volume of this 10% of vehicles really higher than the total emission from the remaining 580 000 vehicles? Why is the Government so very determined, setting 2016 as the deadline for phasing out all pre-Euro and Euro I diesel vehicles?" I believe many major car companies should welcome this scheme, but we must stress that many "single-vehicle" owners are still facing livelihood problems. However, the Government is willing to subsidize only 20% to 30% of retail car prices. Such "single-vehicle" owners simply cannot afford the shortfall of 70%. Many of them are already approaching retirement and intend to work for only a few more years. But the Government is in effect forcing them to retire two years later. How are they going to survive in the rest of their life? We have therefore discussed with the Environment Bureau and the Environmental

Protection Department and tried to find out how air quality can be improved while ensuring the industry's survival. Here, I must stress this point again and hope that the Government can think twice.

Deputy President, many Members have remarked that public health should be accorded paramount importance, but the Secretary has replied that "public interest" already encompasses public health. Indeed, the term "public interest" has an extensive coverage. Apart from health, it also covers other considerations, including social resources, land and environmental changes. We therefore consider the term "public interest" appropriate.

Furthermore, Mr Dennis KWOK's Committee stage amendment (CSA) specifically requests the authorities to consult the Advisory Council on the Environment (ACE) and the Department of Health (DH) during the periodic review of the AQOs and then submit a report to them. In their reply to the Bills Committee, the authorities advised that an advisory panel will be established whenever AQOs are reviewed in the future. As this advisory panel will certainly consult the ACE and the DH, it is superfluous for Mr KWOK to include the two of them in his CSA. Given that the present arrangement has achieved the desired effect which Mr Dennis KWOK's CSA intends to achieve, we therefore have reservation about his CSA and will not support it.

I so submit. Thank you, Deputy President.

**MS CYD HO** (in Cantonese): Deputy President, if it is indeed true that Hong Kong was once the Pearl of the Orient, I am afraid it must have been a black pearl from Tahiti, because all we can see from photographs depicting the sunset or evening scenes of Hong Kong is just a place shrouded in black smog. Deputy President, this is the first time in years that the Government amends the law on the Air Quality Objectives (AQOs); the interim targets of the World Health Organization (WHO) are used as the basis, and the standards adopted for some of the objectives are quite high. But these objectives are not the most satisfactory; the authorities claim that they are adopted out of pragmatic considerations only. Actually, it does not matter so much as to whether the Bureau is really driven by pragmatic considerations to go for some interim targets that can be easily handled and attained, and whether the standards adopted are the most satisfactory, because all these objectives will not entail criminal liability. Even if these objectives are

not attained after their inclusion in the legislation by the Government, the Secretary does not need to step down all the same, nor do any officials of the Government and the Environmental Protection Department need to bear any legal responsibility either. Therefore, what we have is just the abstract existence of these objectives in the legislation, objectives that can at best serve a reference purpose only. If the objectives are meant for reference only, we cannot see why the Government should stop short of being more ambitious and going for even higher standards. Is that because it fears that it may fail to account for a high incidence of non-attainment of targets in the future in case very high standards are set? In the course of scrutinizing the Bill, we eventually managed to see why when we realized that the AQOs will also carry legal force — under the Environmental Impact Assessment Ordinance, the proponent of any private-sector or public-sector development project or infrastructure project, the Government not excepted, shall submit an environmental impact assessment (EIA) report which must cover air quality. The Director of Environmental Protection will then study the EIA report and insert certain terms and conditions as appropriate, requiring the proponent to make improvements.

Therefore, the saying that there is no criminal liability and legal effect is true only in the case of government officials. AQOs will still be a factor of consideration in the process of vetting and approving a development project. But then, Deputy President, this reminds me of one thing. During the scrutiny of the Bill, I told the Government that since it would insert improvement proposals on the basis of EIA reports, I would like to know whether it had ever sought to check the implementation or otherwise of such improvement proposals after the completion of the infrastructure projects or development projects concerned. I said that if the Government would only do assessment before approval without conducting any spot checks and monitoring afterwards, the AQOs would be reduced to something meant for reference only, thus stripping the legislation of its only legal effect. How did the Government reply? The Government replied that it had never done any spot checks. I am very disappointed as a result.

Therefore, Deputy President, I must reiterate the request I already put forward during the scrutiny of the Bill — in the future, on the basis of the air quality targets in relation to an EIA report, the Government must check whether the targets set at the time of approval have been met following the completion of

the infrastructure project or development project concerned. If the answer is negative, the Government must impose additional improvement measures, rather than doing nothing despite the non-compliance of projects. Deputy President, I very much hope that the AQOs can serve practical purposes rather than being treated as "hollow" objectives meant for reference only. To this end, post-completion audit checks are necessary.

If the Government detects any non-attainment of the AQOs originally required when conducting audit checks after the completion an infrastructure project, it should decisively introduce some measures in the vicinity of the development project concerned, such as forbidding heavy vehicles to use the relevant transport facilities, so as to reduce emissions in the area. Furthermore, the authorities may also require all heavy vehicles entering the area to use low-sulphur fuels or specify that only vehicles of certain advanced models are permitted to enter. If the Government does not carry out any audit checks and take any remedial actions, whether the review cycle is three years or five years will not make any difference.

Deputy President, I strongly agree to Mr Dennis KWOK's Committee stage amendment (CSA), which proposes to adopt public health as a standard of formulating AQOs and conducting future reviews. First, the logic of this CSA is very simple. As the targets of the AQOs are formulated by the WHO, they must be about public health, otherwise it would have been okay to ask the World Bank to do the job. If the issue was economic in nature, the World Bank would have been asked to perform the task. One more thing is that Mr Dennis KWOK's CSA is not a bolt from the blue. I can well appreciate that Members often face time clashes. They might have missed a certain part of the Bills Committee meeting and therefore did not hear Mr Dennis KWOK's views. We are all very understanding persons and can well appreciate that it is sometimes impossible to attend to large numbers of commitments all at the same time. But this does not mean that facts can be denied. During the scrutiny of the Bill, Mr Dennis KWOK and other Members already raised the issue of public health time and again. We repeatedly requested the Bureau to move a CSA on public health. We kept asking the Bureau to do so until the very last Bills Committee meeting, because a CSA moved by the Secretary is not subject to separate voting and thus has a higher chance of passage than a CSA moved by us. It was only when all

our attempts failed that we finally decided to move a CSA ourselves. It is true that Mr Dennis KWOK proposed his CSA rather late in the day, just like how I proposed my CSA relating to the Hong Kong Arts Development Council. I certainly do not want to propose the CSA myself, and would want the Government to do so instead, right? Members who missed that very part of the last Bills Committee meeting may wrongly think that the CSA is a bolt from the blue. This is not the case because we honestly raised this issue many times. The principle of this CSA is actually very simple, and the relevant policy has already been discussed by Members. What is more, the drafting of the CSA is not too complicated, so I think even if Members have not studied the text of the CSA in detail, it will not be difficult for them to make a decision.

In case anyone thinks that improving air quality is not for the protection of public health, I will be baffled as to what the aim should be. There is one well-known case, the toxic smog in London. In its coal-burning days, London saw three onslaughts of black smog that killed thousands of people. I remember that the number was something like 3 000. Even after the dissipation of the toxic smog, still many people died of respiratory problems. The total death toll might have been 5 000 people.

The Government says that "public interest" has been incorporated into the Ordinance, and "public interest" already covers public health. I agree to this saying, but I must still point out that public interest also covers economic factors. Therefore, if we do not go for such explicitness and make it a point to mention public health clearly, will public health end up being superseded by economic interest? Deputy President, Secretary, public health is also connected with economic interest. What is the manifestation of such connection? As pointed out in the report published by Prof HEDLEY which many Members have mentioned, the number of deaths caused by poor air quality reaches 3 069 per year, whereas economic loss is as large as \$40 billion.

What are the losses connected with this \$40 billion? The loss sustained by our labour force is one, and medical cost is another. The daily cost of in-patient care in public hospitals is more than \$3,000. All such costs are the economic loss arising from impairment to public health. We have been talking about upgrading Hong Kong's competitiveness, but one reason explaining why

we have fallen behind others in competitiveness is precisely poor air quality, a factor that deters foreign investors and makes expatriates reluctant to settle in Hong Kong in many cases. Well, of course, you may know that the bad luck which has recently happened to one of our neighbours may well give us good luck. As a result of the burning of forests in Indonesia, huge amounts of pollutants have been blown across the border to Singapore, thus plunging the latter into a very deplorable situation. But honestly, we cannot possibly count on others' predicament to maintain our competitiveness. Instead, we should take proactive actions to improve air quality in Hong Kong and people's health condition.

Two days ago, *Apple Daily* carried a headline news story about a survey conducted by the University of Bern in Switzerland, which shows that people living on lower floors are more vulnerable to health risks than those living on higher floors. According to this news story, in the context of Hong Kong, people living on the eighth floors of buildings or below (that is, seventh floors or below in western countries) face a mortality rate which is 22% higher than the normal rate because they inhale greater amounts of suspended particulates (including PM<sub>2.5</sub>, that is, suspended particulates of diameter less than 2.5 µm). They are in addition more vulnerable to respiratory diseases, stroke and cardiovascular sclerosis. Their chances of contracting such diseases are 35% to 40% higher than people living on higher floors.

Deputy President, this is just a Swiss research and does not cover the situation in Hong Kong. I believe that in Hong Kong, due to the heat island effect and the canyon effect, even people living above the eighth floors of buildings face the same situation. Some streets in Hong Kong are narrow, and in the old areas of Tseung Kwan O, for example, screen-like buildings are found on the two sides of a street with vehicles running in between. Hot air thus cannot disperse. In busy commercial districts, roadside air pollution is very serious. Therefore, if the findings of overseas surveys are already so appalling, I can well imagine that the situation in Hong Kong is even more alarming.

In fact, the Panel on Environmental Affairs of the Legislative Council has set up the Subcommittee on Issues Relating to Air, Noise and Light Pollution to study these types of pollution from the standpoint of public health. Actually, there is no lack of academics in Hong Kong who want to conduct studies on

pollution issues. But it was a pity that they all find it very difficult to get any research grants from the Research Grants Council under the University Grants Committee. In this regard, the Subcommittee can perform one function. Whenever the Subcommittee is told by any academics that they have failed to get any research grants, it will inform them that all Policy Bureaux have each earmarked a small amount of money which can be allocated to academics or research consultants for research purposes. I hope the Secretary can be more lenient on this, maintain contacts with academics, and advise them to apply for funding from the Environment and Conservation Fund. The authorities should set aside up to \$1 million for local academics to carry out studies on the situation in Hong Kong, so as to ascertain the impact of air, noise and light pollution on public health.

In an interview with the media, an academic from the University of Hong Kong said that a mere increase of 10 units in the content of PM<sub>2.5</sub> in 1 cu m of air can already enable tiny suspended particulates to diffuse through the lung membrane and arteries, thus causing hypertension or atherosclerosis. They may even cause stroke if they reach the brain. Worse still, these tiny suspended particulates cannot even be filtered out by air purifiers. Therefore, if we discuss the standard of air quality without considering public health or the economic loss arising from public health impairment, we will be putting the cart before the horse and very unrealistic.

Therefore, Deputy President, I agree to Mr Dennis KWOK's CSA. And, I hope that even if the CSA cannot be passed, the authorities will still work closely with the Legislative Council and provide funds to academics for conducting research, so as to ascertain the adverse public health impact of air pollution, the resultant medical costs, the loss of inward investment and other expenses.

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

the Environment to reply. This debate will come to a close after the Secretary has replied.

**SECRETARY FOR THE ENVIRONMENT** (in Cantonese): Deputy President, first of all, I am grateful to Mr Charles Peter MOK, who is the Chairman of the Bills Committee on Air Pollution Control (Amendment) Bill 2013 (Bills Committee), members of the Bills Committee and staff of the Legislative Council Secretariat for their hard work. Over the past two months or so, the Bills Committee has conducted four meetings, and a public hearing has also been held to collect public views. It has completed its scrutiny of the Bill for the resumption of Second Reading debate today. I am also thankful to those Members who have expressed their views today.

The aim of tabling this Bill is to update Hong Kong's Air Quality Objectives (AQOs) and establish a mechanism for periodic reviews of the AQOs in the future, with a view to increasing people's concern about public health.

The new AQOs proposed in the Bill are benchmarked against the interim and ultimate targets of the Air Quality Guidelines (AQGs) of the World Health Organization (WHO), and they are broadly comparable to the air quality standards adopted in the European Union and United States. This set of standard is more stringent than the existing AQOs, and is therefore one big step forward in the protection of public health.

The Bill also provides for a mechanism for periodic reviews of the AQOs. The Government will review the AQOs at least once every five years and submit a report to the Advisory Council on the Environment. This frequency of review is in line with the international best practice. We will review the AQOs and upgrade the standards at appropriate times. Our long-term goal is to achieve the ultimate targets set in the AQGs issued by the WHO.

The Government is determined to gradually improve air quality in Hong Kong. We will strive to strengthen inter-departmental co-operation, and make all-out efforts to introduce air quality improvement measures targeting on the pollution caused by major emission sources, including power plants, vehicles and



marine vessels. We also announced in November 2012 a Hong Kong-Guangdong joint emission reduction plan up to 2020, which gives concrete expression to the objective of strengthening co-operation between the two places. In this year's Policy Address, the Chief Executive has also put forward concrete proposals to phase out diesel commercial vehicles and reduce emissions from marine vessels. We will continue to take proactive actions, which include conducting relevant studies, with a view to broadly achieving the new AQOs in 2020.

Deputy President, I propose to resume the Second Reading of the Bill, and call on Members to support and endorse it, so that the new AQOs may come into effect next year, that is, January 2014, and protect public health. Thank you, Deputy President.

**DEPUTY PRESIDENT** (in Cantonese): I now put the question to you and that is: That the Air Pollution Control (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): Air Pollution Control (Amendment) Bill 2013.

Council went into Committee.

**Committee Stage**

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

**AIR POLLUTION CONTROL (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 Air Pollution Control (Amendment) Bill 2013.

**CLERK** (in Cantonese): Clauses 1 to 4, 6, 7 and 8.

**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 4, 6, 7 and 8 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.

**CLERK** (in Cantonese): Clause 5.

**DEPUTY CHAIRMAN** (in Cantonese): Mr Dennis KWOK has given notice to move an amendment to clause 5.

**MR DENNIS KWOK** (in Cantonese): Deputy Chairman, I move the amendment to clause 5.

Deputy Chairman, Dr Kenneth CHAN, my fellow party member, has clearly expounded the long-standing position of the Civic Party to strive for air quality improvement, so there is no need for me to repeat our stance here. Deputy Chairman, the Clean Air Network (CAN), which is very supportive of this amendment proposed by the Civic Party, came to the Legislative Council this morning. Before joining the Government, Ms Christine LOH, now Under Secretary for the Environment, was also a key member of the CAN.

This cheque I am holding is issued by the Hong Kong Government to all Hong Kong people. The cheque value is "clean air and seven million lives", and it is signed by the Environment Bureau and the Department of Health (DH). The meaning of this cheque is crystal clear — the CAN hopes that the Government can repay "clean air and seven million lives" to all Hong Kong people.

Deputy Chairman, just now, quite a number of Members talked about the Hedley Environmental Index. I think some of the statistics do merit our recapitulation here because they are so very alarming. Why must "public health" be written into the law as a factor of consideration? These increasingly alarming figures are the reason to a large extent. According to the Hedley Environmental Index of 2012, air pollution caused 3 690 deaths; air pollution led to almost 7.17 million medical consultations; air pollution led to 150 000 hospital bed-days; and air pollution led to an economic loss, both tangible and intangible, of as much as HK\$39.4 billion. It is thus very clear that air quality is absolutely not something abstract; it is absolutely an invisible killer that seriously impairs people's health and lives, and even the economy.

Honestly, I do not doubt the Secretary's commitment to improving air quality. But if "public health" is not written into the law as a factor of consideration, we are worried about how the person who becomes the Secretary for the Environment five or 10 years later — nobody knows who will be the Secretary at that time — will interpret "public interest". By then, will "public

health" still be regarded as the most important factor of consideration? Unless "public health" is written into the law as a factor of consideration, there is no guarantee that this factor will still be regarded as the prime consideration. During the Bills Committee's scrutiny of the Bill, both Dr Kenneth CHAN and I suggested that "public health" should be written into the law as a factor of consideration for the purpose of stipulating a clear requirement. The reason for our proposal is that we do not know who will be responsible for reviewing the Air Quality Objectives (AQOs) in five, 10 or even 15 years' time. If the law expressly requires consideration of the factor of "public health", we can at least have some kind of assurance.

However, the Secretary thinks that this cannot be done because "public interest" encompasses many factors of consideration. He thinks that although "public health" is the most important factor, the Administration must also take account of the economic factor and other lesser considerations. As a result, I have stopped arguing with the Secretary over this point, accepting his refusal to amend the term "public interest" and refraining from forcibly — in his words — replacing the term with "public health". As a concession, we propose that when reviewing the AQOs every year, the Administration must also consult the DH, in addition to the Advisory Council on the Environment (ACE). The logic of this proposal is crystal clear. As clearly pointed out by Ms Cyd HO just now, since international AQOs are formulated by the World Health Organization (WHO), it is only logical that in any review of the local AQOs, the DH should be consulted, because its duty is to ensure people's health. In this very capacity, the DH must explain to Hong Kong people how air quality affects public health and hygiene.

Therefore, we propose that when reviewing the AQOs, the Administration must consult the DH, and that the DH must be given a statutory role in the entire review process. Perhaps, the DH may say in the course of consultation that public health is not affected and the current AQOs can continue to be used — that is a possible scenario. But will this still be the case 10 years later? Will the DH have the same opinion then? Of course, by then, the DH may still consider that public health is protected. But in case the DH says that the AQOs have been in use for 10 years without any amendment and many statistics have pointed to the deterioration of public health, how will the Administration compile its report after hearing all these views in the course of consultation? If the Administration is required to submit a report to the DH for its perusal, the DH may well say that the report fails completely to consider public health and is therefore unacceptable; or it may think that the report is partially acceptable while

there is room for improving certain other parts. Whatever the case may be, the public will be able to clearly know how public health is impacted and whether there is adequate protection for us.

Hence, this is really a very reasonable and humble demand. If the Secretary fears that it is difficult to define "public health" and doubts the reasonableness of the justifications put forward by the DH, then I must remind him that DH officials are also government officials, and the Administration should thus accept their views. The Government should always accept and listen to the views of the DH, even when it really says that public health is not protected; likewise, we should always listen to the views of the DH even when it says, 10 years later, that there are problems with public health.

Members must bear in mind that the current AQOs have been in use for some 20 years without any amendment. It is true that some improvements have been now made because as the Secretary has pointed out, a review mechanism will be established. However, there is still room for improving this review mechanism. The Secretary has indicated that in the course of review, an Advisory Panel on Review of AQOs (Advisory Panel) will be established, and its membership already includes officials of the DH, but I must say that the Advisory Panel is not a statutory body and nobody can guarantee that the Advisory Panel's membership will still include officials of the DH in the future. That is the first point.

Second, even if the Advisory Panel really comprises officials of the DH, there is still the question of how the public can know its decisions and follow its discussions. Will the Advisory Panel give top priority to "public health" as a factor of consideration? Will other lesser factors replace "public health" as the most important factor of consideration? The public know nothing about the Advisory Panel's operation, and I cannot guarantee that members of the Advisory Panel will definitely focus on "public health" when discussing this matter. I am well aware of the importance of the Advisory Panel, and I do not want to gainsay the contribution of its members because many of them are public health experts. But if "public health" is not written into the law as a factor of consideration, or if the DH is not given a formal role, then neither the Secretary nor anyone can concretely guarantee that the Administration will still give top priority to "public health" in the AQO review five or 10 years from now. Therefore, despite the Secretary's statement that an Advisory Panel will be established, I still think that the situation is unsatisfactory.

Moreover, the current composition of the ACE does not include officials of the DH. In that case, just how seriously has the ACE considered the factor of "public health" when discussing environmental issues? Not even a single official of the DH sits on the ACE, which proves that "public health" is never an important consideration to the ACE. The Secretary has told me that he will definitely appoint officials of the DH to the ACE. But if I remember correctly, the ACE has some 20 members. In that case, even if one to two officials of the DH are appointed to the ACE, just how far can the DH adequately voice its views on public health in the ACE's discussion? No one knows.

The Secretary often talks about protecting public health, and when conducting the public consultation in July 2009, the then Secretary also said that protecting public health should be the key factor of consideration in the updating of AQOs. How can we ensure that "public health" is really the main consideration? This very question relates precisely to why we must write it into the law, so as to ensure that five, 10 or 15 years from now, or even at more distant future times, "public health" will still be the prime consideration in AQO reviews.

Some Members, including those belonging to the Liberal Party, have remarked that I never raised this proposal at the meetings of the Bills Committee. The truth is that I already made everything very clear at the meetings, and I did ask the Government over and over again whether "public health" could be written into the law as a factor of consideration, and whether the DH could be consulted in the course of reviewing the AQOs. Eventually, since those attending the meeting did not consider the idea feasible, I have made this attempt to propose this amendment. When discussing the Bill, we already clearly described the relevant considerations and rationale, explaining why it was necessary to write "public health" as a factor of consideration into the law.

Besides, we have also mentioned how the new AQOs will impact the Environmental Impact Assessment Ordinance (EIAO). As a matter of fact, the new AQOs will bring very substantial changes to the assessment of air quality under the EIAO. We naturally also hope that the new AQOs can be attained as early as possible, and under section 8 of the existing Air Pollution Control Ordinance, the public officer appointed to be the air pollution control authority shall aim to achieve the new AQOs as soon as is reasonably practicable. I hope that when the Secretary speaks in reply later, he will tell us clearly the authorities' estimated timeframe for achieving the new AQOs as soon as is reasonably practicable. Must we wait 20 years, 30 years or 40 years before the new AQOs

can be achieved? If the Secretary does not give us a clear timeframe, then future environmental impact assessment reports may set 50 years as the reasonably practicable timeframe for achieving the new AQOs. This will be unacceptable. Hence, the Bureau must tell us clearly when the new AQOs will be achieved, and what objectives will be set following their attainment. Will the Administration adopt the WHO's Air Quality Guidelines as the next objective? I hope the Secretary can give us a clear reply to this point in his response later.

All in all, the DH's role cannot be clearer, and the rationale behind our proposal to specify the consultation role of the DH in the legislation is also very clear. The DH's duty is exactly to review the impact of air quality on public health, and to ensure that public health is protected. Officials of the DH are also government officials, and they should be given a clear role in the Administration's review of the AQOs, so that they can express their views on whether the AQOs are feasible, whether our work on enhancing air quality has been satisfactory, and so on. Public health can only be truly protected if this legislation includes an express provision on the role of the DH.

Deputy Chairman, I so submit.

*Proposed amendment*

**Clause 5 (See Annex III)**

**DEPUTY CHAIRMAN** (in Cantonese): Members may now have a joint debate on the original provision of clause 5 and Mr Dennis KWOK's amendment.

**DEPUTY CHAIRMAN** (in Cantonese): Does any Member wish to speak?

**DR KWOK KA-KI** (in Cantonese): Deputy Chairman, I am very grateful to Mr Dennis KWOK, our fellow party member, for proposing this amendment. In fact, I am a bit puzzled. This amendment clearly specifies public health as a factor that must be dealt with, something which must be considered in the course of reviewing the Air Quality Objectives (AQOs). The point of the amendment is that if this requirement on considering public health is included in the Bill, its compliance can thus be ensured under the law. I initially perceived this as a task

for the Administration to undertake. So, I just wondered why a Member should have raised such a proposal instead. To begin with, having a Member to do so is already very odd. Second, a Member still raised a proposal anyhow, but following repeated discussions in the Bills Committee, the Government still refused to accept it. In the end, a Member finds it necessary to move a Committee stage amendment (CSA) today. I have also heard members of the Bills Committee say that the Government will lobby for voting support to negative this CSA. This is really very disappointing.

Initially, I had very high expectation regarding the Environment Bureau under the new Secretary and his team, but over the past year, disputes have kept coming up. I am not going to dwell any more on their highly regrettable handling of landfill issues recently. And, I will only discuss this present topic of air quality. The medical profession knows clearly that the new AQOs have come too late. Medical studies and new scientific evidence over the past 10 to 20 years have clearly indicated that pollutants in the air will directly affect our health and life expectancy. A report of the American Heart Association some years ago also indicates that the level of PM<sub>2.5</sub> will directly cause heart diseases, and increase their incidence and the resultant mortality rates. In the areas I frequently go to, including the new town of Tung Chung near the airport, even people without much scientific knowledge, such as kaifongs, can all testify readily when being asked that due to poor air quality, they have sought medical consultations much more frequently ever since their moving into the area, or that many people with a history of chronic respiratory diseases have had to be hospitalized much more frequently than before.

A long time ago, the University of Hong Kong already started to conduct studies to ascertain the social loss created by or arising from air pollution. The findings show that the loss incurred by society is substantial, whether expressed in terms of monetary value, sick leave or long-term health impact. In fact, The Chinese University of Hong Kong has likewise conducted its own studies, many of which are led by Prof WONG Tze-wai. They have been making many appeals to society. I have also read many research reports compiled by green groups, and attended numerous events with them fighting for the establishment of more stringent AQOs. But today, this amendment is not proposed by the Government, but by a Member instead; worse still, the situation looks like a showdown now. I think this is very disappointing.



Voting on the amendment will come in a moment. I really hope that the Government can reconsider its approach. Every time an environmental protection policy is rolled out, it hits the wall, and every such policy invariably lags far behind social and public expectations. The same ending will happen to all policies — even in the case of those non-controversial policies which we think the Government will whole-heartedly implement, the public will totally support, and political parties will not oppose any strongly. This illustrates that very serious problems with governance have developed. In fact, to put it bluntly, the approach of the Government will only blow up the whole thing, and all efforts to improve Hong Kong's air quality will only be wasted. Why can't it simply accept such amendments with greater tolerance, so as to perfect this piece of legislation?

The organizations that must be consulted as proposed by Mr Dennis KWOK's amendment include many of those which are very much trusted by the Government, one example being the Department of Health (DH). I do not think the Government should ever believe that the Director of Health and his team, or the professional experts it needs to consult, will depart from its goals. The second example is the Advisory Council on the Environment (ACE). The ACE does not have any elected members; all ACE members are appointees, "good friends" and trusted gate-keepers of the Government. We are not even trying to talk in any great detail about the composition of the ACE. Even though the appointees do not have any environmental aspirations, we have not stirred up any argument, nor have we demanded the opening of the ACE to people's representatives for the protection of residents in places like Tung Chung. We have not asked for the inclusion of residents' organizations in places with special difficulties. We have never put forward any such demands. Nor do we seek to destroy this framework. All government appointees are supposed to be on good terms with the Government, so I cannot understand why the Government should find it so difficult to include these two organizations as gate-keepers in the legislation. It really baffles me as to how their inclusion will violate any government policies. The only explanation is that the Government is too conceited to stand any challenges. If the Government works with such mentality, what good can it do even though it gets its own way? Will society think that the Government has listened to its voice?

This is the most objective and least controversial issue because everyone wants to raise the standards of our AQOs. Having come this far today, we can see that there are still a lot of disputes on this matter. I mean, as mentioned by

Mr Dennis KWOK just now, we still do not know when the new AQOs will be achieved. We all understand that there are things which we cannot change overnight. This is impossible, but when it comes to reviewing or establishing AQOs, the precondition is that any new AQOs should be considered and approved by the most objective and professional departments and organizations, so as to ensure their effective implementation. Why can't this receive the approval of the Government?

Besides, I very much hope that the Secretary can give his response later. I see that the Secretary for Food and Health is sitting behind the Secretary. I do not know if he will respond again. But if the Government's stance on this issue hits the wall again this evening ..... Well, it will hurt a lot if the Government hits the wall over and over again. Some originally well-intentioned changes will thus go down the drain. Once again, I call upon the Government to reconsider this matter, and support this amendment.

I so submit. Thank you, Deputy Chairman.

**MR CHAN HAK-KAN** (in Cantonese): Deputy Chairman, as I already spent quite a long time on my main speech earlier on, I will only respond very briefly to Mr Dennis KWOK's amendment now.

Deputy Chairman, the objective of Mr KWOK's present amendment is to require the authorities to consult the Department of Health (DH) and the Advisory Council on the Environment (ACE) when reviewing the Air Quality Objectives (AQOs) and to submit a report to the two after the completion of review. Mr KWOK has naturally explained very clearly why he thinks it is alright to include the DH in the advisory working group, giving us a series of justifications. I have listened to them carefully, but his justifications cannot convince me that I should support his amendment.

I do not think there is any practical necessity for his amendment because the DH is already a member of the Advisory Panel on Review of AQOs (Advisory Panel). This means that in any review of the AQOs, the DH must also participate in the actual work and its views will definitely be duly considered in the process. Hence, I think Mr KWOK's amendment, which provides for the need to consult the DH again in the review process, will give rise to a procedural duplication of work. Besides, his amendment requires the DH to be a

consultation target while it is also a member of the Advisory Panel. We do not think that such a status or role is appropriate.

Besides, Mr KWOK's amendment specifically deletes the reference to "as soon as reasonably practicable after a review" in the Bill. This means that the relevant provision shall conform to section 70 of the Interpretation and General Clauses Ordinance, which specifies the timeframe of "without unreasonable delay and as often as due occasion arises". We think that in contrast, the requirement set out in the Government's original Bill is more stringent than the amendment, because it can ensure that the review report will be submitted to members of the ACE as soon as reasonably practicable and without delay. Hence, I consider it inappropriate for Mr KWOK to delete the relevant wording.

Therefore, Deputy Chairman, we in the Democratic Alliance for the Betterment and Progress of Hong Kong will oppose the amendment proposed by Mr Dennis KWOK.

I so submit.

**MR ALAN LEONG** (in Cantonese): Deputy Chairman, I did not join the Bills Committee. However, I was still very puzzled when I first heard from Mr Dennis KWOK that the Government had not only rejected his proposal to clearly set out the gate-keeping role of the Department of Health (DH), but had even also refused to make any counter-proposals. I was very puzzled mainly because Report No. 59 of the Public Accounts Committee (PAC) ..... I guess the Deputy Chairman may also remember ..... mainly because the Director of Audit's Report No. 59 devotes two whole chapters to a detailed account of the monitoring and improvement of air quality in Hong Kong. I believe Secretary WONG Kam-sing must have a vivid memory of this, because it was his first time after assuming office to give evidence in the PAC of the Legislative Council during the interrogation of Members under the Legislative Council (Powers and Privileges) Ordinance. I think he should have a very vivid memory of this.

I can well remember that while giving evidence before the PAC, Secretary WONG Kam-sing and Under Secretary Christine LOH clearly admitted their acceptance of the fact that polluted air might cause casualties. Actually, from what these two politically appointed officials said at that time, I came to know that the Government would seriously consider amending the Air Quality Objectives (AQOs). According to them, the formulation of new AQOs will not

follow the existing practice, but will link air pollution levels with the number of expected deaths. I believe Secretary WONG Kam-sing should remember having said that the Government has studied the experience of other countries and decided to formulate a device enabling people who look at the Air Pollution Index to immediately know the estimations on hospital admissions, cases of heart and lung or tracheal diseases, and the number of deaths after hospitalization.

(THE CHAIRMAN resumed the Chair)

Chairman, the idea here is actually very simple. Many objective and accurate scientific researches can already link air pollution levels with the number of hospital admissions. In fact, I already discussed the chapters on clean air in PAC Report No. 59 with the Secretary and Under Secretary. I asked them, "Do you want the Government to spend resources on abating air pollution, or on increasing hospital beds?" I told them that they must choose between the two because their linkage had been established. Chairman, scientific researches have proved that as air pollution rises in level, the incidence of heart and lung or tracheal diseases, and also the need for in-patient care and therefore hospital beds will likewise increase. Hence, there is only one option. Should money be spent on abating air pollution, or on increasing hospital beds? It is as simple as this. During the public hearings of the PAC back then, Secretary WONG Kam-sing and Under Secretary Christine LOH clearly stated that resources would of course be spent on the former, on abating air pollution, that is, with a view to reducing the need for hospitalization and therefore hospital beds. This is of course only reasonable, and I do not expect any other answer.

As I have heard from Mr Dennis KWOK, the authorities have strong views on the submission of a report to the DH on completion of an AQO review. Chairman, I am particularly concerned about the DH, because it is responsible for the health of Hong Kong people. If air pollution is directly linked with the health of Hong Kong people, and as the Government has made it clear via the PAC that its policy direction and position is to abate air pollution and in turn reduce health hazards, why does it refuse to let the DH play the gate-keeping role? What kind of reasoning is this? What kind of logic is this?

I am therefore very puzzled. Unless what they said when giving evidence before the PAC is not meant to be serious, there must be something wrong with their logic. Even if Secretary WONG Kam-sing does not want to respond to

other queries, I still wish to hear how he is going to reconcile his stance towards Mr Dennis KWOK's proposed CSA today with the logic he and Under Secretary Christine LOH adopted during the PAC public hearings on the Director of Audit's Report No. 59 on the results of value for money audits, which I have just recounted. I will be all ears. I so submit.

**CHAIRMAN** (in Cantonese): Does any other Member wish to speak?

**MR CHARLES PETER MOK** (in Cantonese): Chairman, the CSA proposed by Mr Dennis KWOK aims to ensure that public health protection will be taken into consideration in future consultations. I understand that Mr KWOK wishes to use his CSA to further ensure and affirm public health as a key factor of consideration. I personally do not oppose his CSA. Nonetheless, I do not think that the amendment is about a major change involving any fundamental principles. I do understand the request of Mr KWOK and the importance he attaches to public health protection. But I think that if he had put forward the entire amendment in the Bills Committee, it would have been possible for us to hold deeper discussions in its meetings. Therefore, although I personally do not oppose the content of the amendment, I do not think that I should vote for it since I am the Chairman of the Bills Committee. I will therefore abstain from voting. Thank you, Chairman.

**CHAIRMAN** (in Cantonese): Does any other Member wish to speak?

**MS CLAUDIA MO** (in Cantonese): We have been discussing the topic of cleaner air for many years, but the discussions have become empty talks as air quality has kept deteriorating all the time. As we all know, Yau Ma Tei, Tsim Sha Tsui and Mong Kok have seen the worst air quality over the past six months, and probably only Causeway Bay can compare with them.

I am very shocked to learn that two major car parks will soon be demolished. One is the popular Middle Road Car Park in Tsim Sha Tsui and the other is the Yau Ma Tei Car Park. I know that Dr KO Wing-man also uses the latter car park. The demolition of the Yau Ma Tei Car Park is to give way to the Central Kowloon Route and other development projects, and it will not be reprovisioned. In that case, where should its present patrons park their vehicles?

Circulating round the nearby roads is the only option. Chauffeurs driving the vehicles of their bosses will have to circulate around to wait for them. Government officials must have a look over there. Secretary Anthony CHEUNG is present today. He must go to Shanghai Street to see for himself. The street is very congested these days. There are simply no parking spaces for tourist coaches, and they can only park along the roadsides. Worse still, due to the very hot weather, drivers frequently do not switch off the engines of their vehicles. Many other vehicles are also stuck over there because some very popular tourist spots are nearby, such as the Temple Street and the "Women's Street".

The situation in Tsim Sha Tsui is similar. The Middle Road Car Park will be demolished for the construction of a commercial building. One cannot say that there is anything wrong with this. And, there is seaview from the site, so no one can possibly voice any objection. But the new commercial building also needs parking spaces. So, what are drivers going to do? These two car parks are both public car parks, but all of a sudden they are to be erased from Yau Ma Tei, Tsim Sha Tsui and Mong Kok. This will only cause vehicles to circulate around the roads in Tsim Sha Tsui, and many vehicles will also be stuck in the area. A driver wanting to park at Harbour City, for example, will see a queue of some 30 vehicles at the entrance of its car park during peak hours. Members can easily imagine how the place will be like when vehicles circulating around give out huge amounts of emissions.

I once raised this issue with Under Secretary Christine LOH at a meeting of the Panel on Environmental Affairs, and she replied that she was likewise very helpless because the problem involved not only the Environment Bureau, but also the Development Bureau and the Transport and Housing Bureau. She suggested the idea of holding a joint conference, but I do not know when her suggestion can materialize. Well, I should say that this is after all an issue concerning public health and public interest. So, in case the Government thinks that it is too troublesome to involve so many Policy Bureaux, it may well ask the Department of Health (DH) to carry out a study. Asking the DH to do so is only reasonable, I must add. Whenever there is any complaint, the Environmental Protection Department (EPD) invariably replies that even if there are hundreds of vehicles in the future, the situation will still be OK and there is no fear of any fatality. Of course, there will be no fatality, no fatality in the sense that no one will be killed by all the toxins on the spot. But from the long-term perspective, we see a complete neglect of public health. This is truly unacceptable. I hope that the Government will truly take account of public health and public interest.

Why does the EPD reply that the situation will be OK? The reason is that its reply is based on the statistics provided by the Transport Department (TD). How does the TD compile the statistics? The TD computes the average daily usage of a car park on the basis of its usage in all the 24 hours of a day. But who will patronize the Middle Road Car Park at 3 am? I cannot say none, but there are very few. Its computation is based on the total usage in 24 hours. The respective usage statistics of the peak hours and 3 am are added and then divided to obtain an average. Then, the TD concludes that the usage rate of the Middle Road Car Park is not very high, and that it therefore does not expect to see too many vehicles circulating around due to the failure to find any parking spaces. The authorities have never sought to restrict the growth of private vehicles, and there is now such a public policy, a policy under which a public car park can be demolished without any meaningful discussions among different Policy Bureaux and as long as the TD and the EPD both say that the situation will be OK. But where can people park their vehicles in the future?

The Government may well argue that the ultimate goal is to minimize private car usage of the roads. People who want to get around by motor vehicle may take a taxi. However, this is not what has been happening. No specific policy to this end has ever been put forward. As we all know, air is originally the one asset that is shared most equally by all mankind because, theoretically, once we open our windows, we will all breathe the same kind of air. However, as we all know again, this is not quite the case with ambient air. Big bosses sitting on their limousines can enjoy their personal space once they shut their car windows. But people walking on the streets, especially those waiting for buses below flyovers ..... I think Members should go to the "Goose Neck Bridge" on Hong Kong Island ..... It should not be called "Goose Neck Bridge", but I cannot recall the correct name at the moment ..... I thought Mr Alan LEONG was hinting me ..... Exiting from the Aberdeen Tunnel, we will get to the bottom of Canal Road Flyover. People waiting for a bus there all feel like being shut in a gas chamber, especially when three or four buses arrive at the bus stop at the same time. As the bus engines are all running, the situation is terrible.

Air is a public resource belonging to all in Hong Kong, so I ask all the officials concerned to give more thoughts to the matter and truly consider the perspective of public health. Thank you.

**CHAIRMAN** (in Cantonese): Does any other Member wish to speak?

**MR WU CHI-WAI** (in Cantonese): Chairman, I rise to speak in support of Mr Dennis KWOK's Committee stage amendment (CSA).

As far as I understand, the CSA only aims to incorporate what the Secretary is supposed to do — consultation — into the principal ordinance as a specific provision. This is in line with the discussion of the Bills Committee. When the Secretary reviews the Air Quality Objectives (AQOs), he will definitely consider public interest and also the two big concerns of the public, namely, public hygiene and public health. But our very grave concern is how he is going to base his consideration on public health as the overriding factor and strike a proper balance.

Of course, we do trust the incumbent Secretary for the Environment. But we have had different Secretaries for the Environment since the reunification. Dr Sarah LIAO, for example, was known for her profound knowledge and professional views of how to promote environmental protection, and she was thus able to take forward her work in a direction commanding public trust. Yet, Edward YAU had an Administrative Service background, so even after resuming office, he was still influenced by the conventional mindset of Administrative Officers. Most of the time, he was concerned only about the turnaround time of a task and the cost-effectiveness of a policy. Consequently, people sometimes found it hard to understand his decisions.

The landfill issue faced by the Secretary now is an example. Some in society actually criticize that Edward YAU was unable to make any headway in this regard during his seven years of office as Secretary for the Environment. Why? Members will have an idea if they look at some documents in the past. One reason is that when considering various issues, he was often deterred by the thinking that the core problems involved were insurmountable. For example, in *A Policy Framework for the Management of Municipal Solid Waste (2005-2014)* published in 2005, the Government already pointed out the need to introduce a waste charge at source. But then, in 2012, the authorities published another review report which told the public that it was very difficult to introduce a waste charge at source because the charge would in effect encourage people to dump their rubbish in the streets and the costs of monitoring in this regard would be enormous. The report therefore concluded that the imposition of a waste charge at source was not feasible. Why does he have such a mindset? His decision was tantamount to totally ignoring the core issue that his predecessor, Dr Sarah LIAO, sought to tackle in the promotion of solid waste management.

The mindset of Administrative Officers is that in Hong Kong, hardware development must have priority. Software development and "reforming people's



mentality" are often treated with secondary importance. During the discussion on the Bill, the Democratic Party decided to support Mr Dennis KWOK's proposed amendment. The reason is that if the amendment becomes part of the principal ordinance, the Secretary will be obligated to take concrete actions and act with a high degree of transparency, explaining to and showing the public his stance and viewpoints. He must also obtain the approval of the Department of Health (DH) and the Advisory Council on the Environment (ACE) and then come to the Legislative Council for a final decision. In other words, he must always act with utmost seriousness. In this way, all subsequent decisions made by the Secretary will be more convincing to the general public.

As Members all understand, the handling of air pollution requires the spending of huge resources by both the SAR Government and Members. But why do we want to do so? The reason is that we all agree that air pollution is an important factor affecting public health. That is why we are willing to spend \$10 billion on replacing diesel vehicles, and why we are prepared to spend huge resources on taking forward other measures. All resources thus injected, and all related legislative amendments or tightening of the laws for that matter, are based on one overriding principle, the principle of protecting public health.

The Secretary is assisted in his work by Under Secretary Christine LOH and other staff. They all have extensive personal connections in the environmental protection circle and possess rich experience. We all have very great confidence in them. But we are worried that their policies may be abolished due to personnel changes. Although the Secretary has undertaken to put the DH and the ACE in charge of the consultation as proposed in the amendment, I still think that incorporating the consultation into the principal ordinance will better manifest the Secretary's undertaking, enabling all to know that the Secretary will formulate policies based on public health considerations. In this way, when policies are rolled out in the future, they will not be criticized by any groups with vested interests, because we have not avoided the problem. Why does the Secretary refuse to do so?

I therefore support Mr Dennis KWOK's CSA.

Thank you, Chairman.

**CHAIRMAN** (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

**SECRETARY FOR THE ENVIRONMENT** (in Cantonese): Chairman, after careful consideration, the Administration decides that it cannot support the amendment moved by Mr Dennis KWOK.

I believe that we all share the same objective of attaching a high degree of importance to public health and air quality. We can appreciate that the intent of Mr KWOK's amendment is to ensure that under the mechanism for reviewing the Air Quality Objectives (AQOs) and also during the process of doing so, there can be the active participation of the Department of Health (DH) and the Advisory Council on the Environment (ACE), so that public health protection can be given adequate, reasonable and concrete consideration. The Administration fully agrees that thorough consideration must be given to public health protection in AQO reviews, and that in the review process, the DH and the ACE must be permitted to take part and perform a clear role. Hence, the DH under Secretary KO Wing-man cannot possibly allow itself to be lazy. Nevertheless, the AQO review which we have just completed was already carried out in accordance with this principle. This is already the case at present and will continue to be so in the future. There is absolutely no need to make any change as stated in Mr KWOK's amendment.

During the scrutiny of the Bill by the Bills Committee, we already explained to the Bills Committee the mechanism and procedure for AQO reviews in the future. The Government will establish an Advisory Panel on Review of AQOs (Advisory Panel) every time, and the membership of an Advisory Panel will naturally comprise DH representatives and other relevant Policy Bureaux and government departments; health experts, air scientists and representatives of relevant stakeholders will also be included. Thus, public health and healthcare will certainly be represented and given a role to play. An Advisory Panel will seriously discuss and evaluate the latest scientific information and policy options. Prior to advising on whether and how AQOs should be updated, it will fully evaluate the latest information on health and environmental protection, together with the prevailing and projected air pollution levels and relevant risk factors. Mr LEONG's point concerning how air quality improvement can reduce healthcare expenditure will also be a factor considered by an Advisory Panel. In brief, we will continue to adopt this approach, and consult the ACE and the Legislative Council when reviewing the AQOs. This can already enable every stakeholder to play the gate-keeping role.

Any future revision of the AQOs must be made through a Bill passed by the Legislative Council. Therefore, under this mechanism and procedure, the

community and the Legislative Council can both conduct in-depth discussions on proposed revisions and their implications. We consider that the relevant system and procedure can already ensure that AQO reviews are conducted in a highly professional and scientific manner having regard to various factors such as Members' concerns about public health and reduction of healthcare expenditure. Besides, the whole mechanism is also marked by a high degree of transparency. So, the Bills Committee should have no doubt.

The Government objects to the addition of any unnecessary provisions to the Bill. I urge Members to vote against this unnecessary amendment which will not yield any concrete and actual benefit. Thank you, Chairman.

**MR DENNIS KWOK** (in Cantonese): Chairman, my son is now four years old. Like other children in Hong Kong, he suffers from respiratory diseases such as hyperactive airway or asthma from time to time. In my opinion, nothing is more important than the health of our children.

My proposed Committee stage amendment (CSA) is very modest and moderate in nature. I am not asking the authorities to immediately adopt the Air Quality Guidelines issued by the World Health Organization as Hong Kong's statutory Air Quality Objectives (AQOs). Nor am I asking the authorities to replace "public interest" with "public health", because I can accept the adoption of a wider perspective — public interest — to look at this issue. I have only put forward a basic request, asking the authorities to consult the Department of Health (DH) and the Advisory Council on the Environment (ACE) when conducting reviews in the future, so as to see if the relevant arrangements can achieve the target of protecting public health. The only intent of my proposed amendment is to affirm the role of the DH in the legislation.

The Secretary for the Environment remarked just now that the DH under Secretary KO Wing-man could not possibly allow itself to be lazy. In that case, why is it impossible to include the CSA in the principal ordinance? The fact that the DH headed by Secretary KO Wing-man will not be lazy does not mean that his successor will be the same in attitude. As the review mechanism provided for in the relevant provisions will be adopted in the reviews to be conducted five, 10, 15 and even 20 years from now, why should we refrain from grasping this present opportunity to clearly provide for the role of public health and the DH in the ordinance? Why is it impossible to do so? The Secretary has described this as unnecessary. Why?

When Mr CHAN Hak-kan spoke just now, he criticized me for deleting "as soon as reasonably practicable" from the original Bill. What is meant by "as soon as reasonably practicable"? This actually means that the Secretary may exercise discretion, choosing either to proceed very quickly or simply to go slow. My proposed CSA is simple and clear, and it reads: "While a review is being carried out ..... the Secretary shall consult the Advisory Council on the Environment and the Department of Health, and once the review is completed, submit to the ACE and the DH a report of the review." Only in a few words, everything is already made very clear, and there is simply no need to use a phrase as complex as "as soon as reasonably practicable", which even I myself fail to comprehend. My proposed CSA is clear and simple — it only requires the Secretary to consult the DH when a review is being carried out, and to submit a report to the DH after the review.

The Secretary did not answer my question in his reply. When is Hong Kong's air quality expected to meet the standards of the new AQOs? In the year 2020, 2030 or 2040? As I have just said, this is essential to the application for the Environmental Permit, the carrying out of Environmental Impact Assessment and the assessment of air quality in the future. When does the Secretary expect the new air quality standards to be met? I hope that the Secretary can give a concrete reply.

Last of all, I call upon the Members present to vote for my CSA, because it is a reasonable, modest and moderate amendment. My CSA only requests the Secretary to consult the DH, so that both public health and the DH can be given a reasonable position and status in the relevant provisions, thus accentuating the importance of public health in the review process and ensuring the protection of public health. This is all about my amendment.

Chairman, I so submit.

**CHAIRMAN** (in Cantonese): I now put the question to you and that is: That the amendment moved by Mr Dennis KWOK be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Dr Kenneth CHAN rose to claim a division.

**CHAIRMAN** (in Cantonese): Dr Kenneth CHAN has claimed a division. The division bell will ring for five minutes.

**CHAIRMAN** (in Cantonese): Will Members please proceed to vote.

**CHAIRMAN** (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, Dr Joseph LEE, Mr CHEUNG Kwok-che, Mr Kenneth LEUNG and Mr Dennis KWOK voted for the amendment.

Mr Vincent FANG, 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 Frankie YICK, Mr YIU Si-wing, Mr MA Fung-kwok, Mr KWOK Wai-keung, Mr POON Siu-ping, Mr TANG Ka-piu, Ir Dr LO Wai-kwok and Mr CHUNG Kwok-pan voted against the amendment.

Dr LAM Tai-fai, Mr Charles Peter MOK and Mr Martin LIAO abstained.

Geographical Constituencies:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Emily LAU, Ms Cyd HO, Mr Alan LEONG, Mr WONG Yuk-man, 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.

Mr CHAN Kam-lam, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr Michael TIEN, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Miss Alice MAK, Dr Elizabeth QUAT and Mr Christopher CHUNG voted against the amendment.

THE CHAIRMAN, Mr Jasper TSANG, did not cast any vote.

THE CHAIRMAN announced that among the Members returned by functional constituencies, 27 were present, seven were in favour of the amendment, 17 against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 26 were present, 14 were in favour of the amendment and 11 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.

**CHAIRMAN** (in Cantonese): I now put the question to you and that is: That clause 5 stand part of the Bill. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

**CHAIRMAN** (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

**CHAIRMAN** (in Cantonese): Council now resumes.

Council then resumed.

**Third Reading of Bills**

**PRESIDENT** (in Cantonese): Bill: Third Reading.

**AIR POLLUTION CONTROL (AMENDMENT) BILL 2013**

**SECRETARY FOR THE ENVIRONMENT** (in Cantonese): President, the

Air Pollution Control (Amendment) Bill 2013

has passed through committee without amendment. I move that this Bill be read the Third time and do pass.

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the Air Pollution Control (Amendment) Bill 2013 be read the Third time and do pass.

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.

(Members raised their hands)

Mr Alan LEONG rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Alan LEONG has claimed a division. The division bell will ring for five minutes.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Mr Albert HO, Mr James TO, Mr CHAN Kam-lam, Ms Emily LAU, Mr TAM Yiu-chung, Mr Frederick FUNG, Mr Vincent FANG, Mr WONG Kwok-hing, Dr Joseph LEE, Mr Andrew LEUNG, Mr WONG Ting-kwong, Ms Starry LEE, Mr CHAN Hak-kan, Mr CHAN Kin-por, Dr Priscilla LEUNG, Mr WONG Kwok-kin, Mr IP Kwok-him, Mr Paul TSE, Mr WONG Yuk-man, Mr Michael TIEN, Mr NG Leung-sing, Mr Steven HO, Mr Frankie YICK, Mr WU Chi-wai, Mr YIU Si-wing, Mr MA Fung-kwok, Mr Charles Peter MOK, Mr CHAN Han-pan, Mr LEUNG Che-cheung, Mr Kenneth LEUNG, Miss Alice MAK, Mr KWOK Wai-keung, Mr SIN Chung-kai, Dr Helena WONG, Mr IP Kin-yuen, Dr Elizabeth QUAT, Mr Martin LIAO, Mr POON Siu-ping, Mr TANG Ka-piu, Mr CHUNG Kwok-pan, Mr Christopher CHUNG and Mr Tony TSE voted for the motion.

Mr Alan LEONG, Ms Claudia MO, Dr Kenneth CHAN, Dr KWOK Ka-ki and Mr Dennis KWOK voted against the motion.

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Cyd HO, Mr CHEUNG Kwok-che, Mr Gary FAN and Dr Fernando CHEUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that there were 54 Members present, 42 were in favour of the motion, five against it and six abstained. Since the question was agreed by a majority of the Members present, he therefore declared that the motion was passed.

**CLERK** (in Cantonese): Air Pollution Control (Amendment) Bill 2013.



**MOTIONS**

**PRESIDENT** (in Cantonese): Motion. Proposed resolution under the Pharmacy and Poisons Ordinance to approve the Pharmacy and Poisons (Amendment) (No. 4) Regulation 2013 and the Poisons List (Amendment) (No. 4) Regulation 2013.

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

I now call upon the Secretary for Food and Health to speak and move the motion.

**PROPOSED RESOLUTION UNDER THE PHARMACY AND POISONS ORDINANCE**

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, I move that the motion under my name, as printed on the Agenda, be passed.

Currently, we regulate the sale and supply of pharmaceutical products through a registration and monitoring system set up in accordance with the Pharmacy and Poisons Ordinance. The Ordinance maintains several Schedules under the Pharmacy and Poisons Regulations and a Poisons List under the Poisons List Regulations. Pharmaceutical products put under different parts of the Poisons List and different Schedules are subject to different levels of control in regard to the conditions of sale and keeping of records.

For the protection of public health, some pharmaceutical products can only be sold in pharmacies under the supervision of registered pharmacists and in their presence. For certain pharmaceutical products, proper records of the particulars of the sale must be kept, including the date of sale, the name and address of the purchaser, the name and quantity of the medicine and the purpose for which it is required. The sale of some pharmaceutical products must be authorized by prescription from a registered medical practitioner, dentist or veterinary surgeon.

Arising from an application for registration of two pharmaceutical products, the Pharmacy and Poisons Board proposes to add the following two

substances to Part I of the Poisons List and the First and Third Schedules to the Pharmacy and Poisons Regulations:

(a) Axitinib; its salts; and

(b) Vandetanib; its salts.

Pharmaceutical products containing the above substances must then be sold in pharmacies under the supervision of registered pharmacists and in their presence, with the support of prescriptions.

For amendment regulations concerning the adding of two substances to Part I of the Poisons List and the First and Third Schedules to the Pharmacy and Poisons Regulations, we propose them to take immediate effect upon gazettal on 12 July 2013, to allow early control and sale of the relevant medicine.

The two amendment regulations are made by the Pharmacy and Poisons Board, which is a statutory authority established under the Ordinance to regulate pharmaceutical products. The Board comprises members engaged in the pharmacy, medical and academic professions. The Board considers the proposed amendments necessary in view of the potency, toxicity and potential side effects of the medicine concerned.

With these remarks, President, I hope Members could support the motion.

Thank you, President.

**The Secretary for Food and Health moved the following motion:**

"RESOLVED that the following Regulations, made by the Pharmacy and Poisons Board on 17 June 2013, be approved —

(a) the Pharmacy and Poisons (Amendment) (No. 4) Regulation 2013; and

(b) the Poisons List (Amendment) (No. 4) Regulation 2013."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Food and Health 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 of the Members present. I declare the motion passed.

## **MEMBERS' MOTIONS**

**PRESIDENT** (in Cantonese): Members' motions. There are a total of three Members' motions for this meeting.

First Member's motion: Mr Andrew LEUNG will move a motion under Rule 49E(2) of the Rules of Procedure to take note of the Tate's Cairn Tunnel Ordinance (Amendment of Schedule) Notice 2013, which was included in Report No. 20/12-13 of the House Committee laid on the Table of this Council.

According to the relevant debating procedure, I will first call upon Mr Andrew LEUNG to speak and move the motion, and then call upon other Members to speak. Each Member (including the mover of the motion) may only speak once and may speak for up to 15 minutes. Finally, I will call upon the

public officer to speak. The debate will come to a close after the public officer has spoken and the motion will not be put to vote.

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

I now call upon Mr Andrew LEUNG to speak and move the motion.

### **MOTION UNDER RULE 49E(2) OF THE RULES OF PROCEDURE**

**MR ANDREW LEUNG** (in Cantonese): President, in my capacity as Chairman of the House Committee, I move the motion, as printed on the Agenda, under Rule 49E(2) of the Rules of Procedure, for a debate on the Tate's Cairn Tunnel Ordinance (Amendment of Schedule) Notice 2013 listed in Report No. 20/12-13 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments.

I so submit.

#### **Mr Andrew LEUNG moved the following motion:**

"That this Council takes note of Report No. 20/12-13 of the House Committee laid on the Table of the Council on 10 July 2013 in relation to the subsidiary legislation and instrument(s) as listed below:

<u>Item Number</u>	<u>Title of Subsidiary Legislation or Instrument</u>
(1)	The Tate's Cairn Tunnel Ordinance (Amendment of Schedule) Notice 2013 (L.N. 70/2013)."

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

**MR TANG KA-PIU** (in Cantonese): President, this is already the seventh time that the Tate's Cairn Tunnel (TCT) applies for a toll increase, and it is also the second successful application for a toll increase in less than three years, due to

take effect as from 1 August 2013. The increase rate this time around is over 10%, or 11% to be exact. Those who will be ultimately affected are as always the general public. The Tate's Cairn Tunnel Company Limited (TCTC) recorded a profit of \$200 million in the previous financial year, that is, 2012, and its expected earnings has been on incessant increase. Under such circumstances, we think there is a need to query once again the authorities' approval of the TCTC's application for another toll increase within a short period. The main focuses of my speech are: the traffic impact of the TCT toll increase; whether the Government has ever had any intention of invoking the arbitration mechanism when such Build-Operate-Transfer (BOT) tunnels apply for a toll increase; and whether the Government will buy back the operation right of such tunnels before contract maturity. I will present my views on these three points.

The burden of the TCT toll increase will eventually be passed onto consumers. Apart from private car drivers, the broad masses of public transport commuters and professional drivers of public transportation vehicles will also be affected. Every time the TCT increases its toll, as shown by the increase in late 2010, the traffic flows in New Territories East and the several other tunnels will be affected instantly. We hope that rather than seeking to increase its tolls to reap more profits, the TCTC can work out more means to increase tunnel throughput. It must not think only about toll increases. Over the past five years, the throughput of the TCT has been declining rather than increasing. Therefore, we think that it is honestly better for the TCTC to consider how to increase tunnel throughput. For example, is it possible to provide concessionary tolls to taxis during the small hours, so as to induce taxis or red mini-buses to use the TCT? Or, is it possible to provide concessionary tolls to public buses like this time whenever it increases its tolls? Or, should the Transport and Housing Bureau pressurize the TCTC to lessen the impact on the grassroots? More importantly, have the Transport and Housing Bureau and the TCTC ever assessed whether all possible means, including non-fare box revenue sources such as tunnel area advertisements, have been exhausted to increase revenue? Has the Bureau assessed whether such non-fare box revenue sources have been fully utilized? Or, has the Bureau ever provided any assistance to ease the pressure on consumers or professional drivers?

I have just mentioned that every time the TCT increases its tolls, the traffic in its vicinity or the throughputs of the several other tunnels will be affected. As mentioned in the Government's paper, it is estimated that the present toll increase will reduce the daily throughput of the TCT by 500 vehicle trips. On this very basis, it can be computed that the throughput reduction will amount to 180 000

vehicle trips a year. However, we think this an underestimation. The traffic flow will not just disappear but will only be diverted to other tunnels. The TCT toll increase in 2010 is an example. After this toll increase, the number of vehicles using the Lion Rock Tunnel (LRT), which overlaps part of the route of the TCT, increased by 810 000 that year. From this, we can see that once the TCT increases its tolls, the tunnels in the same district which overlap part of TCT's route will be affected. Everyone knows that the LRT and Shing Mun Tunnels are approaching full capacity. If the TCT increases its tolls again, will traffic congestion worsen, thus affecting the whole society in the end?

A further analysis shows that after the TCT toll increase in 2010-2011, the throughput of the TCT saw a reduction of 2 269 private car and public light bus trips; in the case of single-decked private/public buses, including tourist coaches, there was a decrease of 3 965 vehicle trips; for light goods vehicles, the reduction was 44 716 vehicle trips. How about the LRT in the same period? The trips made by private/public light buses increased by 920 000 that year, and the trips made by single-decked private/public buses and mini-buses increased by 100 000. In total, there was an increase of 810 000 vehicles using the LRT. Of course, you may argue that not all these vehicles were diverted from the TCT. I agree. But all professional drivers and private car drivers will certainly change their tunnel choice when TCT tolls are increased. On the other hand, because the routing of franchised buses are fixed, the burden of toll increases will be passed onto the passengers in the end.

The TCT toll increase back in 2008-2009 led to a similar situation. After the TCT toll increase in 2008, the total throughput saw a reduction of 1.4 million vehicle trips against the throughput in 2009. The vehicles concerned all switched to the LRT. Some would argue that as the Eagle's Nest Tunnel and Sha Tin Heights Tunnel are already in operation, private car drivers or professional drivers now have more choices. This is a fact. However, it must be noted that the presence of more choices coupled with further TCT toll increases will lead to a vicious cycle that sees a continuous decline in the throughput of the TCT and the pressure of toll increases. We do not wish to see such a vicious cycle. The TCTC always stresses that under its BOT contract, it can go for a 13% internal rate of return. The company also argues that even after this toll increase, its internal rate of return will only be 6.76%. This argument is really very horrifying, because it implies that the TCTC will still have plenty of room to continue to increase its tolls under circumstances that it considers reasonable before the handing back of the operation right in 2018.

I therefore doubt the Government's seriousness as the gate-keeper. Our worry is that since there is still room for the TCT to increase its tolls every year, it will really do so, and this will reduce the throughput. When this happens, the TCTC will argue that there is toll increase pressure and apply for toll increases again. A vicious cycle is thus set into motion. In the end, the TCT will probably bring zero benefit to society. Therefore, can I know how the Transport and Housing Bureau will handle the situation and whether it will make good use of the arbitration mechanism if the TCTC keeps applying for toll increases in the coming five years or so?

The last point I want to raise is about a long-standing concern of mine. Concerning those routes whose operation rights have been returned to the Government, and also regarding the Eastern Harbour Crossing and the TCT whose operation rights will be returned to the Government in 2016 and 2018 respectively, can I know the Government's policy of charging bridge and tunnel tolls? This is our greatest concern because we notice that the tolls of some major routes built and operated by the Government are too high. Since the operation rights of two tunnels are to be returned to the Government in 2016 and 2018 respectively, I hope that the Government will conduct a study and a full consultation exercise on its policy of charging bridge and tunnel tolls.

I so submit. Thank you.

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

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Members have already spoken. I now call upon the Secretary for Transport and Housing to speak. The debate will come to a close after the Secretary has spoken.

**SECRETARY FOR TRANSPORT AND HOUSING** (in Cantonese): President, the revised toll increase application by the Tate's Cairn Tunnel Company (TCTC) was approved by the Chief Executive-in-Council at the meeting on 7 May 2013 after taking into account various factors. The Commissioner for Transport made the Tate's Cairn Tunnel Ordinance

(Amendment of Schedule) Notice 2013 under the Tate's Cairn Tunnel Ordinance (Cap. 393) (the Ordinance) and the new tolls shall take effect from 1 August 2013.

The subcommittee set up by the Legislative Council under the House Committee held one meeting with the Government and representatives of the TCTC on 3 June. Here I would like to thank the Chairman of the Subcommittee, Mr James TIEN, and members of the Subcommittee again for studying the Notice and putting forward valuable views. I have also heard the speech of Mr TANG Ka-piu and I do understand that Mr TANG is very concerned about how the Government assesses any applications for toll increases and whether the Government has kept the gate properly. Mr TANG also asks under what circumstances the Government would resort to arbitration. Actually, in the Legislative Council Brief, we have analysed the various considerations in relation to this toll increase application. Here I will give a brief account of the major factors that the Government has considered.

First, our guiding principle is to give the TCTC reasonable but not excessive remuneration. When the TCTC submitted the franchise bid in 1988, it was expected that the project would achieve a nominal Internal Rate of Return (IRR) of 13.02% over the 30-year franchise period. Of course, this is not a guaranteed return rate nor is it an agreed target. However, the TCTC's target IRR was the lowest among the four Build-Operate-Transfer (BOT) tunnels in Hong Kong.

If the tolls remain unchanged, it is estimated that the TCTC will only achieve a nominal IRR on equity after tax of 6.61% over the 30-year franchise period. With the new tolls, this rate will be slightly raised to 6.76%. Given the scale of the TCT project in the context of a long term infrastructure investment, the Government considers that the 6.76% nominal IRR under its current toll increase application would not be unreasonable or excessive, to which the Transport Advisory Committee also agrees. According to the Government's estimation, after discounting the inflation factor, the TCTC will get a real IRR of 3.38% only.

Second, public acceptability and affordability has to be taken into account in considering a toll increase. Under the TCTC's revised toll increase proposal, the weighted average rate of toll increases is 11.1%, which is slightly lower than the 12.3% cumulative change in the Composite Consumer Price Index (CCPI) since the last toll increases from 25 December 2010 up to end June 2013, and is



also lower than the 15.3% increase in the median monthly household income between the fourth quarter of 2010 and the fourth quarter in 2012. Hence, we consider this increase within the acceptable range. Just now Mr TANG expressed concern over the impact of these toll increases on public transportation, such as the fares of the franchised buses. As a matter of fact, TCT tolls only occupy a very small proportion, less than 1%, of the total operating costs of the bus companies and the Government has an established mechanism for handling application for fare increases by franchised bus companies and would not consider the operating costs of the bus companies alone.

Third, concerning the possibility of the TCTC resorting to arbitration, under the existing legislation, if an agreement on the toll increases cannot be reached between the Government and the TCTC, either party may resort to arbitration under the Arbitration Ordinance. Therefore, the TCTC has the right to resort to arbitration if its application for the toll increases is rejected by the Chief Executive-in-Council, and it may even lodge an application to the arbitration court for even higher toll increases. Given the moderate IRRs of the TCTC all along, we cannot be over-optimistic about the outcome of the arbitration. In all previous six toll increase applications, the Government and the TCTC were able to reach an agreement and arbitration was never resorted to. Hence the Transport Advisory Committee considers that it would be desirable where possible for the two parties to reach an agreement on the toll increases rather than incurring public expenditure by way of legal costs in resolving their differences through arbitration.

Before making the decision on these toll increases, apart from the aforementioned major considerations, the Chief Executive-in-Council has also taken into account a host of factors including the impact of the toll increases on traffic, the TCTC's financial position and its performance. We note that the TCTC has reduced its operating costs (excluding rates and royalty paid to the Government) in every year over the past 15 years. Even though the TCT is the longest road tunnel in Hong Kong, the TCTC's operating costs are lower than other BOT tunnels. What does this imply? It implies that under the pressure of the accumulated shortfall in toll revenue, much effort has been put into cost control. Moreover, according to the Government's assessment, the traffic impact of the proposed toll increases on the road system linking Sha Tin and Kowloon, including the Lion Rock Tunnel, would unlikely be significant, because commuters have a choice of alternative routes as well as alternative transport modes.

Mr TANG has asked if we can encourage the TCTC to consider some positive ways to increase the traffic throughput and utilization of the TCT. We will convey his views to the TCTC. However, whatever the circumstances are, we consider that the TCTC's rate of return is relatively low under the present operating environment.

The Government is fully aware of the public concerns about the increase in the charges of any public transport facilities or transport modes. As the gate-keeper who approves the TCTC's toll increase application, the Government has to strike a prudent balance; on the one hand, we have to ensure that the tolls are set at a level where the public can afford and accept; and on the other, we have to respect the contract spirit, allowing the TCTC to obtain a reasonable but not excessive return under the ordinance. Therefore, after negotiation, the TCTC finally agrees to a lower weighted average rate of toll increases at 11.1%, down from 19.6% in the original application.

We think that the revised increase rate can strike a better balance among the various factors of consideration. According to our assessment, arbitration would not yield a better outcome than the present proposal. The Government's approval of the toll increases this time does not necessarily mean that it will agree to another application for toll increases by the TCTC in the future. Every time it lodges an application, we will give it comprehensive consideration, taking into account a host of relevant factors.

Mr TANG has asked about the Government's policy on these tunnels. In principle, whether a tunnel is directly operated by the Government or by a private organization through franchise, we always attach great importance to prudent commercial principles and operate it through a self-financing approach as far as possible. As regards the precise approach of operation, we have to consider the efficiency of facility management and keep the tolls at a reasonable level affordable to the general public.

President, I so submit.

**PRESIDENT** (in Cantonese): In accordance with Rule 49E(9) of the Rules of Procedure, I shall not put any question on the motion.

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

Second Member's motion: Promoting the waste recycling industry to create employment opportunities.

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

I now call upon Mr KWOK Wai-keung to speak and move the motion.

## **PROMOTING THE WASTE RECYCLING INDUSTRY TO CREATE EMPLOYMENT OPPORTUNITIES**

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

One hot topic these days is about the controversies over landfill extension. Most people think that the Government should properly handle waste reduction at source before discussing whether landfills should be extended. No criticisms are without reasons. People's present attempts to accuse the Government of performing poorly in waste reduction at source stem precisely from successive Governments' complete lack of commitment to waste reduction at source, and from their scanty assistance to the waste recovery and recycling industry. Honestly, the Government must now suffer the ill consequences of its own past deeds.

The Hong Kong Federation of Trade Unions (FTU) has always maintained that supporting green-collar industries can reduce waste on the one hand and create job opportunities on the other, and this is also my main purpose of proposing this motion. By asking the Government to intensify its efforts to support the labour-intensive waste recycling industry, I hope to bring forth a situation with three benefits, including, first, the creation of more employment

opportunities; second, the emergence of a circular economy that can make long-term contributions to the Hong Kong economy; and third, the promotion of reducing waste at source to cut down the amount of waste disposed of at the landfills.

Since as early as 1999, in every term of the Legislative Council, the FTU has been calling on the Government to foster the waste recovery and recycling industry, so as to create jobs and employment opportunities. After wasting more than a decade, what contributions has the Government made in this regard? In 2005, Secretary Sarah LIAO released "A Policy Framework for the Management of Municipal Solid Waste (2005-2014)" (Policy Framework), which points out clearly that Hong Kong is facing a pressing waste problem. It was predicted at that time that if the generation of waste was not substantially reduced and the amount of waste sent to the landfills was not reduced either, all the landfills would be saturated after six to 10 years. This prediction has become reality. At that time, Secretary LIAO also proposed a series of measures, such as the introduction of producer responsibility schemes for six types of specified products to build a circular economy for supporting the long-term development of the waste recovery industry in Hong Kong. Sadly, so far, only one type of products, that is, plastic bags, have entered the first stage of the relevant producer responsibility scheme, whereas other measures, such as the municipal solid waste charging scheme, are still at the very beginning stage.

President, if we compare Hong Kong with neighbouring regions and countries such as South Korea and Taiwan, we will see that their waste management policies are markedly superior to ours. In the 1990s, the governments of these two places were similarly faced with the same problem of waste management. But they surmounted numerous difficulties, and through the introduction of different rules and government-people co-operation, they managed to strengthen waste recovery, recycling and reuse. Apart from succeeding in reducing waste at source, they also fostered the prosperous development of environmental protection-related industries.

In April this year, I visited South Korea with other Legislative Council Members and the Secretary, and this visit gave me a very deep understanding of the waste management policy there. For example, all takeaway food in South Korea can only be put in paper containers, and a deposit must be paid. Besides, enterprises are required under the law to appoint waste recovery contractors at their own costs for handling the waste generated by themselves. Failure to do so

will entail a fine. South Korea is obviously many steps ahead of us. In contrast, Hong Kong has remained largely the same over the past decade. I can aver that the Government has already missed the golden decade for tackling the waste problem. But the authorities still appear as though they had all the time in the world.

In May this year, the Environment Bureau released the "Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022". But its contents are not much different from the ideas in the Policy Framework back then. You can say that it is just a carbon copy of the Policy Framework. In that case, how can the Government possibly convince the public that it is truly determined to really reduce waste at source, rather than seeking to extend the landfills endlessly? Since South Korea and Taiwan already have experience in this regard, the Government should learn from the practices of these two places, formulate an effective strategy on waste management, and implement the relevant measures as soon as possible. When LEE Myung-bak was President of South Korea, he boldly introduced the Green New Deal in 2009 in an attempt to boost economic growth, and the scope covered the development of resource recovery and green energy sources. Totally 1.8 million new jobs were created. By now, South Korea is already the 15th largest economy in the world. Its environmental industries have become the locomotive of economic development in South Korea.

In 2008, the previous-term Government proposed the development of six industries where Hong Kong enjoys clear advantages, one example being the environmental industries. According to the statistics of the Census and Statistics Department, environmental industries generated an economic gain of \$4 billion for Hong Kong in 2008, accounting for 0.3% of the GDP of that year. Three years on, in 2011, the relevant gain increased to \$6.5 billion, and its proportion in the GDP that year was also 0.3%. There was no change whatsoever. The aforementioned figures show the fact that there has not been any significant growth in green-collar industries over the past few years; the number of employees in these industries only rose slightly from 31 000 people in 2008 to 38 000 people in 2011, accounting for 1% of the working population.

Hong Kong and South Korea started to develop environmental industries at the same time. But why is there such a great gap between the environmental industries of these two places now? The only certain answer is that the achievement of the environmental industries in South Korea today is attributable to the huge investment of US\$38.1 billion, equivalent to about HK\$300 billion,

made by the South Korean Government back then. In contrast, the investment of the Hong Kong Government in environmental industries can be described as close to nil.

All along, the Government has adhered to the principle of "big market, small government". This is especially the case with the waste recovery industry. The Government completely relies on a market-led approach to the handling of waste recovery, and is inclined to using simple financial incentives to support the development of this industry. As a result, waste recovery companies in Hong Kong all focus only on the recovery of high-value materials such as metal, paper and plastics. However, there should still be many other types of waste recovery in the market, such as the emergent recovery of glass, and also the recovery of waste wood and rubber. However, due to their low recovery value, these materials are very little sought after. And, disposal at landfills is invariably their fate in the end.

It appears that despite the lack of any government support and internal growth, this industry can still support the living of over 30 000 people. But it must be noted that over 90% of the materials recovered in Hong Kong are for export to overseas places, meaning that if the export of these materials suddenly becomes impossible due to any downturn of the external economy or the introduction of any new rules and regulations in overseas markets, these 30 000-odd people may lose their jobs at any time; in addition, over 3 million tonnes of recovered materials will also become rubbish overnight and must be sent to the landfills in the end. Is this the scenario the Government wants to see?

China has recently launched the "Operation Green Fence", which aims to step up the interception of illegally imported waste materials that may pollute the environment, and to conduct stringent tests on imports of recovered and reusable waste materials. Meanwhile, the business operation of waste recovery companies in Hong Kong has been plunged into a very precarious state, because battered by exorbitant transportation costs, they no longer have any extra manpower and resources to rid recovered materials of rubbish and cleanse them. But to the Government, this is precisely a very good opportunity to make amends and reconsider whether it should still cling to the principle of "big market, small government", and whether it should watch the withering of the recovery industry and all environmental industries with folded arms.

President, at the meeting of the Public Works Subcommittee last Tuesday, the Secretary for the Environment, Mr WONG Kam-sing, said that a steering committee would be established to promote the sustainable development of the recovery industry and in the long run, a recovery fund might be established to subsidize the industry. We believe that the Government's direction is correct. But at this very time when other markets, especially our country, have all imposed stringent standards on imports of recovered materials, thorough and complete waste separation processes have become essential, and these processes all require huge manpower and financial support.

Therefore, I believe that the first and foremost task of the steering committee is to put in more manpower to undertake the relevant work processes. Large numbers of low-skill workers, in particular, should be hired to create employment opportunities for the grassroots. This measure can also address some of the demands of the FTU. On long-term development, the Government should commit more resources to the development of local environmental industries, so as to bring forth a circular economy. If we are to implement the concept of a circular economy, we must need huge sums of money as financial support. In this way, we can develop the required technologies, manpower training and especially technological research, thus making it possible to create a wide variety of green products and establish a market in this regard. If we have sufficient capability, we may make such products locally. If not, we may simply sell the patents of such green products to others for profit.

Of course, we dare not cherish any hope of instant success and result, and we do not think that we should offer any "financial rewards" to green enterprises for the purpose of asking them to establish a presence in Hong Kong. However, if the Government clings to such a "bit by bit" approach of introducing these so-called support measures for the sector, local environmental industries will not be the only victims; Hong Kong's environmental hygiene will also be sacrificed. When this happens, the days when we see "a city besieged by rubbish" as foretold by the Secretary will not be far away.

President, I believe no one wants to tackle waste through incessant landfill extension, so the Government must squarely address the problem and step up the reduction of waste at source. In the long run, developing green-collar industries is definitely a proposal that can give three benefits. First, this can create more employment opportunities; second, this can bring forth a circular economy that can contribute to the long-term economic development of the Hong Kong; and

third, it can promote the reduction of waste at source and thus cut down the amount of waste sent to the landfills.

Later on, other Members belonging to the FTU will speak on the policies, facilities, the ancillary equipment relating to the recovery industry as well as the handling of food waste. I so submit. Thank you, President.

**Mr KWOK Wai-keung moved the following motion: (Translation)**

"That the Government published the 'Policy Framework for the Management of Municipal Solid Waste (2005-2014)' in 2005, formulating the strategies and measures for reducing waste production and promoting waste recovery, reuse and recycling; at present, the waste recovery rate in Hong Kong is about 48%, but when compared with the neighbouring regions such as South Korea, the recovery rate of which is 60%, the effectiveness of waste management in Hong Kong obviously lags behind other advanced countries; in May 2013, the Government published the 'Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022', setting clear targets and timetables for waste recovery and reduction, but the relevant measures are 'old wine in a new bottle', lacking concrete plans for promoting the development of the waste recycling industry in Hong Kong; in this connection, this Council urges the Government to expeditiously put in place effective policies on waste recovery and recycling to drive the development of Hong Kong's waste recycling industry and create more employment opportunities; the relevant measures should include:

- (1) by making reference to the experiences of places such as Taiwan and South Korea, to formulate more effective waste management strategies and measures;
- (2) to expeditiously implement mandatory food waste recovery, provide land and related support, and train talents for processing recovered food waste, so that the food waste, which represents 40% of the wasteload in landfills, can be properly recovered and recycled;
- (3) to encourage the industrial and commercial sectors (e.g. supermarkets) to donate foods that are still eatable, so as to reduce food waste;



- (4) to gradually implement a mandatory garbage separation programme, make good use of community spaces to set up waste collection points, and perfect the community waste recovery networks, so as to facilitate the conduct of the first-round waste recovery separation at the community level;
- (5) to provide waste recovery operators with land and berthing facilities with suitable lease periods, so as to promote the development of the waste recovery industry; to ensure the proper handling of recovered waste, the Government should proactively study the feasibility of establishing a licensing system for waste recovery operators in the long run;
- (6) to expeditiously put in place the producer responsibility scheme for stepping up the recovery of waste with low recycling values, such as glass bottles as well as waste electrical and electronic equipment;
- (7) to provide tax and land concessions, etc. to attract waste recycling enterprises to develop business in Hong Kong;
- (8) to allocate additional resources to support technological research projects on green products, so as to create diversified green products and develop a global market for green products;
- (9) to encourage various government departments to comprehensively implement a green procurement policy, and extend the relevant policy to the industrial and commercial sectors, so as to provide a stable demand for local green products; and
- (10) to allocate funding to establish a 'waste resources recovery and recycling fund' for supporting the sustainable development of the waste recycling industry, and to transfer the levies related to environmental protection policies (e.g. levies from schemes on municipal solid waste charging and producer responsibility, etc.) to the fund for its sustainable operation. "

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr KWOK Wai-keung be passed.

**PRESIDENT** (in Cantonese): Ir Dr LO Wai-kwok, Dr Kenneth CHAN, Mr Gary FAN, Ms Cyd HO and Mr WU Chi-wai wish to move amendments to this motion, while Mr LEE Cheuk-yan wishes to move an amendment to Ms Cyd HO'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.

**IR DR LO WAI-KWOK** (in Cantonese): President, as early as 2005, the SAR Government already published the "Policy Framework for the Management of Municipal Solid Waste (2005-2014)" to set out strategies and measures on reducing the generation of waste and promoting waste recovery, reuse and recycling. This year, the Government also published the "Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022" to lay down clearer targets and a timetable for waste recovery and reduction. But it is a pity that the authorities have so far failed to put forward any concrete plan for promoting the development of the waste recycling industry in Hong Kong, so people inevitably cast doubt on whether the relevant framework and blueprint can be implemented effectively.

The aforementioned Policy Framework proposes to introduce producer responsibility schemes for six types of products, including vehicle tyres, plastic shopping bags, electrical and electronic equipment, packaging materials, beverage containers and rechargeable batteries. The Product Eco-responsibility Ordinance passed in 2008 provides for the basic legal framework; the imposition of an environmental levy on plastic bags is the first producer responsibility scheme. However, the progress of implementing other schemes is slow.

One example is the handling of waste electrical and electronic equipment. In Hong Kong, about 70 000 tonnes of waste electrical and electronic equipment are generated annually, and the volume is increasing by about 2% annually. In recent years, three voluntary schemes have been introduced by the authorities successively to assist in the recovery of such products, but the volume recovered only accounts for 1% of the waste electrical and electronic equipment generated in Hong Kong, so the effectiveness of these schemes is limited. For this reason, the authorities have proposed the introduction of a mandatory producer responsibility scheme that will cover television sets, washing machines, refrigerators, air-conditioners and computer products, which together account for

about 86% of the waste electrical and electronic equipment in Hong Kong. The relevant public consultation already ended in April 2010, but the scheme has not been implemented so far. According to the industry, the proper handling and recycling of waste electrical and electronic equipment involves complicated processes of dismantling, toxin removal and recovery. Overseas experience tells us that even if a recycling industry for the relevant materials is available locally, it is still difficult to make the dismantling and recovery of waste electrical and electronic equipment financially self-sufficient, not to mention the fact that there is no such full-fledged recovery industry in Hong Kong, and that land, capital and technical assistance from the Government is needed at the initial stage.

The second example is the handling of waste glass bottles. According to statistics, the daily volume of waste glass bottles disposed of at our landfills in the past decade was about 250 tonnes, estimated to be 3% of the daily disposal volume of municipal solid waste in Hong Kong. However, it is impossible to adopt one single approach of recovering and recycling waste glass bottles. For example, computer monitors or television screens all contain such harmful substances as lead or mercury, so the toxins must first be removed, and toughened glass should not be handled together with ordinary glass. On the other hand, however, waste glass can be used in various types of construction materials after technical treatment, one example being eco-pavers. Obviously, waste glass bottles and waste electrical and electronic equipment are similar, in the sense that their handling invariably requires higher costs and higher levels of technology. I think the Government should provide financial incentives, including assistance measures on land, capital and technology, so as to assist the industry in developing modern recycling facilities and materialize the implementation of producer responsibility schemes.

As the representative of the engineering sector in the legislature, I have quite a lot of connections with the environmental industries. Another role of mine is the Chairman of the Hong Kong Green Strategy Alliance (HKGSA), a non-profit making body set up as a forum where academics, the industrial and commercial sectors and various professionals having both visions and commitment can offer professional advice and approaches on topics, projects, technologies, policies and strategies related to environmental protection and sustainable development for the purpose of tackling the environmental issues in Hong Kong and nearby places. The HKGSA organizes various activities from time to time, one example being the Seminar on Waste Management held in June. Some small and medium enterprises (SMEs) in the sector have reflected to me that sometimes, they may have some feasible green-tech projects, such as the

conversion of domestic garbage into energy, but when they try to promote such projects to the relevant government departments, they are often treated with indifference and faced with various obstacles. I understand that when it comes to the procurement of technological projects, government departments must exercise prudence in order to ensure the proper use of public funds. But I also think that the SAR Government is obligated to squarely address the business operation difficulties of the sector and seek to offer them assistance in various ways.

Therefore, I urge the authorities to assist in the establishment of a "centre for industrialization and development of environmental protection technologies". This centre can serve as an authoritative and independent third party in providing a series of services in technological support, vetting new technologies and consultation. At the same time, this centre can also make optimal use of Hong Kong's advantages, such as its well-developed legal system, world-class intellectual property protection regime and trustworthy professional services, so that our recovery and recycling services can be extended to the Greater Pearl River Delta region to support the development of environmental technologies and the vetting of new technologies over there. That way, we will be able to promote inter-regional technological transfer and co-operation, thereby seizing the new opportunities for the environmental industries in Hong Kong.

President, the promotion of the waste recycling industry cannot possibly depend on Hong Kong alone. Rather, regional co-operation must be promoted in order to achieve twice the result with half the effort. Therefore, another proposal put forward by me in my amendment is to urge the SAR Government to assist the industry in the non-local sale of local green products and technologies, so as to promote a "regional circular economy", and enhance our co-operation with the Mainland in the areas of waste recovery, handling and recycling, and so on.

The development of a circular economy is one of the major strategies set out in our country's National 12th Five-year Plan, and in June 2012, Hong Kong, Guangdong and Macao jointly announced the "Regional Co-operation Plan on Building a Quality Living Area" designed to develop a low-carbon, high-tech and low-pollution city cluster marked by quality living. One of the focuses is to promote the development of an environmental protection industry and foster cross-sector co-operation in recycling and reuse. Guangdong, Hong Kong and Macao all carried out extensive public consultation to gauge the opinions of different sectors before formulating this dedicated plan. For this reason, we

should look seriously at the various co-operation proposals put forward under the plan, including: first, exploring the feasibility of setting up a regional co-operation committee on environmental industries for the Greater Pearl River Delta (PRD) region to leverage on the advantage of the policy on "pilot implementation" in Guangdong, with a view to creating a favourable environment for promoting the co-operation of environmental industries in the region; second, jointly driving the development of the eco-conference and exhibition trade in the region, and jointly recommending quality green technologies and products, so to establish a quality brand name for environmental industries in the region; third, setting up a professional website and promoting the establishment of an e-commerce platform for environmental industries in the Greater PRD region; fourth, exploring a new mode of cross-boundary co-operation in the reuse of recyclable materials through pilot projects; and fifth, jointly promoting the research and application of recycling technologies to upgrade the independent technological research capability of the "regional circular economy" in the Greater PRD region.

This dedicated plan puts forward some feasible proposals on implementation framework, policy emphasis, technological research and application and product sales. The three places have reached a tentative consensus on their co-operation in these areas. I think the SAR Government should strike while the iron is hot, and capitalize on the existing mechanism under the Hong Kong/Guangdong Co-operation Joint Conference, with a view to stepping up co-ordination and progress in this regard.

President, to effectively implement the 10-year blueprint for sustainable use of resources in Hong Kong, the authorities must progress with the times, and adopt a new vision for formulating policies and measures to promote the development of the waste recycling industry in Hong Kong, so that while a greater number of employment opportunities are created, social development can also be promoted on a sustainable basis.

President, with these remarks, I call upon Members to support my amendment.

**DR KENNETH CHAN** (in Cantonese): The motion topic today sounds very very grand. It is about the very long run, covering issues such as the waste recovery and recycling industry and employment opportunities. The two Members who spoke before me both touched upon these areas in great detail.

However, can the general public know clearly what they talk about? Will members of the public find it difficult to participate due to the abundance of technical terminologies? Nowadays, when we seek to promote our ideas and policies on environmental protection, developing the recovery and recycling industry and creating employment opportunities, we really must seek to reach the community. As suggested by the motto "Think Globally, Act Locally" which I mentioned when discussing the Committee stage amendment (CSA) to the Bill on air quality, we must think globally about the overall situation, and then consider what responsibility Hong Kong as a whole must fulfil as a member of the global village. However, at the same time, all in our society, including you and I, including the Secretary and Members, and even including the general public who are watching television now, must think about what we can do as individuals.

Let me therefore take this opportunity to first discuss the gist of the two proposals in my amendment today. First, I wish to see the implementation of waste reduction programmes at the community level. We may have all sorts of blueprints, visions, targets and benchmarks relating to the creation of employment opportunities, the development of different projects on the recovery industry or production lines, and so on, but if we do not implement them at the community level, if we do not seek to reach the community, many people like me will not know what to do, and are thus unable to pitch in or offer any assistance despite our wishes. But then, at the same time, we hear all sorts of messages, messages about "a city besieged by rubbish", about the big misery we will suffer if this or that proposal cannot be passed. Such a direction of discussions may not be helpful to the matter. President, that is why I say that waste recovery must be implemented at the community level, and every possible means must be worked out to facilitate the participation of residents and members of the public. To make territory-wide participation practicable and feasible, we must make available personnel with sole responsibility for taking forward promotion, education, monitoring and auditing measures.

It must be admitted that the urban design in Hong Kong is very complex, marked by a building density which is considered very high by the standards of Asian cities. In different local communities, public housing blocks, Home Ownership Scheme flats and private residential buildings are found. The village land lots in the New Territories, on the other hand, are marked by their respective characteristics, or by their respective challenges and difficulties, in other words. Given such a pattern, and since the actual circumstances of different places vary so greatly, we will understandably face various challenges when determining the locations, placement and designs of recovery facilities, not to mention the ways of

facilitating public participation in recovery schemes. Challenges must be overcome, unless we want to adopt a "one size fits all" approach that gives uniform treatment to Hong Kong Island, Kowloon and the New Territories. But can such uniform treatment, approach and measures really promote public participation or involvement in the development of the whole recovery and recycling industry or other industries, or provide the public with more employment opportunities? I for one am very doubtful. That is why I stress in the first point of my amendment that we must carry out promotion, put in place different designs and undertake different auditing work at the community level.

The second point of my amendment stresses the ratio of waste separation bins to rubbish bins. President, on this issue, Members may have some recollection. On different occasions in the business of this legislature — meetings of the Panel on the Environment, and oral question times or questions for written reply in Legislative Council meetings — Members have been asking the Administration to tell us the relevant ratio, that is, the ratio of waste separation bins (four-coloured or three-coloured ones) to ordinary rubbish bins. For reasons unknown, it seems that the Government is not very clear, or is unwilling to give a clear answer. Whatever the case may be, this is not something that should happen. Some green groups have thus done their own surveys in the streets. But there may be problems with their statistics. In one such case, the ratio worked out is 20:1, meaning that for every 20 ordinary rubbish bins, there is one set of three-coloured or four-coloured waste separation bins. Another ratio is 30-odd ordinary rubbish bins to one set of coloured waste separation bins, which is even more alarming.

I hope that the Government can tell us the relevant ratio clearly and accurately later on. I think it is important for the Government to be frank and honest on this. Why do I say so? President, several days ago, after the 1 July rally, I sort of became a waste recovery worker — a waste recovery worker, not an operator. I already had three plastic water bottles in my own backpack, but some of my friends, who were in a hurry to go, still handed their water bottles to me, saying, "Kenneth, why don't you walk around in the vicinity, over there to the Legislative Council Complex, and see if you can find any waste separation bins to put these bottles in for me?" So, I walked on and on carrying nearly 10 water bottles, and it was after quite a while that I eventually found a set of waste separation bins to put the bottles in. My concern is that after parades and marches, waste separation bins are usually filled to capacity. We can thus see that there may be something wrong with our present approach. Even I myself must carry used plastic bottles back home or to a place that I am more familiar

with before I can take part in the recovery process as an ordinary citizen. Therefore, I think a review in this regard must be conducted as soon as possible. On the basis of existing waste recovery facilities, the Government must consider holding discussions with District Councils and owners' corporations or estate management companies on stepping up waste recovery services and facilities.

I live in a village house in Tai Po. The Secretary cannot possibly be unaware that the waste separation bins and rubbish bins near village houses are often rummaged, and all the things inside are strewn all over afterwards. Well, you may say that this is one kind of employment opportunity. But the scene afterwards really makes nearby residents very uncomfortable. I think the whole monitoring arrangement needs a lot of improvement. Therefore, the first part of my amendment points out that it is necessary to conduct proper auditing, monitoring and design at the community level.

The Secretary is probably also aware that this morning, people from a green group, Friends of the Earth, put almost 1 000 plastic bottles outside the Central Government Complex not far from here as an indictment of our sending 2 500 tonnes of recoverable and recyclable materials every day to the landfills. Ever since I joined the legislature, I have been very concerned about the recovery of wood, not because I have any special liking for wood, but because I know that in all construction sites, in the Hong Kong Book Fair and the Animation, Comics and Games Expo to be held later at the Hong Kong Convention and Exhibition Centre in Wan Chai, there are lots of plywood sheets and wooden materials that can be recovered and reused. However, where do they end up? Again, in landfills. All this is very exasperating.

President, just now, some Members mentioned the blueprint put forward by Secretary Sarah LIAO of a former Government in 2005. Secretary WONG Kam-sing is now talking about this blueprint once again. How concerned, how serious, and how committed is the Government regarding this issue? Of course, verbally, it will be forever assuring, and the public will not be given any alternative answers. However, the real answers are only too concrete and obvious in the streets and in our daily life. The examples I mentioned just now can show that we really must overhaul our environmental industries or policies on environmental industries.

The Government often talks about "big market, small Government", so if it talks about formulating a proper industrial policy, people will be scared, asking,



"Is the Government going to step in and interfering with market operation? Is it going to commit huge resources?" The answer is yes. Intervention is necessary. We cannot avoid this problem. Regarding the recovery of low-value materials, or those processes and recovery trades which the market still fails to provide even after a long period of time, it is really necessary to commit resources. According to the figures of the Census and Statistics Department, in 2011, the added value created by environmental industries was \$6.5 billion, accounting for 0.3% of the GDP, and a growth of 16.3% when compared with the added value of \$5.6 billion in 2010. Those engaged in environmental industries in 2011 accounted for 1.1% of the working population. Since the proportions are so small, performance is naturally very poor. The growth rates in such places as China and even Austria are far higher than ours.

President, the Secretary and I are both academic people, so with all prudence and sincerity of purpose, let me advise him to study the experience of other places around the world. In the case of France, for example, the "Grenelle Environnement" was held in May 1968. In 2007, the then President of France, Nicolas SARKOZY, once again raised the idea of convening a meeting at which civil society, the academic circle and Members of Parliament were to sit together as equals to propose blueprints on such policy areas as the environment, energy sources and agriculture in France. In the end, the blueprints were affirmed by the National Assembly and Senate of the French Parliament. Such a round table approach may be of help to this present Government in resolving the present impasse.

I so submit.

**MR GARY FAN** (in Cantonese): President, I thank Mr KWOK Wai-keung for moving this motion today, so that Members belonging to various political parties and groupings in the Legislative Council can propose and discuss various policies on environmental protection and waste recovery.

The Neo Democrats agrees to most of the measures proposed in the original motion. We have only proposed several technical amendments, including encouraging the industry to increase the recycling and reuse of construction waste, increasing the number of recycling bins by the roadside and in public facilities and researching on regulating the "excessive packaging" of retail products.

President, up to now, the targets of municipal solid waste management proposed by the SAR Government in 2005 have not yet been attained. There are of course many reasons for this, including the very slow pace of implementing producer responsibility schemes. In Hong Kong, the strength of implementing the waste management policy is extremely insufficient, thus making us unable to cope with the ever increasing solid waste nowadays. For many years, the Government has relied too much on landfills as an end-of-pipe method for handling municipal solid waste, neglecting various other policy tools such as resource recovery, waste reduction at source and the implementation of producer responsibility schemes. As a result of the Government's inappropriate waste management policy, the problem of handling municipal solid waste is inflicted on local communities in Hong Kong, leading to the endless extension of landfills and thus the impasse we face nowadays.

President, it was not until May this year that the Government eventually introduced the long over-due 10-year blueprint for sustainable use of resources, which sets out for the first time various targets for reducing municipal solid waste per capita, together with the respective proportions of waste recovery, modern incineration and landfilling in the future. However, this blueprint still fails to address the problem of how recovered materials should be handled after recovery, nor does it respond to the aspirations of the recovery industry in Hong Kong. The result is that as reported by the press, some people have recently discovered that one outside contractor of the Government responsible for collecting waste from three-coloured waste separation bins has been dumping materials recovered for environmental protection at refuse collection points due to the lack of market value of the recovered waste. On the one hand, the Government encourages waste recovery; on the other, it does not make any efforts to support the recovery industry in Hong Kong, so in the end, waste recovered for environmental protection is still disposed of in landfills.

President, the Neo Democrats agrees to the necessity of introducing mandatory food waste recovery. At present, Hong Kong generates some 3 600 tonnes of food waste daily, one third of which comes from the commercial and industrial sector and the rest from households. The food waste generated by the commercial and industrial sector and households respectively account for 12% and 28% of all the municipal solid waste in Hong Kong. In recent years, the volume of food waste discarded by the commercial and industrial sector has even shown a trend of steady rises. For this reason, the Neo Democrats proposes the simultaneous introduction of mandatory food waste recovery in commercial premises and households, so as to achieve optimal results in waste reduction.

Over the years, the Government has failed to make adequate efforts in respect of its food waste recovery policy and the provision of hardware support. For example, the Government now plans to build two organic waste treatment facilities, but these facilities will only handle food waste from the commercial and industrial sector and will not cover household food waste recovery. At the same time, the Government has not put forward any centralized food waste collection schemes for individual districts and areas, and only relies on individual housing estates for collecting and handling food waste.

President, at present, Hong Kong's daily per capita generation of food waste is larger than the corresponding volumes in many of its Asian neighbours. Hong Kong's figure in this respect is 6.3 times higher than that of Shanghai, 1.6 times higher than that of Singapore, 1.7 times higher than that of South Korea and 2.6 times higher than that of Taiwan. At present, the volume of food waste recovered in Hong Kong only accounts for 3% of the total volume of food waste. Such a rate is extremely low.

For this reason, the Neo Democrats advises the Government to increase recovery facilities for food waste on building floors to facilitate the recovery of food waste by the public. At the same time, a policy on the centralized collection and disposal of food waste should be formulated to prevent food waste from being eventually disposed of in landfills. Mr WU Chi-wai's amendment proposes that food waste recovery centres be set up in the 18 districts of Hong Kong for the local handling of food waste. This should merit consideration by the Government and the Secretary.

President, the Neo Democrats also proposes that apart from providing proper support facilities for food waste recovery, the Government should also encourage the construction industry to increase the recycling and reuse of construction waste, so as to reduce the amount of construction waste disposed of at landfills. At present, the volume of construction waste accounts for 23% of all waste. If construction waste is reduced by 10% a year, the volume of waste disposed of at the landfills will go down by 120 000 tonnes per year. In fact, after processing, recovered construction and demolition materials can be used for laying subgrades, in drainage works, or for replacing low strength concrete. However, over all the years, the Government has never really attached any importance to the separation, recycling and reuse of construction waste. As a result, huge volumes of construction and demolition materials with reuse

potential are similarly sent to the landfills, thus wasting resources as well as our precious landfill capacity.

President, the third proposal in the amendment proposed by the Neo Democrats is to increase the number of recycling bins by the roadside and in public facilities, so as to encourage and facilitate public participation in waste recovery. At present, in many Mainland cities, such as Shenzhen and Guangzhou, all rubbish bins are divided into two halves, one for recoverable waste and the other for unrecoverable waste. In contrast, the rubbish bins in the streets of Hong Kong are not divided into separate parts for the collection of recoverable waste and unrecoverable waste, and the three-coloured waste separation bins placed in the streets are actually very small in number.

Last year, the Friends of the Earth conducted separate surveys on Hennessy Road in Wan Chai, Nathan Road in Kowloon and Kwong Fuk Road in Tai Po. It was found that on Hennessy Road, which is 1.8 km long, and on Nathan Road, which is 3.6 km long, there were only nine sets of three-coloured waste separation bins; on Kwong Fuk Road, which is 1 km long, there was even only one set. On the other hand, the distance between two rubbish bins was 20 m on average. It can thus be seen that the number of waste separation bins by the roadside and in public facilities is inadequate and cannot encourage Hong Kong people to take part in waste recovery. For an international city like Hong Kong, the presence of only one set of waste separation bins per kilometre is really something hardly imaginable.

President, lastly, the Neo Democrats urges the Government to study the regulation of "excessive goods packaging" to encourage simple goods packaging. In recent years, some manufacturers have gradually introduced simple goods packaging voluntarily because of cost and environmental considerations. However, we notice that an even larger number of manufacturers do not have such awareness. A green group once conducted a random survey of over 100 types of snacks in supermarkets. It was found that in the case of gum drops, while each gum drop was separately wrapped, there was still a "plastic tray" to hold each candy inside the separate wrapping. Another example is this bag of rice biscuits with covered logo which I am holding`. There are 100 rice biscuits inside the whole bag. How many wrapping bags must be used in this case? Two rice biscuits are packed inside one small wrapping bag, so totally 51 wrapping bags must be used. I think that this is unacceptable and actually produces very deep impact on the environment of Hong Kong. Therefore, in the

long run, the regulation of "excessive goods packaging" by the Government will help reduce the total volume of waste in Hong Kong.

President, as an elected representative of the people, I am duty-bound to remind the Government that it should adopt a more progressive waste recovery policy to defer any landfill extension, rather than clinging to its present policy of putting the cart before the horse, of using the time made available by landfill extension to make gradual improvement to the waste recovery policy.

President, with these remarks, I hope that other Members can support my amendment. Thank you.

**MS CYD HO** (in Cantonese): President, as early as 2009, a certain Policy Bureau already applied to this Council for an extension of the Tseung Kwan O Landfill. At that time, the Government proposed an extension of 5 hectares, and a very roundabout approach was adopted. The Government proposed to redraw the approved plan under the Country Parks Ordinance. The environmentalists in the legislature naturally opposed the encroachment of the country park by the landfill. Residents likewise voiced their opposition.

It was July at that time. We put forward a proposal to the Government at one meeting, asking it to introduce various improvement measures: the provision of vehicle-washing facilities at landfills for ensuring that no refuse collection vehicles (RCVs) would leave the landfills with any remaining waste; assistance in washing Wan Po Road in Tseung Kwan O; and retrofitting RCVs for the purpose of converting the design of all RCVs with dripping problem to the enclosed type. In the end, when the Government re-applied to this Council in October, we found that not one single measure had been implemented. That means that even after three months, the Government still could not find even 10 spaces for the overnight parking of RCVs. As a result, RCVs could only continue to park near LOHAS Park. Worse still, the Government even attempted to steamroller the Legislative Council and asserted that it had no power to amend the subsidiary legislation, in the hope of forcing the relevant amendments through this Council. But this caused a constitutional crisis instead. Initially, not many Members opposed the amendments, but in the end, the great majority of Members cast negative votes, thus forcing the Government to withdraw the relevant amendments.

Now, three years on, the Government has still not adopted any measure in this regard. Today, Members can still hear officials from the Environmental Protection Department say that \$20 million would be allocated to provide assistance in retrofitting RCVs into the enclosed type design. They already put forward this proposal in 2009, and they are only playing the same old tune this year. Secretary, in that case, how can Members believe the Government's promises?

Admittedly, the present Secretary for the Environment is new to the job and we should not blame him for things connected with his predecessor, but one point which must be raised here is that the Government has since undergone no change; it is still not returned by election; and it is still run by the very same ruling coalition. It was already like this three years ago. Today, three years later, if the Government still has not made any concrete efforts or honour its promises, it will be difficult to win the trust of the residents concerned and the legislature.

What kind of impasse are we facing now? The present situation is that three landfills will reach full capacity one after another. If the information provided by the Government is correct, the three landfills will reach full capacity in 2015, 2017 and 2019 successively. However, what is the political reality? There are voices of opposition in all districts because the Government has failed to promote large-scale waste recovery and recycling for so long. No one wants to see endless landfill extension, or the heaping of rubbish near their own homes.

President, if you visit the North East New Territories (NENT) Landfill, you will find that the environment there is quite terrible. In fact, you do not need to go there personally. Just visit the coffee shop operated by a social enterprise at the Central Government Complex, and you will get an idea because on the wall of the coffee shop, there is a very large photograph showing how environment at the NENT Landfill is like, how several hills are covered by rubbish down from their tops. I once went to the NENT Landfill for a site visit and right after doing so, I "surrendered", because I believe that constructing an incinerator will be better. Hong Kong simply cannot continue to rely on landfilling indefinitely. I think that the present government proposal to reduce the proportion of waste disposal at landfills from 52% to 22% is not ambitious enough.

There are four methods of waste disposal. The first is landfilling, but landfilling is not as preferable as incineration; incineration is not as preferable as

waste recovery and recycling; and waste recovery and recycling is not as preferable as reducing waste at source. All these four methods are indispensable.

Here, I wish to tell the public that Hong Kong must have landfills, and there are no alternatives. Even if all of us support waste recovery and recycling, we should realize that after two rounds of recycling, no waste can be recycled any further, in which case incineration will be the only choice. And, after incineration, we must eventually identify a site to set up a landfill to accommodate the ashes. But still, if we can step up waste recycling and reduction, we may be able to avoid the need for landfill extension once every decade, and political rows can be avoided as a result. In addition, landfills also incur huge costs. Apart from construction costs, there are also operating costs and also the costs of repairs and maintenance after a landfill has reached full capacity.

So far, 13 landfills in Hong Kong have been shut down following their saturation. In fact, the residents of many districts have had to put up with the stench emanating from landfills as, well, part of their civic responsibility. These landfills are the Sai Tso Wan Landfill in Kowloon East, the Jordan Valley Landfill, the Gin Drinkers Bay Landfill next to the Kwai Tsing Theatre in Kwai Chung and 10 other landfills. After a landfill has been saturated and shut down, the site can only be used for leisure and recreational purposes, or for erecting light-weight building. A landfill spans an extensive area, often measuring several dozen hectares and even 200 to 400 hectares. Since Hong Kong is only a tiny place, we cannot let waste compete for land with people for long. Therefore, we must start to substantially reduce the proportion of waste disposal at landfills from this very moment on. The Labour Party proposes that the proportion should be no more than 5%. It also proposes that the proportion of waste recovery and recycling should be increased to 72%.

The Secretary says that it is difficult to do so, and that as shown by overseas experience, there are cases in which such proportions are still not attainable even after four decades of efforts. But in our case, of all the rubbish we now generate, paper accounts for 23%, plastic 19% and food waste 44%. They thus make up totally 85% of all our waste, and all of them can be recycled. I am only asking the Secretary to recover and recycle 72% of the waste — of course, I am not using the aforesaid 85% as the basis. The Secretary is shaking his head. He should give a response later.

In fact, this can be done as long as we have the determination. I hope all of us can reduce waste. In this regard, I strongly support the "Food Wise Hong Kong Campaign" taken forward by the Secretary. The music group "FAMA" was invited to rap the song in an announcement of public interest (API) — this is really the best API produced by the Government of late — and the lyrics "食得唔好嘍，要嘍唔好買 (Don't waste your food if you can eat it, don't buy it if you are going to waste it)" has become very much a jingle. I hope that the public can strongly support this campaign.

The volume of waste generated in Hong Kong is huge and in terms of percentage, it is 40% higher than that of Taiwan. If we can reduce waste at source, the pressure on waste recovery and recycling, incineration and landfilling can be eased significantly.

President, how can we attain the targets suggested by me just now? The Labour Party proposes that the Government should allocate an annual recurrent expenditure of \$2 billion to subsidize the development of the waste recovery and recycling industry. The authorities cannot just engage in empty talks; rather, it must draw up specific arrangements and an implementation timetable. Therefore, in the last two rounds of voting, the Labour Party urged the Government to promise to allocate \$2 billion. But so far, the Government has not yet come up with any definite proposal. For this reason, at the meeting of the Public Works Subcommittee last week, I abstained from voting, and my aim was to give some time to the Secretary, so that he can explore with the Financial Secretary when the \$2 billion can be allocated. If he cannot give us an answer by Friday, I am sorry that I will cast a negative vote.

Government officials often say that the Government is guided by a set of fiscal principles, so it cannot possibly allocate \$2 billion without any reasons. What fiscal principles are they talking about? Two years ago, having averred unequivocally that the Budget could not be revised, the Financial Secretary soon handed out some \$32 billion after less than two weeks. What fiscal principles has the Government been following? It refuses to do what it should do, and does not allocate funds that should be allocated.

President, I hope the Government can discard its old mindset and stop following such outdated ideas as "self-financing" and "the industry pays". It must take forward the relevant tasks through inter-departmental co-operation. The Secretary for Financial Services and the Treasury, as well as the Financial



Secretary, must discard their over-cautious and myopic "fiscal rules". The Secretary for Development must assist in identifying suitable sites; the Secretary for Transport and Housing and the Director of Architectural Services should require buildings to provide waste handling facilities when approving development plans and reserve space in government buildings for setting up second-hand shops, so that the resources kept by the public and the "rubbish" they discard can be recycled, and through second-hand shops, the poor can be supported and the materials discarded by the wealthy can be given to poor families.

President, recently, the Chief Secretary for Administration has recently said that she wants to establish a high-level committee. I hope this committee can launch its work immediately. Whether the funding application on Friday can be approved, the Government must launch the relevant work immediately, because at present, what requires urgent handling is not just the issue of voting but also the waste problem. Most importantly, the authorities should promote the reduction of waste at source as soon as possible, provide large amounts of subsidy to the waste recovery and recycling industry, and also allocate funds for creating green employment opportunities.

Thank you, President.

## **SUSPENSION OF MEETING**

**PRESIDENT** (in Cantonese): It is now close to 10 pm and I suspend the meeting. Since the Chief Executive's Question and Answer Session will take place from 9.30 am to 11 am tomorrow, the meeting will resume at 11.30 am to continue to deal with the remaining items on the Agenda for this meeting.

*Suspended accordingly at one minute to Ten o'clock.*

## Arbitration (Amendment) Bill 2013

**Committee Stage**Amendments moved by the Secretary for Justice

<u>Clause</u>	<u>Amendment Proposed</u>
1	<p>By deleting subclause (2) and substituting—</p> <p>“(2) Subject to subsection (3), this Ordinance comes into operation on the day on which it is published in the Gazette.</p> <p>(3) Sections 3, 9(1), 18 and 22(3), (6) and (9) come into operation on a day to be appointed by the Secretary for Justice by notice published in the Gazette.”.</p>
4	<p>By deleting the clause and substituting—</p> <p><b>“4. Section 5 amended (arbitrations to which this Ordinance applies)</b></p> <p>Section 5(2)—</p> <p style="padding-left: 40px;"><b>Repeal</b></p> <p style="padding-left: 40px;">“sections 20, 21,”</p> <p style="padding-left: 40px;"><b>Substitute</b></p> <p style="padding-left: 40px;">“this Part, sections 20 and 21, Part 3A, sections”.”.</p>
5	<p>In the proposed section 22B(2)(a), in the Chinese text, by deleting “現狀;” and substituting “原狀;”.</p>
20	<p>By adding “Myanmar” after “Liechtenstein”.</p>
20	<p>In the Chinese text, by deleting “聖多美及普林西比島” and substituting “聖多美和普林西比”.</p>

## Annex II

Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment)  
Bill 2012

## Committee Stage

Amendments moved by the Secretary for Financial Services and the Treasury

<u>Clause</u>	<u>Amendment Proposed</u>
4	In the proposed Schedule 17A, by deleting “27]” and substituting “29]”.
4	In the proposed Schedule 17A, in paragraph (d) of the Note, by deleting “11” and substituting “11A”.
4	In the proposed Schedule 17A, in section 1(2), in the definition of <i>investment return</i> , by deleting paragraph (b) and substituting— “(b) in relation to a lease arrangement or a profits sharing arrangement, means the investment return calculated in accordance with section 10 of this Schedule;”.
4	In the proposed Schedule 17A, in section 1(2), in the definition of <i>investment return</i> , in paragraph (c), by deleting the full stop and substituting “; and”.
4	In the proposed Schedule 17A, in section 1(2), in the definition of <i>investment return</i> , by adding— “(d) in relation to an agency arrangement, means the investment return calculated in accordance with section 11A of this Schedule;”.
4	In the proposed Schedule 17A, in section 1(2), by adding—

*“special purpose vehicle* (特定目的工具), in relation to any scheme or schemes, means a corporation, partnership or any other entity that—

- (a) is established solely for the purposes of the scheme or schemes (as the case requires); and
- (b) does not carry on any trade or activities except for the purposes of the scheme or schemes (as the case requires).”.

4 In the proposed Schedule 17A, in section 2(3)(b), by deleting “incorporated, constituted or acquired solely for the purposes of” and substituting “a special purpose vehicle for”.

4 In the proposed Schedule 17A, in section 2(4)(a), by deleting “3(2)” and substituting “3(2)(b)”.

4 In the proposed Schedule 17A, in section 3(1), by deleting “person incorporated, constituted or acquired solely for the purposes of” (wherever appearing) and substituting “special purpose vehicle for”.

4 In the proposed Schedule 17A, in section 3(1)(b), by deleting “that person” and substituting “that special purpose vehicle”.

4 In the proposed Schedule 17A, in section 3(4)(b)(i) and (ii), by deleting “(2)” and substituting “(2)(b)”.

4 In the proposed Schedule 17A, in section 6(2)(a)(ii)(B), by deleting “and” and substituting “or”.

4 In the proposed Schedule 17A, in section 6(3)(a)—

- (a) by deleting “from the originator”;
- (b) by adding “from the originator” after “(2)”.

- 4 In the proposed Schedule 17A, in section 6(3)(c)—
- (a) by deleting “to the originator”;
  - (b) by adding “to the originator” after “(2)”.
- 4 In the proposed Schedule 17A, in section 7(1)(a)(ii)(B), by adding “only” after “skills”.
- 4 In the proposed Schedule 17A, in section 9(1)(c), by deleting “a fixed agency fee or an incentive fee” and substituting “an agency fee or an incentive fee, or both”.
- 4 In the proposed Schedule 17A, by deleting section 10 and substituting—
- “10. Lease arrangement and profits sharing arrangement—investment return**
- (1) This section applies to a specified investment arrangement that is—
    - (a) a lease arrangement; or
    - (b) a profits sharing arrangement.
  - (2) The investment return paid or payable under a specified investment arrangement to which this section applies in a period in the specified term is to be calculated in accordance with the following formula—
$$A + B - C + D - E$$
  - (3) If the formula is used for calculating the investment return paid under a specified investment arrangement in the period—

A means—

    - (a) for a lease arrangement, the total amount of specified income (referred to in section 6(1)(c) of this Schedule) paid under the arrangement in the period, plus any amount regarded under subsection (5)(b) as specified income paid under the

- arrangement in the period; or
- (b) for a profits sharing arrangement, the total amount of specified return (referred to in section 7(1)(d) of this Schedule) paid under the arrangement in the period;
- B means the specified proceeds of disposal paid under the arrangement in the period;
- C means the specified acquisition cost paid under the arrangement in the period;
- D means the total amount of any other sums paid by the originator to the bond-issuer under the arrangement in the period;
- E means—
- (a) for a lease arrangement, nil; or
- (b) for a profits sharing arrangement, the total amount of any incentive fee (referred to in section 7(1)(e) of this Schedule) that is paid by the bond-issuer to the originator under the arrangement in the period.
- (4) In this section, in relation to a specified investment arrangement in a specified alternative bond scheme—
- full redemption of bonds* (全額贖回債券) means full redemption or cancellation of the alternative bonds under the bond arrangement in the scheme;
- partial redemption of bonds* (局部贖回債券) means partial redemption or cancellation of the alternative bonds under the bond arrangement in the scheme;
- specified acquisition cost* (指明取得成本), in relation to a period in the specified term, means the sum specified in paragraph (a) or (b) or the total amount of the sums specified in paragraphs (a) and (b) (as the case requires)—
- (a) if the specified proceeds of disposal is wholly or partly attributable to the consideration for the disposal of an asset as, or as part of, the specified asset—the acquisition cost or the part of the acquisition cost attributable to the asset disposed of (as the case requires);
- (b) if the specified proceeds of disposal is wholly

or partly attributable to the money deemed under subsection (5)(c)(ii) to be the consideration for the deemed disposal of an asset as, or as part of, the specified asset—the acquisition cost or the part of the acquisition cost attributable to the asset deemed to be disposed of (as the case requires);

*specified proceeds of disposal* (指明處置所得), in relation to a period in the specified term, means the sum specified in paragraph (a) or (b) or the total amount of the sums specified in paragraphs (a) and (b) (as the case requires)—

- (a) the consideration for the disposal of an asset as, or as part of, the specified asset if the consideration is used for full or partial redemption of bonds in the period;
  - (b) the money deemed under subsection (5)(c)(ii) to be the consideration for the deemed disposal of an asset as, or as part of, the specified asset.
- (5) If an asset (*asset A*) that is or forms part of the specified asset under a lease arrangement is destroyed or lost—
- (a) the money arising from the destruction or loss is the total amount of the following—
    - (i) any insurance money or other compensation of any description arising in respect of the destruction or loss;
    - (ii) any consideration received for the disposal of any remains left of asset A after the destruction or loss;
  - (b) if in a period—
    - (i) the money arising from the destruction or loss is received by the bond-issuer but is not used for full or partial redemption of bonds; and
    - (ii) the money or part of it is not used for any acquisition of an asset as, or as part of, the specified asset referred to in section 6(2)(a)(ii) of this Schedule,

then the unused money or part is to be regarded as specified income paid under the arrangement in the period for the purposes of

- subsection (3); and
- (c) if the money arising from the destruction or loss is received by the bond-issuer who uses the money for full or partial redemption of bonds in a period, then—
    - (i) asset A is deemed to be disposed of in the period; and
    - (ii) the money arising from the destruction or loss is deemed to be consideration for the deemed disposal of asset A in the period.
  - (6) If the formula is used for calculating the investment return payable under a specified investment arrangement in the period, then subsections (3), (4) and (5) apply with necessary modifications including—
    - (a) paid is to be read as payable;
    - (b) disposed of is to be read as to be disposed of;
    - (c) received is to be read as receivable; and
    - (d) used is to be read as to be used.”.

4 In the proposed Schedule 17A, in the Chinese text, in section 11(2) and (3), by deleting “公式” and substituting “上述公式”.

4 In the proposed Schedule 17A, in Division 2, by adding—

**“11A. Agency arrangement—investment return**

- (1) The investment return paid or payable under an agency arrangement in a period in the specified term is to be calculated in accordance with the following formula—

$$A + B - C$$

- (2) If the formula is used for calculating the investment return paid under an agency arrangement in the period—

A means the total amount of specified return (referred to in section 9(1)(c) of this Schedule) paid under the arrangement in the period;

B means the total amount of any other sums paid by the originator to the bond-issuer under the



arrangement in the period;

C means the total amount of any agency fee and incentive fee (referred to in section 9(1)(c) of this Schedule) that is paid by the bond-issuer to the originator under the arrangement in the period.

(3) If the formula is used for calculating the investment return payable under an agency arrangement in the period, A, B and C have the meaning given by subsection (2), except that a reference in that subsection to paid is to be read as payable.”.

4 In the proposed Schedule 17A, in the Chinese text, in section 13(6) and (7), by deleting “公式” and substituting “上述公式”.

4 In the proposed Schedule 17A, in section 21(4)(a), by deleting “affecting section 7(3)(b) of this Schedule” and substituting “limiting subsection (3)(a)”.

4 In the proposed Schedule 17A, in section 23(1), by deleting “This section applies” and substituting “Subsections (2), (3) and (4) apply”.

4 In the proposed Schedule 17A, in section 24(1), by deleting everything after “person” and substituting—

“who makes a BA claim or IA claim in relation to an arrangement in a scheme (*alleged specified alternative bond scheme*) for the purposes of ascertaining the assessable profits of the trade, profession or business for any year of assessment.”.

4 In the proposed Schedule 17A, by deleting section 26(8) and substituting—

“(8) Despite subsection (7), if—

(a) a specified assessment is made for a year of assessment because of the disqualification of an accepted arrangement; and

(b) a person makes an objection under section 64 of this Ordinance against the specified assessment, disputing the disqualification,

the objection is to be regarded as objections so made by the person against all specified assessments made for all years of assessment because of that disqualification.”.

6 By deleting subclause (2) and substituting—

“(2) A relevant instrument is to be regarded as a debt instrument within the meaning of section 14A of the IRO in relation to a year of assessment to the extent to which it would have been such a debt instrument if paragraph (g) of the definition of *debt instrument* in subsection (4) of that section, as amended by subsection (1) of this section, had always been in force.”.

6 By adding—

“(2A) If, for the purposes of an assessment made before the date of commencement of subsection (1), a relevant instrument was regarded as a debt instrument within the meaning of section 14A of the IRO, the assessment is to be regarded as valid to the extent to which it would have been valid if paragraph (g) of the definition of *debt instrument* in subsection (4) of that section, as amended by subsection (1) of this section, had always been in force.

(2B) For the purposes of subsections (2) and (2A)—

*IRO* (《條例》) means the Inland Revenue Ordinance (Cap. 112);

*relevant instrument* (相關票據) means an instrument issued on or after 24 May 1996 but before 14 November 2003.”.

17 By deleting “89(9)” and substituting “89(10)”.

17 In the proposed section 89(10)—

(a) by deleting “(10)” and substituting “(11)”;

(b) by deleting “Schedule 27” and substituting “Schedule 29”.

18 In subclause (1), by deleting “27]” and substituting “29]”.



- 21 By adding after the proposed section 47G(1)—
- “(1A) If the operation of subsection (1) will result in the agreement or conveyance not being chargeable with special stamp duty under head 1(1B) or 1(1AA) in the First Schedule, security must be given to the satisfaction of the Collector for the payment of—
- (a) the special stamp duty that, but for subsection (1), would have been chargeable on the agreement or conveyance; and
  - (b) other amounts that, but for subsection (1), would have been payable under this Ordinance.
- (1B) If the operation of subsection (1) will result in the agreement or conveyance being chargeable with special stamp duty under head 1(1B) or 1(1AA) in the First Schedule of an amount that is less than the amount that would have been chargeable but for subsection (1), security must be given to the satisfaction of the Collector for the payment of—
- (a) the amount by which the special stamp duty chargeable will be reduced by the operation of subsection (1); and
  - (b) the excess of the amounts (other than the special stamp duty) that, but for subsection (1), would have been payable under this Ordinance over the amounts (other than the special stamp duty) that will be payable with the operation of subsection (1).”.

21 In the proposed section 47G(2)(a) and (b), by deleting “this section” and substituting “subsection (1)”.

21 In the proposed section 47H(1)(a)(ii), by adding “respectively” before “the originator”.

21 In the proposed section 47H(2)(b)(ii), by deleting everything after “pay” and substituting “to the Collector, by way of stamp duty, an amount equal to the stamp duty that would have been chargeable on the instrument had the relief not been granted;”.

- 21 In the proposed section 47H(2)(b)(iii), by deleting everything after “pay” and substituting—
- “to the Collector, by way of stamp duty, an amount equal to—
- (A) for an agreement or a conveyance that is not chargeable with special stamp duty because of the relief—the special stamp duty that would have been chargeable on the agreement or conveyance had the relief not been granted; or
- (B) for an agreement or a conveyance that, because of the relief, is chargeable with special stamp duty of an amount that is less than the amount that would have been chargeable but for the relief—the amount by which the special stamp duty chargeable is reduced because of the relief; and”.
- 21 By deleting the proposed section 47H(2)(b)(iv).
- 21 In the proposed section 47H(2)(b)(v), by deleting “stamp duty referred to in subparagraph (ii) or (iii) must be payable” and substituting “amount payable under subparagraph (ii) or (iii) must be paid”.
- 21 In the proposed section 47H(3), by deleting “If the amount referred to in subsection (2)(b)(iv)” and substituting “If the amount payable under subsection (2)(b)(ii) or (iii)”.
- 21 In the proposed section 47H(3)(c), by deleting “the amount referred to in subsection (2)(b)(iv)” and substituting “an amount equal to the amount payable under subsection (2)(b)(ii) or (iii)”.
- 30 By deleting subclause (3) and substituting—
- “(3) Section 45(5A)(c)—

**Repeal**

everything after “instrument”

**Substitute**

“had relief not been granted under this section;”. ”.

**Annex III**

## Air Pollution Control (Amendment) Bill 2013

**Committee Stage**Amendment moved by the Honourable Dennis KWOKClauseAmendment Proposed

5

[NEGATIVED]

By deleting the proposed section 7A(4) and substituting –

“(4) While a review is being carried out under subsection (2), the Secretary shall consult the Advisory Council on the Environment and the Department of Health, and once the review is completed, submit to the Advisory Council on the Environment and the Department of Health a report of the review.”.





**Appendix I****WRITTEN ANSWER****Written answer by the Secretary for Food and Health to Ir Dr LO Wai-kwok's supplementary question to Question 3**

The International Commission on Non-Ionising Radiation Protection (ICNIRP) is an independent scientific commission. Its expert members do not represent either their countries of origin or their institutes in carrying out their voluntary work for the ICNIRP. Although the Department of Health (DH) has not directly participated in the setting of standards of the ICNIRP or other relevant international authorities, the DH will continue to pay close attention to the findings of researches on electromagnetic field-related health effects as well as relevant reports published by international authorities, including the World Health Organization and the ICNIRP. Meanwhile, the DH will also continue to provide professional advice to the Office of the Communications Authority as appropriate to safeguard public health.